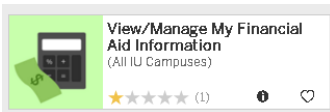


What Exactly is the Financial Aid Notification (FAN)?

The FAN serves as a notification that communicates your student loan eligibility for the academic year (AY) and shows the estimated loan amounts meeting the standard **Cost of Attendance (COA)**. You can view the COA detailed in the attachment provided so you can print it and have it for future reference. **The estimated financial aid notification may contain the following:**

- **Direct Loan (DL) Federal *Unsubsidized* Stafford Loan (up to \$20,500)** – This guaranteed funding source is available to you in an offer status to meet the COA. The loan accrues simple interest throughout your time as a student and for the six months grace after graduation (or separation from school). The interest rate is determined using the 10-year U.S. Treasury Bill plus 3.6% and becomes the loan's fixed rate for the loan's life. The interest rate for the academic year will be determined in late May and implemented on July 1st. The accrued interest capitalizes (adds to your overall principal balance) at repayment or 6 months grace period after graduation or separation from school. To learn more about the *Unsubsidized* Stafford Loans, go to <https://studentaid.ed.gov/sa/types/loans/subsidized-unsubsidized>.
- **DL Federal Additional *Unsubsidized* Stafford Loan (up to \$20,000)** – This guaranteed funding source has the exact same conditions as above. Health profession students (Medical and Dental students) are the only eligible students.



All loans are in an OFFER Status where you have the opportunity to accept it at www.one.iu.edu under the Student Center or View/Manage My Financial Aid Information.

Est. DL Graduate PLUS Loan – The DL Federal Graduate PLUS Loan is the next loan option. If you still have unmet COA after accepting the maximum DL Federal *Unsubsidized* Stafford Loan amount of **\$40,500**, then you can consider additional borrowing through this option. This loan accrues simple interest throughout your time as a student and for the six months grace after graduation (or separation from school). The interest rate is determined using the 10-year U.S. Treasury Bill plus 4.6% and becomes the loan's fixed rate for the loan's life. This loan **is** based on your credit-readiness (not credit score) and your approval will be based on having a clean credit history. A credit check is authorized upon the submission of the DL Grad PLUS Loan Application at www.studentloans.gov. You will be instructed to complete this step in **June**, as the application is not yet available. To spot check your credit in advance, you can go to <https://www.annualcreditreport.com/index.action> to get a free credit report from all three of the major credit bureaus. To learn more about the DL Grad PLUS Loan, go to <https://studentaid.ed.gov/sa/types/loans/plus>.

The on-line **DL Master Promissory Note (MPN)** is completed along with the DL Entrance Counseling at www.studentloans.gov. These final steps are important and completed in June. The first step has already been initiated by packaging the loans as it appears on www.one.iu.edu. We will communicate when to go forward with the MPN and Entrance Counseling process in June. This final process entails communication between DL via our university system creating a record for you in the Department of Education (DoE) system. This system communication is called Loan Origination.

If you anticipate wanting to cancel any portion of the Federal Stafford Loan as they appear on your financial aid record, please cancel in the order of Grad PLUS Loan first, Additional Unsub Loan (\$20,000) second and lastly, the Federal Unsub Loan (\$20,500).