There are several types of student loans available to undergraduate students and the parents of dependent students. This guide will provide you with information on the different loans available to help fund your education at UCLA.

UCLA Financial Aid and Scholarships
A129 Murphy Hall, Box 951435
Los Angeles, CA 90095
www.financialaid.ucla.edu
finaid@saonet.ucla.edu
DIRECT SUBSIDIZED AND UNSUBSIDIZED LOANS

(CA Dream Act Application filers are not eligible for Direct Loans)

Subsidized and Unsubsidized Loans are a part of the William D. Ford Federal Direct Loan Program. Undergraduate students are eligible to apply for both Federal Direct Subsidized and Unsubsidized Loans. The borrower (you) and the UCLA Financial Aid and Scholarships office work with the Department of Education (DOE) to complete the loan process and deliver loan funds to you. Your Financial Aid Notification (FAN) will let you know the amount of Direct Loan that you are eligible to borrow.

Beginning with the 2013-2014 academic year, new borrowers may only receive Federal Direct Subsidized Loans for a maximum of 150% of the published length of their academic program. (Students must meet eligibility criteria to qualify for subsidized loans.) Once a borrower has reached the 150% limitation, his or her eligibility for an interest subsidy also ends for all outstanding Federal Direct subsidized Loans that were disbursed on or after July 1, 2014. At that point, interest on those previously borrowed loans would begin to accrue and would be payable in the same manner as interest on unsubsidized loans.

Federal Direct Subsidized Loans

Federal Direct Subsidized Loans are long-term, low-interest loans that are funded by the U.S. Department of Education. Interest payments are made by the federal government on the Federal Direct Subsidized Loan while student is in school. For Federal Direct Subsidized Loans with first disbursement date before 7/1/2014 the federal government will also pay interest during grace period. Interest will begin accruing when student graduates or drops below half-time enrollment. (See Repayment information below).

Federal Direct Unsubsidized Loans

Federal Direct Unsubsidized Loans are available to all eligible FAFSA applicants regardless of income. Interest accrues from the date of disbursement, but the extra costs of accrual can be avoided by making regular interest payments while in school. For Federal Direct Unsubsidized Loans, interest accrues from the date of disbursement.

Loan Eligibility

- You must complete the Free Application for Federal Student Aid (FAFSA) each academic year.
- You must be a US citizen or an eligible non-citizen.
- You must be enrolled at least half-time (6 units).
- Eligibility for Federal Direct Unsubsidized Loans is not need based.

Loan Fees

Loan fees for Direct Loans disbursements between October 1, 2016 – September 30, 2017 is 1.069%.
Loan fees for Direct Loans disbursed October 1, 2015 – September 30, 2016 is 1.068%.
REPAYMENT

Loans enter repayment six months after a student graduates or drops below half-time (grace period). Principal and interest on Federal Direct Unsubsidized Loans can be deferred while the student is in school and during the grace period. Deferred interest will be capitalized (added to the principal) at repayment or the borrower can pay interest while in school. The standard repayment period of 10 years can be extended. Please go to www.StudentLoans.gov for information about different repayment plan options available through the Department of Education.

INTEREST RATES

Interest rate is fixed at 4.29% for Federal Direct Subsidized and Unsubsidized Loans disbursed to undergraduate students July 1, 2015 – June 30, 2016 and 3.76% for loans disbursed July 1, 2016– June 30, 2017.

Deferments and Forbearance

Borrowers who need to delay their repayments on their loans can request that their loans be place in deferment or forbearance. Go to www.studentloans.gov for additional information.

ANNUAL LOAN LIMITS

Note: Health professions programs are eligible for higher Federal Direct Unsubsidized Loan Limits. Your FAN will reflect increased loan limits, if eligible.

Loan limits for graduating seniors, who will not be enrolled for the academic year will be prorated, resulting in lower than the annual maximum eligibility being awarded.

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Federal Direct Subsidized Loan Maximum</th>
<th>Federal Direct Unsubsidized Loan Maximum*</th>
<th>TOTAL Annual Maximum**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshman</td>
<td>$3,500</td>
<td>Dependent = $2,000 Independent = $6,000</td>
<td>Dependent = $5,500 Independent = $9,500</td>
</tr>
<tr>
<td>Sophomore</td>
<td>$4,500</td>
<td>Dependent = $2,000 Independent = $6,000</td>
<td>Dependent = $6,500 Independent = $10,500</td>
</tr>
<tr>
<td>Junior/Senior</td>
<td>$5,500</td>
<td>Dependent = $2,000 Independent = $7,000</td>
<td>Dependent = $7,500 Independent = $12,500</td>
</tr>
<tr>
<td>Undergrad Aggreqate Loan Limits</td>
<td>$23,000</td>
<td>Dependent = $31,000 Independent = $57,500</td>
<td></td>
</tr>
</tbody>
</table>

- Students whose parents do not qualify for a Parent PLUS Loan are eligible to receive an additional Federal Direct Unsubsidized Loan up to $4,000, not to exceed cost of attendance.
- Students who do not qualify for a Federal Direct Subsidized Loan are eligible to receive Federal Direct Unsubsidized Loans up to their respective total annual maximum loan limits, not to exceed cost of attendance.
APPLYING FOR A LOAN

Eligibility for federal loans is based on the information you submit on your Free Application for Federal Student Aid (FAFSA) each year. The UCLA Financial Aid and Scholarships office will offer you the maximum Direct Subsidized loan eligibility before awarding a Federal Direct Unsubsidized loan. Your eligibility will be communicated via a Financial Aid Notification (FAN).

**Accept the loan on your FAN** – If you would like to borrow less than the loan amount offered, indicate the amount you want to borrow in the space provided on the FAN. If you do not need all of the loans offered on your FAN, borrow maximum Subsidized Loan eligibility before accepting an Unsubsidized Loan.

**Complete a Master Promissory Note (MPN),** if you are a first time borrower – You must complete an MPN the first time you borrow a Federal Direct Subsidized or Unsubsidized Loan. Once completed, the Federal Direct Loan MPN is valid for 10 years; continuing borrowers do not have to complete one each year. Go to [www.Studentloans.gov](http://www.Studentloans.gov) if you are required to complete your Master Promissory Note.

**Complete a Debt Management Session (DMS),** if you are a first time borrower at UCLA – you are required to complete a Debt Management Session with the Student Loan Office. Go to [www.loans.ucla.edu](http://www.loans.ucla.edu) to complete your DMS. If you have any questions about this requirement, please contact the Student Loan Office at 310-825-9864.

LOAN DISBURSEMENTS

The total loan amount you accept on your FAN will be divided equally among the terms, for which you have been awarded. If you want to accept a portion of your loan for different terms of enrollment than those reflected on your FAN, please notify Financial Aid and Scholarships.

**Loan Cancellations**

You have the right to request a cancellation or reduction of your loan, provided that you submit a written request to Financial Aid and Scholarships within 120 days of disbursement.

Your loan will be disbursed to your BruinBill account at the beginning of each term. Any funds remaining after your BruinBill balance is paid will be refunded to you.

We recommend that you sign up for Bruin Direct with the Main Cashier so that your refund can be deposited directly to your bank account via electronic fund transfer (EFT). If you do not have Bruin Direct, a refund check will be mailed to you by Student Financial Services. Paper checks are processed once a week only, on Thursdays. You must be enrolled at least half time (6 units) in order for your loan to be disbursed. If you drop below half time or withdraw from school you may be billed for loans funds disbursed to you for the term.
In order for funds to be disbursed, federal loans must be originated by the school before the last day of the enrollment period. If you are accepting a Direct Loan, please submit your FAN no less than 5 business days before the end of the term in which you are enrolled.

CALIFORNIA DREAM LOAN PROGRAM

Students who demonstrate financial need can borrow up to $4000* through the Dream Loan Program. Award amounts may be lower depending on the availability funds. Interest rates will be fixed at the same rates as the subsidized Federal Direct Loans, with no loan fees.

You must submit your DREAM application by the March 2nd deadline to be eligible for a DREAM loan.

FEDERAL DIRECT PARENT PLUS LOANS

(CA Dream Act Application filers are not eligible for Direct Loan Programs)

Federal Direct Parent PLUS Loans are a part of the William D. Ford Federal Direct Loan Program. These loans are available to parents of undergraduate students who are enrolled at least half time (6 units). Parents may borrow up to the full cost of their student’s education for the academic year less any other aid received for that year. The borrower (parent) and UCLA Financial Aid and Scholarships works with the Department of Education (ED) to complete the loan process and deliver loan funds to the student. Your Financial Aid Notification (FAN) will let you know the amount of Federal Direct PLUS Loan that your parent is eligible to borrow.

Federal Direct PLUS Loan Eligibility

- The student must complete the Free Application for Federal Student Aid (FAFSA) each academic year.
- The borrower and the student must be a US citizen or an eligible non-citizen.
- A credit check will be required before ED will approve Federal Direct Parent PLUS Loan eligibility.
- If parent’s credit is denied they may still be able to qualify for a Federal Direct PLUS Loan by appealing the credit decision or applying with an endorser (Co-Signer).

If Federal Direct Parent PLUS Loan application is denied, and the borrower chooses not to appeal or apply with an endorser, federal regulations allow Financial Aid and Scholarships to award additional Federal Direct Unsubsidized Loan to a dependent student. The increased Federal Direct Unsubsidized Loan eligibility is $4,000 for freshmen and sophomores and $5,000 for juniors and seniors in addition to the annual federal student loan maximums. Please refer to the Guide to Federal Direct Subsidized and Unsubsidized Loans for information on annual loan maximums for dependent students and for the terms and conditions of Federal Direct Unsubsidized Direct Loans.

If Federal Direct Parent PLUS is denied and the borrower chooses not to appeal or pursue an endorser, the federal loan processor will notify Financial Aid and Scholarships. A revised Financial Aid Notification (FAN) will be made available to the student within 1-2 weeks of denial notification reflecting their increased Unsubsidized Loan eligibility.
Credit Requirements

A Federal Direct Parent PLUS Loan applicant is considered to have an adverse credit history if he or she:

- Is 90 or more days delinquent on any debt as of the date of the credit report, or
- Has been the subject of a default determination, bankruptcy discharge, foreclosure, repossession, tax lien, wage garnishment or write-off of debt under Title IV of Higher Education Act during the 5 years preceding the date of the credit report.
- Has unpaid collection accounts and/or charge-offs as of the date of the credit report.

NEW THIS YEAR:
Borrowers who have adverse credit but are approved for a Direct Parent PLUS Loan as a result of appealing the credit decision or applying with an endorser are subject to a new counseling requirement. This new PLUS counseling module must be completed at www.Studentloans.gov.

If you are concerned about credit and your ability to qualify for a Federal Direct Parent PLUS Loan you can apply for the loan at www.StudentLoans.gov to see if you qualify. The borrower-initiated credit check approval will remain valid for 90 days. If your Federal Direct Parent PLUS loan is originated after this time a new credit check will be run by the Department of Education.

Loan Fees

The loan fee for Federal Direct Parent PLUS Loans disbursed October 1, 2016 – September 30, 2017 is 4.276% of the total amount borrowed.
The loan fee for Federal Direct Parent PLUS Loans disbursed October 1, 2015 – September 30, 2016 is 4.272% of the total amount borrowed.

The loan fee percentage is taken out of the loan by the loan processor before funds are disbursed.

Repayment

The loan will enter repayment 30 days after the final disbursement but Parents borrowing under the Federal Direct Parent PLUS Loan program have the option of deferring payment until after their dependent student graduates or drops below half time enrollment by contacting their loan servicer. Standard repayment period is 10 years but can be extended. Please go to www.StudentLoans.gov for information about different repayment plan options, deferments and forbearances available through the Department of Education.

Deferments and forbearances are available for federal loans to eligible borrowers who need to delay the repayment of their loan. Go to www.StudentLoans.gov for additional information.
Annual Loan Limits

Federal Direct Parent PLUS Loan amounts can be borrowed to cover student’s annual cost of education (based on the financial aid budget) less any other financial aid, scholarships or financial assistance received for the year.

Interest Rate

The interest rates are fixed at 6.84% for Federal Direct Parent PLUS Loans disbursed July 1, 2015-June 30, 2016 and 6.31% for loans disbursed July 1, 2016-June 30, 2017.

Applying for a Loan

Eligibility for federal loans is based on the information you submit on your Free Application for Federal Student Aid (FAFSA) each year. Your eligibility will be communicated via a Financial Aid Notification (FAN).

In order for Federal Direct Parent PLUS Loans to be disbursed, federal loans must be originated by the school before the last day of the enrollment period. If you are accepting a Federal Direct Parent PLUS loan, please complete your application process on www.StudentLoans.gov no less than 15 business days before the end of the term, in which the student is enrolled.

Review your FAN – Review your Financial Aid Notification (FAN) to determine the maximum Federal Direct Parent PLUS Loan amount that your parent can borrow for the academic year. We recommend that the student borrows the maximum Subsidized and/or Unsubsidized Loan offered on the FAN before taking out a PLUS Loan. **Accepting a PLUS loan on your FAN will NOT start the application process.**

‘Request’ the Federal Direct Parent PLUS Loan – The borrower must apply for Federal Direct Parent PLUS Loan and authorize a credit check by clicking on the “Request PLUS Loan” link at www.StudentLoans.gov. The student cannot start a Federal Direct Parent PLUS Loan application by accepting this loan on the FAN. If you need assistance with the application process, please contact the federal loan processing center at 800-557-7394.

If applying for a Federal Direct Parent PLUS Loan for the summer sessions, request the loan for the 2016-2017 academic year. At UCLA, summer is the first quarter of the new academic year.

The Federal Direct Parent PLUS Loan application requests that you indicate “To whom do you want the school to pay the credit balance (student or the borrower), if there is a balance remaining after your Federal Direct Parent PLUS Loan has been applied to the student’s school account?” UCLA accounting system is unable to generate a refund to the borrower after applying the loan disbursements to BruinBill.
Once Federal Direct Parent PLUS is applied to BruinBill charges, the refund will be issued to the student. If you do not want PLUS funds to be disbursed to BruinBill, please see the Loan Disbursement section of this guide for additional refund options.

Complete your Master Promissory Note (MPN)– first time borrowers only – The borrower must complete an MPN the first time he or she borrows a Federal Direct Parent PLUS Loan. Once completed, the Direct Loan MPN is valid for 10 years so continuing borrowers do not have to complete one each year.

Loan Origination – Once the Federal Direct Parent PLUS loan request is approved, the federal loan processor will contact Financial Aid and Scholarships to request that we originate (verify eligibility for) your Federal Direct Parent PLUS Loan. Financial Aid and Scholarships will send the origination record verifying your eligibility electronically, within 1-2 weeks of receiving the request.

### Loan Disbursements

The student must be enrolled at least half time (6 units) in order for Federal Direct Parent PLUS loan to be disbursed at the beginning of each quarter. If the student drops below half time enrollment or withdraws from school, the student will be billed for all or part of the loan(s) disbursed for that term.

The total Federal Direct Parent PLUS Loan requested by the borrower will be disbursed equally among the quarters of enrollment at UCLA. Federal Direct Parent PLUS Loan disbursements will be applied to the student’s BruinBill account and any funds left after charges are paid will be refunded to the student. We recommend that the student signs up for Bruin Direct so that the Federal Direct Parent PLUS Loan refund can be deposited directly to the designated bank account via electronic fund transfer (EFT). If the student does not sign up for Bruin Direct, a refund check will be mailed by Student Financial Services. Paper checks are processed **once a week only**, on Thursdays.

**You have the right to request a cancellation or a reduction of your loan provided that you submit a written request to the Financial Aid and Scholarships within 120 days of disbursement.**

A borrower, who does not want to authorize the disbursement of Federal Direct Parent PLUS Loan through BruinBill and wishes for the refund to be sent directly to them as the borrower, must submit a written request to Financial Aid and Scholarships at least 15 days before the start of the quarter.

If the borrower chooses to receive their Federal Direct Parent PLUS Loan check directly, UCLA’s Student Loan Office will generate paper checks and mail them to the borrower at the beginning of each quarter once the student’s enrollment status is verified. Funds will be disbursed to the borrower via a paper check will not be applied to BruinBill to cover outstanding charges. Please note that paper Federal Direct Parent PLUS Loan checks may not be received prior to the fee payment deadline. If that occurs, families must pay fees on their own prior to the Registrar’s deadline in order to avoid late payment charges or having classes dropped for non-payment.

### PRIVATE LOANS

Private loans, also referred to as alternative loans, are available to students who have received the maximum award amounts under the Direct Loan Program and require additional funding and are available to all qualified borrowers regardless of whether they complete a Free Application for Federal Student Aid (FAFSA). However, we highly recommend that you complete the FAFSA and allow the financial aid office to determine your eligibility for other sources of aid, including federal loans, before you apply for a private loan. These loans are funded by banks and private lending institutions.
Students considering student loans need to be aware of the differences between federal student loans and private student loans:

- Federal student loans are required by law to provide a range of flexible repayment options including, but not limited to, income-based and income-contingent repayment plans, as well as loan forgiveness benefits that private lenders are not required to provide.
- Federal direct loans are available to most students regardless of income. Other qualification criteria do apply. For more information, please visit https://studentaid.ed.gov/eligibility.
- Private student loan lenders can offer variable interest rates that can increase or decrease over time, depending on market conditions.
- The interest rate on a private loan may depend on the borrower’s and/or co-signer’s credit rating.
- Private student loans have a range of interest rates and fees and students should determine the interest rate of, and any fees associated with, the private student loan included in their financial aid award package before accepting the loan. Students should contact the lender of the private student loan or their UC campus’ financial aid office if they have any questions about a private student loan.

Loan Eligibility

Private loans are available to undergraduate students admitted to and enrolled in a degree granting program at UCLA.

Most, although not all, private loans require half time enrollment (6 units). Please check with your lender if you are looking for a private loan available to students enrolled less than half time.

Students may borrow up to their full cost of education for the academic year (based on financial aid budget) less any other aid received for that year.

The borrower must be a US citizen or an eligible non-citizen or can apply with a cosigner who is a citizen or an eligible non-citizen.

To find information for loans offered by private lenders and utilized by UCLA borrowers, please see the private lender lists available under forms and publications at www.financialaid.ucla.edu.
Credit Requirements

The lender will run a credit check on all applications before determining your eligibility for a private loan. Borrowers who are not approved based on their credit score will be advised to apply with a cosigner.

Interest Rates

The interest rates and repayment terms are not federally regulated and will vary. Your interest rate will vary depending on the lender and the applicant’s and the cosigner’s credit score. Applying with a qualified cosigner can substantially reduce your interest rate. Private loans are ‘unsubsidized’ and the interest starts accruing from the date of disbursement.

Loan Fees

Loan fees are set by the lender and vary. Loan fees are deducted from each disbursement prior to the disbursement of funds by the lender.

Repayment

Repayment terms also vary by lender. Most lenders do not require repayment while the student is in school and some can defer repayment for six months after graduation. However, interest on private loans accrues from the date of disbursement. Please contact the lender to find out about their repayment, deferment and forbearance options.

It is often possible to secure a lower interest rate on your private loan by applying with a cosigner.

Cosigner Information

Most private loans require a cosigner. The cosigner is required to sign the loan documents but the student is the primary borrower. By signing, the cosigner agrees to be fully responsible for the loan if the student does not fulfill his or her obligations. The loan obligation becomes a part of the cosigner’s credit history, including any late payments the borrower makes. An adult who meets the credit and citizenship requirements can cosign on a private student loan. A cosigner does not have to be a relative; he or she can be anyone who meets the general eligibility criteria. The lender will review the cosigner’s credit history and income as part of their approval process. In some cases a cosigner can be released from their loan responsibility after the borrower makes a specified number of on time consecutive monthly payments and meets certain credit requirements. Please check with the lender to determine whether they offer a cosigner release option and, if so, under what circumstances. In addition, a cosigner may be released in the event of the student beneficiary’s death or total and permanent disability (please ask your lender for additional information).

Applying for a Private Loan

Determine how much you need to borrow.

UCLA awards all financial aid applicants up to their cost of education so refer to your Financial Aid Notification (FAN) for the amount of private loan you are eligible to apply for. If you are a dependent student whose parent is unable to, or chooses not to borrow you can request that the parent PLUS loan on your FAN be converted to a private loan. If you select to apply
for private loan without completing a FAFSA application, please contact the Financial Aid and Scholarships office to determine the amount you can apply for.

Apply for your Private Loan Directly with the Lender

You cannot apply for a private loan by accepting the offer on your FAN. You have to apply directly with the lender.

Selecting a Lender

You can access UCLA’s private lender lists at http://www.financialaid.ucla.edu/Forms-and-Publications. In order to assist you with the selection process we publicize the preferred lender information evaluated and compiled by UC Office of the President. We also maintain a list (Fast Choice) of all lenders with which UCLA students borrowed in the last 3 academic years. Please note that, while we do our best to gather this information for you, listing a lender on our list does not constitute an endorsement or a guarantee of the benefits offered. All benefits are subject to change without notice, at the lender’s discretion. Before you borrow, please contact the lender directly to verify all loan terms and benefits. Also, you do not need to borrow from the lenders listed on UCLA’s lender lists. If you prefer to borrow from a lender not on our list, please contact them directly to obtain loan information and application instructions.

When applying for a private loan, consider going through the pre-approval process with more than one lender to determine which one will offer you the best terms. Shopping for the best priced loan will not lower your FICO score, providing all the credit enquiries are within a 30 day window

Loan Certification

Once you provide all information required by the lender and your application is approved, the lender will contact the Financial Aid and Scholarships office to request verification of your private loan eligibility. Financial aid office will verify your eligibility if your financial budget (as set by the school) exceeds all other aid available. Certification requests are received and completed within 5-10 business days for lenders with whom we work electronically and within 15-20 days for lenders who must mail or fax the documentation to our office, if we do not have an electronic process set up. If you refer to the Fast Choice lender list for your lender selection, information on whether the lender works with UCLA electronically or not is provided on the list. If you have questions about our ability to work with a specific lender electronically, please contact us directly.

Disbursements

Most private lenders require that you are enrolled at least half time (6 units), in order for your loans to be disbursed.

The total loan amount you are certified to receive by the financial aid office will be divided equally among terms for which you have been awarded. If you apply with one of UCLA’s electronic lenders, your loan will be disbursed via Electronic Funds
Transfer (EFT) and applied to your BruinBill account at the beginning of each term. Any funds left after your charges are paid, will be refunded to you. If you choose to work with a lender that does not work with UCLA electronically, your loan will be disbursed via a paper check that will need to be picked up from Student Loan Services (A227 Murphy Hall) each term.

Please Note: Private loans disbursed via paper checks will not be applied to BruinBill to cover your charges. If you do not have other financial aid available to cover your fees, please make sure that your quarterly charges are paid before the payment deadline in order to prevent your classes from being dropped or being assessed a late fee.

Returning Private Loans to the lender

If we are unable to disburse your private loan because of non-enrollment, insufficient units or holds on your account, Student Loan Office will return all undisbursed funds to the lender within 10 business days of receiving them. If your loans are returned, the Financial Aid and Scholarships office can request a reissue per the student’s written request submitted to our office. The reissue process will take 2 – 3 weeks. In certain circumstances the lender will not be able to reissue your private loan and they will ask you to reapply.

Contacts

Financial Aid and Scholarships
A-129 Murphy Hall
(310) 206-0400
finaid@saonet.ucla.edu
www.financialaid.ucla.edu

Student Loan Office
A-227 Murphy Hall
(310) 825-9864
www.loans.ucla.edu

Federal Loan Processing Center
(800) 557-7394
www.StudentLoans.gov

Student Financial Services
1125 Murphy Hall
(310) 825-9194
www.sfs.finance.ucla.edu