

# Loans

## **Direct Subsidized Loan**

The Federal Direct Subsidized Loan program is subsidized by the federal government for students who demonstrate financial need. Freshman-level students with fewer than 31 credits may borrow up to \$3,500 per year at a fixed interest rate with repayment beginning six months after they leave college or if they are enrolled in fewer than six credits. Students with more than 30 credits may borrow up to \$4,500 per year at a fixed interest rate with repayment beginning six months after they leave college or if they are enrolled in fewer than six credits. First-time borrowers must complete Entrance Counseling and a Master Promissory Note at <https://studentaid.gov/>.

## **Direct Unsubsidized Loan**

The Federal Direct Unsubsidized Loan is similar to the Direct Subsidized Loan except that interest accrues while the student is attending college with repayment beginning six months after the student leaves college or if the student is enrolled in fewer than six credits. Dependent students may borrow up to \$2,000 per year at a fixed interest rate. Independent students may borrow up to \$6,000, if needed, in addition to the above subsidized amounts to meet educational costs. First-time borrowers must complete Entrance Counseling and a Master Promissory Note at <https://studentaid.gov/>.

## **Direct Parent Loans for Undergraduate Students (PLUS)**

PLUS provides additional funds for educational expenses. These loans are made to parents of dependent, undergraduate students. The parents may borrow up to a student's cost of attendance minus the student's financial assistance. The interest rate for these loans is fixed. Pre-approval applications are required. Parents interested in this loan option should visit <https://studentaid.gov/>.

Additional information on all federal grants and loans can be found at <https://studentaid.gov/>.

## **Alternative Loans for Students**

Alternative loans are designed to help students fill the gap between their financial aid award, their federal loans, and their total education costs. This loan should be used only as a last resort. Fees, interest rates, application requirements, and incentives vary from lender to lender. For more information, go to <https://www.wmcc.edu/affordability/loan-information/>.