

Financial Aid



Federal Direct Unsubsidized Loan for Graduate/Law Students

Direct Loans are made available by the U.S. Department of Education to students who apply for federal aid consideration on an annual basis. The [FAFSA](#) serves as the application for this loan.

Direct Loan Eligibility

The University of Dayton's Office of Financial Aid will determine your eligibility after a careful review of your FAFSA results. The maximum amount that you may borrow will depend on your cost of attendance (COA) because your total financial aid cannot exceed your COA for the year. Students studying at least half-time – *3 hours per term if graduate and 6 hours per term if law* – may be eligible to borrow up to the program's maximum annual limit of \$20,500.

Interest

Federal Direct Unsubsidized Loans for graduate students with a first disbursement on or after July 1, 2022 and before July 1, 2023 will have a fixed interest rate of 6.54%. The interest will begin to accrue at disbursement and will be the responsibility of the borrower to either pay while in school or defer payments and have the interest capitalized onto the principal when the loan goes into repayment.

Origination Fee

For loans with a first disbursement on or after October 1, 2022 and before October 1, 2023, the Department will retain an origination fee of 1.057% of the principal from the amount of each disbursement.

Repayment

Repayment begins six (6) months after the borrower's enrollment ceases due to graduation, ceases due to withdrawal, or drops below half-time. The amount of each payment depends on the size of the debt and on the length of the repayment period (usually ten-years). You can estimate your repayment using the repayment calculator at studentaid.gov.

Aggregate Limits

As a graduate or law student, the combined debt you can have outstanding from your Direct Loans is \$138,500 (of which no more than \$65,500 can be Subsidized). This debt limit includes any federal Subsidized and/or Unsubsidized Loans received for undergraduate study.

Entrance Counseling

All students borrowing for the first time must complete an on line entrance counseling session. Students who need to fulfill this requirement will be notified by the Office of Financial Aid and it must be completed before the loan funds can be applied to the student's account.

Master Promissory Note

The Master Promissory Note (MPN) is a legal document which acknowledges, when signed, your promise to repay your loan and any accrued interest and fees to the U.S. Department of Education. It also explains the terms and conditions of your loan. All first-time borrowers in the Direct Loan program must complete an MPN.

To complete entrance counseling and/or a Master Promissory Note online, you will use your Federal Student Aid ID (used to file the FAFSA) to log-in at studentaid.gov. In most cases, once you've submitted the MPN and it's been accepted, you won't have to fill out a new MPN for future loans you receive. You can borrow additional Direct Loans on a single MPN for up to 10 years.

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Federal Direct Unsubsidized Loan for Graduate/Law Students, cont.

Steps to Securing Your Loan

Regardless of your borrowing status and in order for your loan to be originated, you must first officially 'Accept' your loan offer on [Porches](#) or by calling the office. We recommend you do this in a timely manner so the loan appears on your statement of account as anticipated aid. You may also choose to reduce or decline your loan. Only those loans which have been accepted will be originated.

- **If you have no prior borrowing history under the Direct Loan program:**

Once your loan has been originated, first-time borrowers will be notified via email to complete the online MPN process, which includes the federally mandated student loan Entrance Counseling session. Once these items are complete, the U.S. Department of Education will disburse the loan funds directly to the university at the start of each term.

- **If you have borrowed before under the Direct Loan program but are new to UD:**

Once your loan has been originated, first-time borrowers will be notified via email to complete the federally mandated student loan Entrance Counseling session. Once this is complete, the U.S. Department of Education will disburse the loan funds directly to the university at the start of each term.

- **If you have already borrowed under the Direct Loan program while a student at UD:**

Once your loan has been originated, your loan will be authorized for payment and the U.S. Department of Education will disburse the funds directly to the university at the start of each term.

Borrower Responsibilities

When you sign a promissory note, you are agreeing to repay the loan according to the terms of the note. The note is a binding legal document and states that (except in cases of discharge), you must repay the loan — even if you do not complete your education, aren't able to get a job after you complete the program, or are dissatisfied with, or don't receive, the education for which you paid.

If you apply for deferment or forbearance, you still must continue to make payments until you are notified that the request has been granted. If you do not, you may end up in default. You should keep a copy of any request form you submit, and you should document all contacts with the organization that holds your loan.

You must notify the appropriate representative (school, agency, lender) that manages your loan when you graduate, withdraw from school, or drop below half-time status; change your name, address, or social security number; or transfer to another school. Additionally, you must complete Exit Counseling before you leave the school. This counseling session will be completed online and will provide you with important information about your loan and repayment responsibilities.

More Federal Direct Loan information, including repayment, can be found at studentaid.gov.