

Northeastern's Policy on Private Loans

It is the policy of the Northeastern Illinois University Financial Aid Office to limit the use of private loans to those costs not currently being covered through the Direct Loan Program. Students who are U.S. citizens, permanent residents AND who are enrolled half-time in a degree-seeking program must apply for the FAFSA (FREE Application for Federal Student Aid) and exhaust all Direct Loan eligibility prior to applying for a private loan. General certifications do not exceed \$11,000 per award year.

The benefits for using the Direct Loan Program include:

- A 6-month grace period for repayment
This 6-month clock does not begin until you have reduced your enrollment to below half time (or 6 credit hours). Students eligible for the Subsidized Direct Loan begin to accrue interest after this grace period ends.
- Reduced fixed interest rate of on Unsubsidized Direct Loans while you are enrolled, within your grace period or during deferment.

The Nest: On-Campus Housing

Northeastern Illinois University students residing in The NEST may need to borrow a combination of Federal Direct Subsidized, Federal Direct Unsubsidized and the Federal Parent Loan for Undergraduate Students (PLUS) or the Graduate PLUS to meet the additional costs associated with on campus housing and meal plans. There is a 'credit worthiness' – see The Language of Loans – check required for the Federal PLUS.

What if my family is denied the Parent Loan for Undergraduate Students?

This chart helps to determine additional Unsubsidized Direct Loan eligibility in the instance the parent is denied the credit worthiness check. The **Additional Unsubsidized Loan Request** is required to be submitted to the Financial Aid Office.

Class Level	Undergraduate students whose parents are unable to obtain PLUS
Freshman & Sophomore	\$6,000
Junior & Senior	\$7,000



Relevant Direct Loan Website Resources

Student Borrower History

View your borrowing history, contacting the Ombudsman Office and servicer contact information through a database updated by loan servicers, schools and U.S. Department of Education. Your Federal Student Aid Identification Number or FSA ID used to electronically sign your FAFSA is required.

studentaid.gov

Direct Loan Online Entrance & Exit Counseling – REQUIRED

Complete online Entrance Counseling when borrowing for the first time & Exit Counseling session when enrolled less than half-time (defined by the University as six credit hours).

studentaid.gov

Direct Loan Electronic Master Promissory Note (eMPN) - REQUIRED

Complete electronic 'promise to pay' of the William D. Ford Federal Direct Student Loan and PLUS programs. This promissory note expires after 10 years unless a student drops below half-time for twelve (12) consecutive months or in instances of default.

studentaid.gov

NEIU Default Aversion Policy

It is the policy of the Northeastern Illinois University to assist students in meeting their direct and indirect costs of attendance, emphasizing to student loan borrowers that only what is needed should be borrowed. Further, in an effort to reduce its cohort default rate, NEIU ensures that student's cost of attendance is reflective of their earning potential and ability to repay student loans.

Financial Aid, Scholarships & Student Employment Office

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Borrowing Federal Direct Loans at Northeastern Illinois University

Made easy – one loan request for Fall and Spring semesters!

This information piece is intended for any NEIU student that plans to borrow during the 2022-2023 award year. The award year covers the following semesters - Fall, 2022, Spring, 2023 and Summer, 2023. Student borrowers must complete the FREE Application for Federal Student Aid or FAFSA along with the 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 an electronic Master Promissory Note (eMPN) for their first Direct Loan. If you are a transfer student and received direct loans at another institution you may not be required to submit another e-MPN.

Financial Aid Office Mission Statement

The Financial Aid Office's Mission is to provide services and programs to all Northeastern Illinois University students in support of financing their education. Through the services provided, it is the office's intent to assist students in identifying funding suitable for their educational objectives. Through the programs provided, it is the office's intent to educate students on being money smart in creating a budget, tracking expenditures, managing loan indebtedness and saving over time. All financial aid programs will be administered with integrity in order to maximize funding options to many students as funding will permit.

New to the University for 2022-2023 is an online financial literacy portal for students where modules can be completed and badges earned in the following areas: (1) Paying for College, (2) Money Management and (3) Real-World Finance. The modules include games, quizzes and interactive sessions.

Check out the link and create your account today! neiu.gradready.com

Determining Your Direct Loan Eligibility:

- Borrowers must be U.S. citizens, permanent residents or eligible non-citizens – this applies both to the Direct Loan and Parent Loan for Undergraduate Students (PLUS).
- Borrowers who have exceeded their aggregate borrowing limits are not eligible to receive any federal assistance until that excess has been resolved.
- Borrowers must maintain enrollment of six (6) credit hours. Borrowers who drop enrollment below six (6) credit hours will automatically have their second disbursement of Direct Loans cancelled.
- Borrowers with a recent default history will need to wait one full award year after the default is cleared **PRIOR** to borrowing again through the Federal Direct Loan program at Northeastern.
- Borrowers with a disability discharge history will need to sign a Statement of Awareness and provide a Physician Statement certifying the ability to be gainfully employed **PRIOR** to borrowing again through the Federal Direct Loan program at Northeastern.

The Importance of Reviewing Your 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 servicer contact information using either NEIUport or the National Student Loan Database System (NSLDS).
- Borrowers may have multiple servicers who act as 'holders' of loans borrowed. To find out what servicers are currently holding loans in your borrowing history, log into **studentaid.gov** using your Federal Student Identification number (FSA ID). This is the user name and password information used when completing your FREE Application for Federal Student Aid (FAFSA).
- Borrowers can choose from several repayment plans that are designed to meet the needs of almost any borrower and can switch repayment plans when necessary.
- In an effort for graduating seniors to keep repayment simple, all prior Federal Direct Loans with banking institutions can be consolidated into one Federal Direct Loan. For more information on

Financial Aid Office Federal Direct Loan Processing Flow

1. Applying for Direct Loan(s)

- Review most recent award offer using NEUport under the Financial Aid Awards Channel
- Complete online entrance loan counseling session at **studentaid.gov**
- Submit Direct Loan Request form
- Complete the electronic Master Promissory Note (eMPN) on the Direct Loan website at **studentaid.gov** (*effective for TEN years*)
- Dependent students should be sure to list a parent as the first reference on the eMPN

2. Linking Requirements with Request

- The Financial Aid Office certifies and transmits loan request to the federal processor for origination and disbursement
- Once the loan is “accepted,” student eligibility is linked to the following:
 1. Completed eMPN
 2. Half-time enrollment (six credit hours)
 3. Minimum Standards of Academic Progress (see University Catalog)
- Disbursement processing time: approximately 5-7 business days

3. Disbursing Against Accounts Receivable

In case of outstanding balance due:

- Direct Loan(s) pay against Accounts Receivable and is reflected in NEUport, under “My Account” and “My Statement”
- Calculation of any remaining balance due
- Balance determination processing time: approximately 1-2 business days

4. Identifying Credit Balance

In case of credit balance refund:

- Accounts Receivable verifies that there is no balance outstanding or third party billing pending (e.g., bookstore)
- Student Loan Department verifies student’s active enrollment status and requests refund for credit balance amount within 14 calendar days
- Student Loan Department routes refund to checking account OR releases paper check
- Direct deposit processing time: approximately 1-2 business days
- Paper credit balance refund processing time: approximately 3-4 business days

Cost of Attendance and How it Affects Your Loan Amount

The Cost of Attendance is viewable from the **My Financial Aid tab, Financial Aid Awards Channel** on NEUport. Based on actual enrollment for the current term and anticipated enrollment for the upcoming term(s), the budget line items are calculated and displayed. Financial assistance – 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 private loans.

Federal Direct Subsidized Loan eligibility is determined by subtracting the Expected Family Contribution, grants, scholarships and tuition waivers from the Cost of Attendance. This remaining amount is defined as Unmet Financial Need. Please note that a student MUST maintain six (6) credit hours to be eligible for Federal Direct Loans and most private loans. In the instance a Parent Loan for Undergraduate Students (PLUS) credit check is declined, dependent students may borrow additional unsubsidized eligibility as that of an independent student(*).

Types of Loans

Subsidized Direct Loan No interest accrues on this loan as long as borrower is enrolled half-time; Interest begins to accrue once the student is below half-time enrollment for six consecutive months.

Unsubsidized Direct Loan Interest accrues quarterly while borrower is enrolled; Borrower has the option of paying the interest while enrolled or ‘capitalizing’ the interest, which means it adds to the principal of the loan.

Parent Loan for Undergraduate Students (PLUS) Parent Loan for Undergraduate Students (PLUS) for dependent students only; Requires credit worthiness check for parent borrower.

Graduate PLUS Loan Credit Worthiness check required; Requires that all Direct Loan eligibility be exhausted and that the student be enrolled half-time. Interest accrues quarterly.

Private Loan ONLY RECOMMENDED for those borrowers not eligible to receive Direct Loans. Requires credit worthiness for student borrower – may require cosigner; Variable interest rates; Private or supplement to Direct Loan eligibility.

Student Loan Borrower Information

NEIU students interested in borrowing through the Direct Loan Program should first see what grant and scholarship assistance is available, since the Cost of Attendance at NEIU is more affordable than most colleges and universities. Borrowers can refer to the chart below for the maximum loan limits for two semesters.

Maximum Annual Loan Limits

Grade Level	Subsidized Direct (No accrued interest while enrolled half-time)	Dependent Unsubsidized Direct (Quarterly accrued interest at 5.05%)*	Independent Unsubsidized Direct (Quarterly accrued interest at 5.05%)*
Freshman	\$3,500	\$2,000	\$6,000
Sophomore	\$4,500	\$2,000	\$6,000
Junior/Senior/2nd BA	\$5,500	\$2,000	\$7,000
Teacher Licensure Program	NA	NA	\$12,500
Graduate	NA	NA	\$20,500 or Cost of Attendance
Parent Loan (PLUS)/Graduate PLUS	NA	NA	Cost of Attendance (quarterly accrued interest at 7.6%)
Private Loan*	NA	NA	\$20,500 or Cost of Attendance

Aggregate Borrowing Limits

Program	Federal Subsidized	Federal Unsubsidized
Undergraduate Dependent	\$23,000	\$31,000
Undergraduate Independent, 2nd BA & TLP	\$23,000	\$57,500
Graduate (masters)	\$65,500*	\$138,500
Graduate Health Professional	\$65,500*	\$224,000

*Aggregates disbursed prior to July 1, 2012

Estimated Award Year Cost of Attendance

Component	Amount
Tuition for 12 crhrs, 2 terms*	\$10,090
Fees*	\$2,010
Books*	\$2,400
Transportation (incl. Parking**)	\$1,692
Personal	\$5,526
Living Expenses (with parents)	\$5,040
NEST Shared Bedroom	\$7,744
NEST Individual Bedroom	\$9,742

*Direct Cost (**BOLD**) | **Waivable w/Student Payment Services

The Language of Loans

Aggregate Loan Limit

Maximum ceiling to borrow to complete an undergraduate or graduate degree program – An annual loan limit is the maximum amount per year to borrow based on the student's academic grade level and dependency status.

Credit Worthiness

The likelihood that a borrower will default on debt obligations based on factors, such as history of repayment and delinquency.

Default

Failure to repay your loan according to the terms agreed upon in the promissory note. Students in active default are not eligible for any Federal assistance (e.g., Pell Grant, FWSP, Direct Loans) until a Title IV eligibility is obtained from the loan servicer along with proof of six consecutive payments. Students with default history must wait one full award cycle before regaining borrowing eligibility at Northeastern Illinois University.

Deferment

An authorized period of time during which loan repayments may be postponed or reduced.

Disbursement

Loan funds issued in two equal disbursements against the student's University billing account.

Grace Period

A specified period between the times you leave school or drop below half-time study and the time you begin repaying your loan(s).

Interest

A percentage of your outstanding principal loan amount charged for the use of borrowed money. Interest rates are fixed at 3.73% for Federal Direct, 5.28% for GRAD Unsubsidized, 5.28% GRAD PLUS and Parent (PLUS). These rates are subject to change every July 1, those reflected are from 2022-2023. Interest rates for private loans vary based on credit

worthiness.

Loan Servicer

An organization that provides borrower services, facilitates repayment and performs administrative functions associated with education loans. With the transition of schools to Direct Lending, it is common for borrowers to have more than one servicer.

Principal

The total loan gross amount you borrow.

Promissory Note

A legally binding contract between you and your servicer, which contains all the conditions and terms under which you agree to repay your loan(s) with interest.