

# About Federal Direct Loans

## Federal Direct Loans

International University of Nursing participates in the Federal Direct Loan Programs. Qualified US students may receive Federal Direct Loans and in school deferments while attending the school. A Step by Step Guide to the Application process is outlined below. Financial Aid staff are available to help you through the process. Please call us at 212 868 4720 or email [AskFinAid@IUON.org](mailto:AskFinAid@IUON.org)

### Eligibility for Direct Loans

In order to be considered for the Title IV Federal Funding, IUON students must meet the following federal student aid eligibility criteria:

- Must be a US citizen/permanent resident or eligible non-citizen
  - Must be in good academic standing
  - PLUS eligibility based on no adverse credit history
  - Clinical training must be completed at one of IUON's affiliated U.S. Partner Schools
- Type of Loans Offered by the Direct Loan Program Subsidized

This loan is for students with demonstrated financial need, as determined by federal regulations. No interest is charged while a student is in school at least half-time, during the grace period, and during deferment periods. Unsubsidized

This loan is not based on financial need; interest is charged during all periods, even during the time a student is in school and during grace and deferment periods. PLUS

PLUS loans are unsubsidized loans for the parents of dependent students and for graduate/professional students. PLUS loans help pay for education expenses up to the cost of attendance minus all other financial assistance. Interest is charged during all periods. See note: Credit Check and Endorser Alternative. Consolidation

Eligible federal student loans can be combined into one Direct Consolidation Loan. PLUS - Credit Check and Endorser Alternative

When you apply for a Direct PLUS Loan, the U.S. Department of Education will check your credit history. To be eligible to receive a PLUS loan, you must not have an adverse credit history. If you are determined to have an adverse credit history, you may still receive a Direct PLUS Loan if you obtain an endorser who does not have an adverse credit history. An endorser is someone who agrees to repay the Direct PLUS Loan if you do not repay the loan. If you are a parent borrowing on behalf of your dependent student, the endorser may not be the student on whose behalf a parent obtains a Direct PLUS Loan.

In some cases, you may also be able to obtain a Direct PLUS Loan if you document to our satisfaction that there are extenuating circumstances related to your adverse credit history. Repayment of Direct Loans

Student borrowers are not required to begin making payments until after they drop below half-time attendance. See When you Graduate or Leave School for more information.

Parent PLUS Loan borrowers whose loans were first disbursed on or after July 1, 2008, may choose to have repayment deferred while the student for whom the parent borrowed is enrolled at least half-time and for an additional six months after that student is no longer enrolled at least half-time. Interest Rates 3.4%

Direct Subsidized Loans for undergraduates with a first disbursement date between July 1, 2011, and June 30, 2012  
6.8%

Direct Subsidized Loans for graduate students and Direct Unsubsidized Loans for all students  
7.9% Direct PLUS Loans

[More About Interest Rates](#)

[Repayment Plans](#)

[Postponing Payments](#)

[Loan Cancellation and Consolidation](#)

[Glossary of Terms](#)   [Annual Loan Limits](#)

The maximum amount you can borrow each year in Direct Subsidized and Unsubsidized Loans depends on your grade level and on whether you are a dependent student or an independent student.

student2	1st-year undergraduate	Dependent student1
(\$3,500)	\$9,500	\$5,500
(\$3,500)	2nd-year undergraduate	\$6,500
(\$4,500)	\$10,500	
(\$4,500)	3rd- and 4th-year undergraduate	\$7,500
(\$5,500)	\$12,500	
(\$5,500)		

Notes: The numbers in parentheses represent the maximum amount that may be subsidized. The actual loan amount you are eligible to receive for an academic year is determined by your school and may be less than the maximum annual amounts shown in the chart.

1 - Except those whose parents are unable to borrow a PLUS loan.

2 - These limits also apply to dependent students whose parents are unable to borrow a PLUS loan. Aggregate (TOTAL) Loan Limits

- \$31,000 for dependent undergraduate students excluding those whose parents are unable to borrow a PLUS Loan (no more than \$23,000 may be subsidized)

- \$57,500 for independent undergraduate students and dependent undergraduates whose parents are unable to borrow a PLUS loan (no more than \$23,000 may be subsidized)

- \$138,500 for graduate or professional students (no more than \$65,500 may be subsidized; includes loans for undergraduate study)

These aggregate limits include both Direct Subsidized and Unsubsidized Loans and any subsidized and unsubsidized Federal Stafford Loans received through the Federal Family Education Loan (FFEL) Program.

With a Direct PLUS Loan, a graduate/professional student or the parent of a dependent student can borrow up to the cost of the student's attendance minus other financial aid the student receives.