

## **Joffrey Ballet School Student Loan Information**

As you have noticed your Award Letter includes the options of accepting loans from the Joffrey Ballet School. This letter is written with the purpose to acquaint you with more information about the loan options offered so you can make an informed decision on whether accepting a loan to help cover the cost of tuition and/or housing is the right choice for yourself and your family. Please remember that you are not required to accept any loans amount from the Joffrey Ballet School. You can also ask to lower the loan amounts offered.

All loans offered through the Joffrey Ballet School are distributed by the Federal Government. This ensures that you are paying a lower interest rate than other private loans that you might obtain. Also, you do not have to begin repaying until you have completed school.

If you decide to accept a loan from the Joffrey Ballet School you will then be sent information on how to complete a Master Promissory Note. You will also be sent information on how to complete Loan Entrance Counseling. Both of these items must be completed before any loan amounts will be disbursed. If you are applying for a Parent Plus Loan you will also have to pass a credit check in order to qualify for a loan.

### **Joffrey Ballet School is able to offer 3 different types of loans to its students.**

**Stafford Subsidized Loan:** You are eligible for a subsidized Stafford Loan if you are in school at least half-time and have financial need. With a subsidized Stafford Loan, the federal government will pay the interest while you're enrolled at least half-time, during your grace period, and during deferment periods.

**Stafford Unsubsidized Loan:** Unsubsidized Stafford Loans are for students who do not have financial needs. With an unsubsidized Stafford Loan, you are responsible for paying the interest during all periods, starting from the date the loan is first disbursed.

**Plus Loans:** Plus Loans are loans parents can obtain to help pay the cost of education for their dependent undergraduate children. The maximum Plus Loan amount a parent can borrow is equal to the cost of attendance, as determined by the school, minus any other financial aid the student may be receiving. The Plus Loans are unsubsidized; the borrower is responsible for interest during the life of the loan. There is no grace period on Plus Loans; payment begins once the student has completed study. You can request a deferral until the student has completed school. Interest will be accrued during that time.

### **Interest**

Interest accumulates on your loan. Interest is a percentage of the original loan amount (the loan principal) that's added to what you have to pay. It's a charge for using borrowed money. Everyone has to pay interest, no matter what type of loan they have.

**Unsubsidized:** If you borrow an unsubsidized loan, interest starts accruing from the time the funds are disbursed to you, and you're responsible for paying that interest. You can chose to

either pay it while you are in school or let it accrue and be added to the principal balance of your loan. This is called capitalization. Capitalization increases your loan principal balance because you will then have to pay interest on the increased loan principal amount. The total amount you repay over the life of your loan will be greater than if you paid interest while you were in school.

Subsidized: The federal government pays interest on subsidized loans during school and other certain periods.

Interest Rates for the 2017/2018 school year will be determined in late June of 2017. The rates for the 16/17 School Year were as follows:

Student Subsidized & Unsubsidized Loan: 3.76%

Parent Plus Loan: 6.31%

### **Loan Fee**

In addition to interest, you pay a loan fee of 1.068% of the principal amount of each Direct Subsidized or Unsubsidized Stafford Loan that you borrow. The loan fee for PLUS loans is 4.272%. This fee helps reduce the cost of making these low-interest loans. The government deducts the fee before you receive any loan money, so the loan amount you actually receive will be less than the amount you have to repay. This amount could increase following October 1<sup>st</sup>, 2017.

Please refer to [www.studentsloans.gov](http://www.studentsloans.gov) for more information