

MECU Student Loan Options

Loan Type		Federal Subsidized Stafford	Federal Unsubsidized Stafford Dependent	Federal Unsubsidized Stafford Independent	Federal Parent PLUS/ Graduate PLUS	Private Student Loan
Eligible Borrowers		<ul style="list-style-type: none"> • Dependent undergraduate • Independent undergraduate • Graduate or professional • Based on financial need 	<ul style="list-style-type: none"> • Dependent undergraduate • Not based on financial need 	<ul style="list-style-type: none"> • Independent undergraduate* • Graduate or professional • Not based on financial need 	<ul style="list-style-type: none"> • Creditworthy parent of dependent undergraduate • Graduate or professional • Not based on financial need 	MECU members 18 years or older with co-signer
Annual Borrowing Limits	Year 1	\$3,500	\$5,500 minus subsidized Stafford awarded	\$9,500 minus subsidized Stafford awarded	Eligible loan amount - the cost of education less financial aid the student receives	MECU members are limited to a total of \$40,000 aggregate unsecured debit per state regulations.
	Year 2	\$4,500	\$6,500 minus subsidized Stafford awarded	\$10,500 minus subsidized Stafford awarded		
	Year 3-5	\$5,500	\$7,500 minus subsidized Stafford awarded	\$12,500 minus subsidized Stafford awarded		
	Grad	\$8,500	N/A	\$20,500 minus subsidized Stafford awarded		
Aggregate Limits	Undergraduate	\$23,000	\$31,000 minus subsidized Stafford total previously borrowed	\$57,500 minus subsidized Stafford total previously borrowed	No cap	MECU members are limited to a total of \$40,000 aggregate unsecured debit per state regulations.
	Graduate	\$65,000	N/A	\$138,500 minus subsidized Stafford total previously borrowed		
Interest Rates <i>(as low as displayed)</i>		5.6% Undergraduate Fixed - 6.80% Graduate	Fixed - 6.80%	Fixed - 6.80%	Fixed - 8.50%	Variable
Borrower Fees	Default Fee: 1%				Origination Fee: 3% (from loan proceeds)	No origination fees
	No Origination Fee					
Disbursement	Loan proceeds are sent to the school, generally in at least two disbursements				Loan proceeds are sent to the school, co-payable to the borrower and school, generally in at least two disbursements	Loan proceeds are sent to the school, and the balance is sent to the student

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Repayment		Repayment begins six months after the student drops below half-time status, leaves or graduates. May prepay any part of loan at any time without penalty. The government pays the interest on the loan while the student is in school and for six months after leaving school (including graduation).	Same as subsidized Stafford. However, interest is payable from the date of disbursement and, if deferred, will be capitalized to the loan balance after the in-school, grace, or deferment period ends. Unsubsidized Stafford borrowers can avoid the extra cost of capitalization altogether by paying the accrued interest monthly or any time before it is capitalized.		First payment is due within 60 days after final disbursement. Any Part of the loan may be prepaid at any time without penalty. For parent PLUS loans made on or after 07/01/08, the borrower has the option to postpone repayment until six months after the student ceases to be enrolled at least halftime. Grad PLUS borrower may receive a deferment while he /she is enrolled on at least a half-time basis.	Repayment begins six months after the student drops below half-time status, leaves or graduates.	
		Repayment Schedules Standard (regular principal and interest payments over 10 years) Borrower automatically gets this option, unless they specify otherwise. Graduated (2–4 years interest only payments followed by standard payments) Income-Sensitive (based on gross income) Extended (regular principal and interest payments over 25 years)					
		Borrower has up to 10 years to repay with a \$50/month minimum payment. Borrower has up to 25 years to repay if their first loan was made on or after 10/7/98 with a balance greater than or equal to \$30,000					Up to 20 year term. .25% discount for auto payments

*or a dependent student whose parent applied for but was unable to obtain a Parent PLUS Loan.