

## GRADUATE STUDENT LOANS

Your financial aid package includes an award from the Federal Stafford Loan Program and, possibly, a private loan. This is not an effort to promote borrowing; rather, the Office of Financial Aid wishes to provide you with a number of convenient options for financing the costs associated with your program of study. You are encouraged to develop a sound budgeting strategy and to practice good debt management by borrowing wisely.

Follow the steps below to apply for a Stafford Loan and/or private loan:

### Federal Stafford Loan

#### Step 1

Refer to the enclosed award letter that states the Stafford Loan amount and type for which you are eligible.

#### Step 2

Complete the enclosed Federal Stafford Loan Request Form.

#### Step 3

Return the Federal Stafford Loan Request Form to: Samford University, Office of Financial Aid, 800 Lakeshore Drive, Birmingham, AL 35229.

*If you are choosing a new lender for the 2006-2007 academic year **or** have not previously borrowed a Stafford Loan at Samford, you will be sent instructions regarding the Master Promissory Note.*

### Private Loan

Southwest Student Services is a lender which offers exceptional approval ratings, low rates and fees, extended repayment options and expedited services. Based on this criteria, Southwest is Samford's preferred lender for a private loan. If you wish to borrow through another lender, please contact that lender directly.

#### Step 1

Refer to the enclosed award letter that states your private loan eligibility.

#### Step 2

On the Internet, go to: [www.sssc.com/samford](http://www.sssc.com/samford)

#### Step 3

Follow the prompts that allow you to apply for a **Southwest Student Services Signature Student Loan** online.

*See reverse side for terms and conditions.*

## Federal Stafford Loan

Federal Stafford Loans are low interest rate loans that enter repayment after a six-month grace period from the date the student ceases to be enrolled at least half-time. There are two types of Stafford Loans: *subsidized* (need-based) and *unsubsidized* (non-need-based). A student may receive both a subsidized and unsubsidized Stafford Loan for the same enrollment period.

**Subsidized:** The federal government pays the interest on this loan while the student is enrolled at least half-time and during the six-month grace period prior to the beginning of repayment. A student must demonstrate financial need to be eligible for a subsidized Stafford Loan. This is determined by the Free Application for Federal Student Aid (FAFSA).

**Unsubsidized:** The student is charged interest on this loan from the time the loan is disbursed until it is paid in full. While in school, the student can either pay the interest due or defer payment and let the interest accrue. Accrued interest will be capitalized (usually once) prior to repayment. This loan is available to all students who do not demonstrate financial need, as determined by the FAFSA.

*Interest rate:* Interest rates and loan terms are determined by the federal government. As of July 1, 2006 the interest rate for a Federal Stafford Loan is scheduled to change from a variable rate to a fixed rate of 6.8%.

*Loan fees:* Samford's preferred lenders generally pay the origination fees normally charged to borrowers. This benefit is subject to change without notice, therefore, please refer to the actual promissory note for specific terms and conditions.

*Repayment:* After a student withdraws, graduates or drops below half-time enrollment, he/she will have a six-month grace period before repayment begins. The standard repayment term is 10 years with a \$50 minimum payment.

*Loan limits:* Loan limits are determined by the federal government. A student may be awarded less than the annual maximums if there are additional sources of financial aid (i.e., scholarships, grants, etc.). Maximum loan limits for students can be viewed at [www.samford.edu/admin/finaid/loans.html](http://www.samford.edu/admin/finaid/loans.html)

## Private Loan

Private loans are designed to assist students in defraying the educational costs not covered by other forms of financial aid. Private loans are available to graduate students whose educational costs exceed the annual Stafford Loan maximum.

Samford's preferred private loan program is the **Southwest Student Services Signature Student Loan**. Students must be enrolled at least half-time and pass a credit check to be eligible for this loan. The information below applies to the **Southwest Student Services Signature Student Loan**.

*Interest rate:* The interest rate on the private loan is adjusted quarterly and is based on the prime rate.

Refer to [www.sssc.com/samford](http://www.sssc.com/samford) for actual rates and fees.

*Repayment:* After a student withdraws, graduates or drops below half-time enrollment, he/she will have a six-month grace period before repayment begins. Depending on the balance at repayment, the standard repayment period will range from 15 to 25 years.

*Loan limit:* The annual loan limit is equal to the cost of attendance (as determined by the Office of Financial Aid) less any other financial aid the student is receiving.

*Loan fees:* There are no fees charged to students who receive funding through the Southwest Student Services Signature Student Loan. This benefit is subject to change without notice, therefore, please refer to the actual promissory note for specific terms and conditions.

## 2006-2007 ACADEMIC YEAR FEDERAL STAFFORD LOAN REQUEST

In order to request a Federal Stafford Loan, the student must complete this form and return the completed "SCHOOL COPY" to Samford University, Office of Financial Aid, 800 Lakeshore Drive, Birmingham, AL 35229. Do not fax. Allow 3-4 weeks for processing. Federal regulations require that loan funds be credited to your student account no earlier than 10 days prior to the first day of class. Failure to SIGN and complete ALL sections (1-3) will delay the processing of your loan.

### Section #1 BORROWER INFORMATION

1. Last Name	2. First Name	3. Middle Name	4. Social Security # - -
5. Permanent Street Address		6. Home Telephone Number ( ) -	
7. City	8. State	9. Zip	10. Date of Birth / /19
11. I am enrolled in the following program during the loan request period (✓ only one that applies to you): <input type="checkbox"/> Pharmacy <input type="checkbox"/> Divinity <input type="checkbox"/> Dual Degree/Other Graduate (Specify) _____			
12. All loan periods listed below require separate loan request forms. I would like to request a loan for the following loan period (✓ only one): <input type="checkbox"/> <b>FALL &amp; SPRING (RECOMMENDED FOR MOST BORROWERS)</b> <input type="checkbox"/> Fall Only* <input type="checkbox"/> Spring Only* Are you graduating FALL 2006? <input type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> Jan Term* <input type="checkbox"/> Summer Term (classes beginning June 2006 and ending August 2006)* <input type="checkbox"/> Summer I only* <input type="checkbox"/> Summer II only* <small>*Loans borrowed for a single term (i.e., fall only) will be disbursed in two equal allotments: at the beginning of the term and at the term's midpoint, unless you are studying abroad. Are you studying abroad?    <input type="checkbox"/> NO    <input type="checkbox"/> YES</small>			

### Section #2 REQUESTED LOAN AMOUNT: Choose either Option #1 or Option #2 (✓ only one).

<input type="checkbox"/> <b>OPTION #1.</b> Based on the amounts shown on my award letter for the term that I have indicated above, I would like to request the <u>maximum</u> subsidized and unsubsidized* Federal Stafford Loan available to me for the 2006-2007 academic year. <small>*If your loan is all or partially unsubsidized, do you want to pay its interest while you are in school?    <input type="checkbox"/> No    <input type="checkbox"/> Yes</small>	
<input type="checkbox"/> <b>OPTION #2.</b> I would like to request <u>less</u> than the maximum amount awarded to me for the 2006-2007 academic year. I would like to borrow the following amount for the term I have indicated above:  SUBSIDIZED \$ _____ .00 + UNSUBSIDIZED* \$ _____ .00 = TOTAL \$ _____ .00  <small>*If your loan is all or partially unsubsidized, do you want to pay its interest while you are in school?    <input type="checkbox"/> No    <input type="checkbox"/> Yes</small>	

### Section #3 LENDER: Samford's preferred lenders are listed below. Each of these lenders provides expedited service in addition to the benefits outlined on the enclosed Preferred Lender Comparison Chart. Please choose a lender by placing a ✓ in the box. If you do not designate a lender, the Office of Financial Aid will select one from the options below.

<input type="checkbox"/> NATIONAL EDUCATION - 630628	<input type="checkbox"/> NELLIE MAE - 829076	<input type="checkbox"/> SOUTHWEST STUDENT SERVICES - 822583
<input type="checkbox"/> Other - If you choose to borrow from another lender please enter that lender name and code here: _____		

By signing my name below, I understand that all information listed above is valid. I also agree that I READ and UNDERSTOOD the ENTRANCE COUNSELING information explained on the BACK of this form:

STUDENT SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

#### SCHOOL INFORMATION: (to be completed by the Office of Financial Aid)

Date Certified: _____/_____/_____	FA	LOAN ID	LOAN PERIOD
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## ENTRANCE COUNSELING

Read the following information carefully before signing this application.

- The Master Promissory Note (MPN) is a legally binding document that sets the terms of my student loans, and is valid for up to 10 years from the date I sign it. Each year the Office of Financial Aid will notify me of the loan amount for which I am eligible, and will give me the opportunity to accept or reduce the amount.
- This is a loan that **must** be repaid.
- I must repay the loan in accordance with the terms provided by the lender.
- I must notify my lender within 30 calendar days, in writing, if any of the following events occur before the loan is repaid in full:
  - A. I fail to enroll in school for the intended loan period.
  - B. I withdraw from school or drop below half-time.
  - C. I transfer from one school to another.
  - D. I graduate from school.
  - E. I change my name through marriage, etc.
  - F. I change my address.
- I understand that I must repay the full amount of the loan even if I do not obtain a degree, am unable to secure employment after graduating, or am dissatisfied with the educational program.
- If I qualify for a deferment of repayment, I must provide the lender with written evidence of my eligibility and notify lender as soon as the condition for which the deferment was granted no longer exists.
- If I fail to make any repayment when it is due, the entire unpaid indebtedness, including interest, shall, at the option of the lender or any other holder of the promissory note, become immediately due and payable.
- I may, at my option and without penalty, prepay at any time all or any part of the principal or accrued interest of this loan. The approved lender must return the original promissory note to me when I have paid the loan in full.
- I am expected to make monthly payments promptly and I am to submit monthly payments beginning six months after I graduate.
- I understand that, if I fail to honor my obligation for payment on my student loan(s) and I default, the lender or guarantee agency will use legal means to collect the amount due. In addition, I become responsible for collection costs and attorney fees.
- I have authorized the lender to investigate my credit record and report to appropriate persons and credit bureaus my repayment performance under the loan agreement.
- If I default, I could owe the entire balance of the loan. My lender could report my loan status to the credit bureau, which may adversely affect my credit rating. Upon request, the lender must describe any arrangements it has made with credit bureau organizations concerning students' loans. The lender may institute legal action to force me to repay my loan.
- The approved lender must provide me with Terms of Repayment before the repayment period begins. The provisions of the repayment schedule must conform to the provisions in the Notice of Loan Guarantee and Disclosure Statement.
- If I am willing but financially unable to make repayments under my loan schedule, I may request the lender to grant forbearance on the loan(s) and allow any of the following:
  - A. A short period during which no payments are made.
  - B. An extension of time for making payments.
  - C. Smaller payments than were originally scheduled.
- The approved lender must keep on file a copy of the state and federal laws and regulations that govern the Federal Family Education Loan Program. I have the right to examine these materials.
- I understand that I can obtain information regarding my anticipated monthly repayment by accessing the loan repayment estimator at [www.salliemae.com](http://www.salliemae.com).
- I understand that upon graduation or ceasing to be enrolled at least half-time, I will be required to complete Loan Exit Counseling.
- For additional information, please contact the Office of Financial Aid at (205) 726-2905, (800) 888-7245, or by visiting the Financial Aid Web site at [www.samford.edu](http://www.samford.edu).

# Samford University

## 2006-2007 Preferred Lender Comparison Chart

Samford's preferred lenders are listed below. Each of these lenders provides expedited service in addition to the benefits outlined below.

	<b>NATIONAL EDUCATION® 630628 PLUS LOAN</b>	<b>NATIONAL EDUCATION® 630628 STAFFORD LOAN</b>	<b>NELLIE MAE® 829076 PLUS LOAN</b>	<b>NELLIE MAE® 829076 STAFFORD LOAN</b>	<b>SOUTHWEST STUDENT SERVICES® 830630 PLUS LOAN</b>	<b>SOUTHWEST STUDENT SERVICES® 830630 STAFFORD LOAN</b>
<b>Who is Eligible?</b>	Parents of undergraduate dependent students	Undergraduate and graduate students enrolled at least half-time	Parents of undergraduate dependent students	Undergraduate and graduate students enrolled at least half-time	Parents of undergraduate dependent students	Undergraduate and graduate students enrolled at least half-time
<b>Loan Limits</b>	Maximum = Up to the total cost of the student's education as determined by school (minus other aid received)	Dependent Students = \$2,625 for Freshmen, \$3,500 for Sophomores, \$5,500 for Juniors/Seniors. Independent Students = \$6,625 for Freshmen, \$7,500 for Sophomores, \$10,500 for Juniors/Seniors, \$18,500 for Graduates/Professionals	Maximum = Up to the total cost of the student's education as determined by school (minus other aid received)	Dependent Students = \$2,625 for Freshmen, \$3,500 for Sophomores, \$5,500 for Juniors/ Seniors. Independent Students = \$6,625 for Freshmen, \$7,500 for Sophomores, \$10,500 for Juniors/Seniors, \$18,500 for Graduates/ Professionals.	Maximum = Up to the total cost of the student's education as determined by school (minus other aid received)	Dependent Students = \$2,625 for Freshmen, \$3,500 for Sophomores, \$5,500 for Juniors/Seniors. Independent Students = \$6,625 for Freshmen, \$7,500 for Sophomores, \$10,500 for Juniors/Seniors, \$18,500 for Graduates/Professionals.
<b>Fees and Interest Rates</b>	<ul style="list-style-type: none"> <li>• 3% origination fee</li> <li>• 1% default fee</li> <li>• 8.5% fixed interest rate</li> </ul>	<ul style="list-style-type: none"> <li>• 0% origination fee<sup>1</sup></li> <li>• 1% default fee</li> <li>• 6.8% fixed interest rate</li> </ul>	<ul style="list-style-type: none"> <li>• 3% origination fee</li> <li>• 0% default fee<sup>2</sup></li> <li>• 8.5% fixed interest rate</li> </ul>	<ul style="list-style-type: none"> <li>• 0% origination fee<sup>1</sup></li> <li>• 0% default fee<sup>2</sup></li> <li>• 6.8% fixed interest rate</li> </ul>	<ul style="list-style-type: none"> <li>• 3% origination fee</li> <li>• 0% default fee<sup>2</sup></li> <li>• 8.5% fixed interest rate</li> </ul>	<ul style="list-style-type: none"> <li>• 0% origination fee<sup>1</sup></li> <li>• 0% default fee<sup>2</sup></li> <li>• 6.8% fixed interest rate</li> </ul>
<b>Borrower Benefits</b>	<ul style="list-style-type: none"> <li>• 1% interest rate reduction after making your first 24 scheduled payments on time<sup>3</sup></li> <li>• 2% interest rate reduction after making your first 48 scheduled payments on time<sup>3</sup></li> <li>• 1/4% interest rate reduction for automatic account withdrawal<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>• 1% interest rate reduction after making your first 24 scheduled payments on time<sup>3</sup></li> <li>• 2% interest rate reduction after making your first 48 scheduled payments on time<sup>3</sup></li> <li>• 1/4% interest rate reduction for automatic account withdrawal<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>• 2.4% loan credit based on the original principal amount after making 24 monthly payments by the due dates as initially scheduled<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>• 3.3% cash back or credit when borrowers make their first 33 payments on time, and prior to repayment sign up to receive account information by email<sup>5</sup></li> </ul>	<ul style="list-style-type: none"> <li>• 1% loan credit at repayment when prior to repayment borrowers enroll in automatic debit and sign up to receive account information by email<sup>6</sup></li> <li>• .25 percentage point interest rate reduction after you make your payments by the due dates as initially scheduled<sup>6</sup></li> </ul>	<ul style="list-style-type: none"> <li>• 3.3% cash back or credit when borrowers make their first 33 payments on time, and prior to repayment sign up to receive account information by email<sup>5</sup></li> </ul>
<b>Contact Information</b>	<a href="http://www.nationaleducation.com">www.nationaleducation.com</a>	<a href="http://www.nationaleducation.com">www.nationaleducation.com</a>	<a href="http://www.nelliemae.com">www.nelliemae.com</a>	<a href="http://www.nelliemae.com">www.nelliemae.com</a>	<a href="http://www.sssc.com">www.sssc.com</a>	<a href="http://www.sssc.com">www.sssc.com</a>

<sup>1</sup>Nellie Mae, Southwest Student Services Corporation and National Education will pay the origination fee on the borrower's behalf on Stafford Loans for Academic Year 2006-2007 guaranteed beginning 5/1/06. Terms and Conditions apply.

<sup>2</sup>Nellie Mae and Southwest Student Services will pay the 1% default fee on the borrower's behalf on Stafford Loans that are guaranteed by USA Funds 7/1/06 - 6/30/07. USA Funds will pay the default fee on Nellie Mae and Southwest Student Services PLUS Loans that are guaranteed by USA Funds 7/1/06 - 6/30/07.

<sup>3</sup>Stafford Loans eligible for the interest rate reduction benefits must be first disbursed from July 1, 2006 through June 30, 2007 by National Education. An on-time payment on the interest rate reduction benefit is one that is received within 15 days of its due date. Auto debit is not a requirement to receive interest rate reduction benefits.

<sup>4</sup>The 2.4% loan credit is available during active periods of repayment on PLUS Loans that are first disbursed from July 1, 2006 to June 30, 2007 by Nellie Mae and must be owned and serviced by Sallie Mae® throughout repayment. You must continue to pay on time to retain this benefit.

<sup>5</sup>Stafford Loans eligible for the 3.3% Sallie Mae Cash Back® benefit must be first disbursed from July 1, 2006 through June 30, 2007 by Nellie Mae or Southwest Student Services and be owned and serviced by Sallie Mae throughout repayment. The cash back benefit is based on 3.3% of the original principal loan balance.

<sup>6</sup>The 1% loan credit and .25 percentage point interest rate reduction benefits are available during active periods of repayment on PLUS Loans that are first disbursed from July 1, 2006 through June 30, 2007 by Southwest Student Services and must be owned and serviced by Sallie Mae throughout repayment. You must continue to pay on time to retain the interest rate reduction benefit.

The information contained herein is accurate to the best of our knowledge. Always refer to the Master Promissory Note for specific terms and conditions.