The Department’s Mission is to provide services and programs to all Northeastern students in support of their financial education. Through the services provided, it is the Department’s intent to assist students in identifying important deadlines and funding suitable for their educational objectives. Through the programs provided, it is the Department’s intent to educate students on borrowing practices in the application process, creating a budget, tracking expenditures, managing student loan debt and saving over time. Federal Title IV and State-based financial aid programs will be administered with integrity in order to help as many students as funding will permit.

Borrowing Federal Direct Loans at Northeastern

This Federal Direct Loan information is intended for any Northeastern student that plans to borrow during the 2014-2015 award year. The award year covers the following semesters - Fall 2014, Spring 2015 and Summer 2015. Students/parents should complete the FAFSA Application for Federal Student Aid (FAFSA) along with the Federal Direct Loan Request Form in order to be considered for the William D. Ford Federal Direct Loan Program.

Northeastern requires new borrowers to complete an online entrance loan counseling session effective for five years and complete an electronic Master Promissory Note (eMPN) for their first Direct Loan. If you are a transfer student and received Direct Loans at another institution during the 2012-2013 award year, you may not be required to submit another eMPN.

The importance of reviewing your Federal Direct Loan Borrowing History:

• Borrowers have online access to their Direct Loan account information 24 hours a day, 7 days a week to review aggregate borrowing limits, default, bankruptcy history and service contact information.

Borrowers should contact their servicing loan servicers when they are close to exhausting their borrowing limits. This is important if you are planning to graduate within the next 6 to 12 months, transfers to another institution or plan to continue your education beyond the 2014-2015 award year. Borrowers are encouraged to monitor their borrowing limits and the debt they have accumulated throughout the year.

Federal Aid’s Mission

Financial Aid Office
Northeastern Illinois University
5500 North St. Louis Avenue
Chicago, IL 60625-4999

Phone: (773) 442-5016
Fax: (773) 442-0400
Email: Financial.Aid@neiu.edu
Website: www.neiu.edu

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Financial Aid Office Federal Direct Loan Processing Flow

Step One
- Review most recent award offer using MyNEIU under the Financial Aid Awards Channel.
- Complete and/or reissue loan counseling session - studentaid.gov (eligibility for FNS敏 other)
- Complete the electronic Master Promissory Note (eMPN) on the Direct Loan website - studentaid.gov (eligibility for FNS敏 other)
- Submit Federal Direct Loan Request Form

Step Two
- Federal Financial Aid Office certifies and transmits loan request to the federal processor for origination and delinquency.
- Once the loan is generated, student eligibility is verified as follows:
  1. eMPN complete
  2. enrollment for six (6) credit hours
  3. meeting minimum standards of academic progress
- Processing time: Approximately 3-14 business days

Step Three
- IN CASE OF BALANCE DUPLICATE
  - Accounts Receivable applies disbursement to loan. 
  - Loan Origination Fee charged
  - Processing time: Approximately 2-3 business days

Step Four
- IN CASE OF REFUND
  - Student Loan Department verifies student's eligibility and determines anything remaining on student's balance.
  - Processing time: Approximately 3-4 business days

Loan Type Definitions

- Federal Direct Subsidized Loan: The student is not responsible for the interest accrual during the time the student is enrolled at least half-time. The federal government pays the interest subsidies the student repays the principal only.
- Federal Direct Unsubsidized Loan: The student is responsible for the interest throughout the term of the loan. The student has the option to defer interest during the subsidized period; however, if interest is not paid, the interest accrues and is capitalized at the end of the grace period or upon loan repayment.
- Federal Direct PLUS Loan: A parent that has a good credit history may apply for a PLUS loan to pay for the educational expenses for the student, including the interest. The PLUS loan is available for the dependent student or the independent student.
- Federal Direct Stafford Loan: Stafford loans include both Subsidized and Unsubsidized Stafford loans. Subsidized Stafford loans are loans where the federal government pays the interest as long as the student is enrolled at least half-time. Unsubsidized Stafford loans are loans for students whose parents are not eligible for PLUS loans or do not wish to apply for PLUS loans.

The Language of Loans

- Origination Fee: An up-front fee charged by the U.S. Department of Education for processing a new loan application, used as compensation for putting the loan in place. Origination fees are counted as a percentage of the total loan and are generally between 3% and 5% on student-submitted loans.
- Principal: The total loan amount you borrow, excluding interest.
- Interest: The cost of borrowing money. Interest rates are fixed throughout the term of the loan. Interest accrues on this loan as long as the borrower is below half-time enrollment.
- Disbursement: Funds disbursed to the student's college account in the form of a check, electronic funds transfer (EFT), or direct deposit to the student's bank account. Disbursements are either automatic or manual.
- Promissory Note: A legal binding contract between you and the lender, which contains the conditions and terms under which the lender agrees to provide you with a loan.
- Grace Period: An extension of time during which loan repayment may be postponed.
- Deferment: Agreement initiated by the borrower requesting the extension of time during which loan repayment may be postponed or reduced.
- Default: Failure to repay your loan according to the terms agreed upon in the promissory note – generally delinquency beyond 270 days.

Cost of Attendance and How It Affects Your Loan Amount

The Cost of Attendance is viewable from the FINAID Awards channel in NEIUport. Based on actual enrollment for the current term and anticipated enrollment for the upcoming term, the budget line items are calculated and displayed. Financial aid – including grants, scholarships, tuition waivers and loans – cannot exceed the Cost of Attendance for the award year or terms indicated. This includes any external scholarships and alternate/private loans.

Federal Direct Subsidized Loan eligibility is determined by subtracting the Expected Family Contribution (EFC), grants, scholarships and tuition waivers from the Cost of Attendance. The federal government determines the student's financial need as current financial need. Please note that a student’s eligibility cannot exceed the federal Direct Subsidized Loan limits. The federal processor is interested in the student's academic progress. Northeastern Illinois University has a 3-year total default rate of 2.9%.

Maximum Annual Loan Limits:

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Subsidized Stafford</th>
<th>Unsubsidized Stafford</th>
<th>Stafford Consolidated</th>
<th>Direct Parent PLUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshman</td>
<td>$5,500</td>
<td>$2,000</td>
<td>$6,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Sophomore</td>
<td>$6,500</td>
<td>$2,000</td>
<td>$7,500</td>
<td>$37,500</td>
</tr>
<tr>
<td>Junior/Senior/2nd BA</td>
<td>$5,500</td>
<td>$2,000</td>
<td>$7,000</td>
<td>$26,250</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>$27,500</td>
<td>$23,000</td>
<td>$31,000</td>
<td></td>
</tr>
<tr>
<td>Graduate</td>
<td>$60,000</td>
<td>$55,000*</td>
<td>$65,000*</td>
<td>$138,500</td>
</tr>
<tr>
<td>Graduate/Professional/Masters degree seeking students are unable to borrow Federal Direct PLUS loans above $27,500/yr, $55,000* $65,000* $138,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Annual Loan Limit: Maximum amount per year to borrow based on the student's academic year and dependency status.

Bankruptcy: A legal proceeding in which the borrower’s property is seized and sold, and the proceeds used to pay the debt. The borrower is discharged of all the conditions and terms under which the lender agrees to provide the student with a loan.

Deferment: An extension of time during which loan repayment may be postponed or reduced. The lender agrees to suspend collection efforts during the deferment period.

Discharge: Agreement initiated by the borrower requesting the extension of time during which loan repayment may be postponed.

Disbursement: Funds disbursed to the student's college account in the form of a check, electronic funds transfer (EFT), or direct deposit to the student's bank account. Disbursements are either automatic or manual.

Grace Period: An extension of time during which loan repayment may be postponed.

Promissory Note: A legal binding contract between you and the lender, which contains the conditions and terms under which the lender agrees to provide you with a loan.

Subsidized Direct Loan: Loan for which the federal government pays the interest as long as you are enrolled at least half-time. The loan has a lower interest rate than the unsubsidized loan.

Unsubsidized Direct Loan: Loan for which you are responsible for all interest throughout the term of the loan.

Parent Loan for Undergraduate Students (PLUS) for Graduate/Professional Students (PLUS): The parent has the responsibility for borrowing money for the student. The parent has the option to extend the loan as a non-federally backed loan or through a federal loan program.

Servicer: An organization that provides all loan services, including loan repayment and customer service. Servicers are appointed by the U.S. Department of Education.

We wish you a successful year and thank you for making Northeastern Illinois University your college choice!