

CARLETON COLLEGE 2020–2021 • LOAN PROGRAMS AVAILABLE TO STUDENTS AND PARENTS

	FEDERAL DIRECT STAFFORD — SUBSIDIZED LOAN	FEDERAL DIRECT STAFFORD — UNSUBSIDIZED LOAN	FEDERAL DIRECT PLUS LOAN	MINNESOTA SELF LOAN	CARLETON'S PRIVATE ALTERNATIVE LENDERS
BORROWER	Student	Student	Parent	Student	Student or Parent
LOAN DESCRIPTION	Need Based	Non-Need Based	Non-Need Based	Non-Need Based	Non-Need Based
COSIGNER REQUIRED	No	No	No	Yes	Typically for students, not for parents
CREDIT CHECK	No	No	Yes	Yes	Yes
LENDER	U.S. Department of Education	U.S. Department of Education	U.S. Department of Education	State of Minnesota	Banks
INTEREST RATE	2.75% fixed ¹	2.75% fixed ¹	5.3% fixed ¹	2.6% variable ² 4.85% fixed ²	1.25%-9.46% variable ² 4.53%-11.85% fixed ²
ORIGINATION FEE	1.059% - Before 10/1/20 1.057% - On or after 10/1/20	1.059% - Before 10/1/20 1.057% - On or after 10/1/20	4.236% - Before 10/1/19 4.228% - On or after 10/1/20	None	None
ANNUAL LOAN LIMITS	\$3,500 – freshman \$4,500 - sophomore \$5,500 - junior - senior Combination of subsidized and unsubsidized cannot exceed Federal Direct Stafford Unsubsidized Loan limits.	\$5,500 - freshman \$6,500 - sophomore \$7,500 - junior - senior	Cost of education less other aid.	\$20,000/year as an undergraduate	Cost of education less other aid.
GRACE PERIOD	6 months	6 months	None	None	Varies
INTEREST PAYMENT	Interest paid by the federal government during in-school and grace periods. Interest begins to accrue at repayment.	Option 1: Arrange interest-only payments with lender. Option 2: Interest accrues and is added to loan balance when loan enters repayment (capitalized).	Interest begins to accrue with first disbursement of loan. 10-year repayment. Option 1: Begin interest and principal payments after loan fully disbursed. Option 2: Begin interest-only payments until student enrollment ceases. Option 3: Defer interest and principal payments until student enrollment ceases and interest is added to loan balance at the end of the deferment period (capitalized).	You need to pay interest every three months while you are in school. There is no penalty for early payment. You have two repayment options. Option 1: The Standard Plan requires monthly payment of principal and interest starting 13 months after you leave school or attend less than half-time. Option 2: The Extended Interest Plan allows you to continue with two more years of monthly interest payments before starting to repay the amount you borrowed. How long you have to pay off the loan depends on how much you borrow from the SELF program. The minimum payment is \$50 a month. You have up to 10 years to repay your loan if you borrowed less than \$20,000. If you borrowed between \$20,000 and \$40,000, you have 15 years. For \$40,000 or more, 20 years.	Interest begins to accrue with first disbursement of loan. Three common repayment options; not all available for each loan. Option 1: Interest and principal payments begin after loan disbursed. Option 2: Interest-only payments until enrollment ceases. Option 3: Defer interest and principal payments until enrollment ceases; interest is charged and added to loan balance. Repayment of principal balance may occur after a predetermined number of years even if still enrolled.
REPAYMENT & OTHER TERMS	6 months after full-time enrollment ceases, begin monthly payments of principal and interest. 10-year repayment.	6 months after full-time enrollment ceases, begin monthly payments of principal and interest. 10-year repayment.			
FEDERAL CONSOLIDATION ELIGIBILITY	Yes	Yes	No - Cannot consolidate Direct PLUS with Direct Stafford. Parent may, however, consolidate multiple PLUS Loans.	No - Cannot consolidate private alternative loans with federal loans	No - Cannot consolidate private alternative loans with federal loans.

For more information visit <https://studentaid.gov/understand-aid/types/loans/federal-vs-private>. Note: The Free Application for Federal Student Aid (FAFSA) must be filed for the above federal loan programs as well as the SELF Loan through the Minnesota Office of Higher Education. The proceeds of any Direct Stafford or PLUS loans received by the College will have the Origination Fee deducted. The College will apply the net proceeds to the student's account. The above chart represents loan programs sponsored by the U.S. Department of Education and private alternative loans from Carleton College's recommended lender list, and are described as of 6/29/20. It is possible that legislation for the federal or state loan programs may change. As of 10/1/15, Carleton's recommended lenders include: Minnesota Office of Higher Education, Sallie Mae, and Wells Fargo. Visit <http://go.carleton.edu/altloans> to compare and apply for loans from the College's list of recommended alternative lenders. Carleton students are encouraged to apply for federal loans first. If a student elects to borrow an alternative loan, the student may choose any alternative loan lender, even if not on Carleton's list.

¹ Federal Direct Loan interest rates are current as of 6/29/20. Interest rates are calculated using a base 10-year Treasury Note Index plus an add-on amount for each loan program. Each academic year, the interest rate for new loans can adjust based on changes to the base index.

² Interest rate ranges are for the loans on Carleton College's private alternative lender list. Interest rates can adjust monthly, quarterly, or yearly, and are current as of 7/1/20. Obtain the private alternative loan disclosures online at <http://go.carleton.edu/altloans>.