

Loan Information

Stafford Subsidized and Unsubsidized Loan Borrowers:

- Must complete the FAFSA form to begin the application process.
- For loans disbursed after July 1, 2010, the interest rate is 4.5% fixed for Subsidized loans and 6.8% fixed for Unsubsidized loans.
- Must be enrolled at least half-time (6 credit hours) to be eligible for the loan.
- Principal payments are not required until 6 months after the student graduates or drops below a half-time status in college.
- There is a difference between Subsidized and Unsubsidized Stafford loans. You must pay interest from the date of disbursement on Unsubsidized Stafford loans. Interest on Subsidized Stafford loans begins after the 6 month grace period.
- All Stafford Loan borrowers at LSTC must complete Stafford Loan Entrance Counseling before your loan is processed. This must be completed by all borrowers.
- All first-time borrowers and some previous borrowers will need to complete a Master Promissory Note (MPN). You may sign your MPN electronically.
- If you borrow a Federal Stafford Loan, all future loans will be processed with the same lender, unless you notify the Financial Aid Office.
- Loan disbursements are sent to the school in installments. Student loan funds will not be credited to the student's LSTC account until the 31st day of the semester.
- Students must reapply each academic year.
- All Stafford loan borrowers must complete exit counseling prior to leaving LSTC.

Parent Loan Borrowers:

- All PLUS borrowers will need to apply for the PLUS loan. If you are interested in borrowing a PLUS loan, please contact the Financial Aid Office for more information.
- The interest rate on PLUS loans are a fixed rate, not to exceed 8.5%.
- The student of the PLUS loan borrower must be enrolled at least half-time (6 credit hours) to be eligible for the loan.
- Repayment on a PLUS loan begins 60 days after the loan is fully disbursed. Parents will have to make payments on this loan while the student is still in school. Parents may discuss deferment options with their lender.
- PLUS loan borrowers must complete a Master Promissory Note (MPN) before loan monies will be disbursed.
- Loan disbursements are sent to the school in installments. PLUS loan funds will not be credited to the student's LSTC account until the 31st day of the semester. Any remaining amount not needed to pay the student's account balance, will be refunded to the PLUS loan borrower.
- PLUS borrowers will have to reapply for a new PLUS loan each academic year.

Alternative Loan Borrowers

- You must be a full-time student (enrolled in 12 or more credit hours).
- You must be an eligible degree seeking student enrolled in classes at LSTC before your loan will be processed.
- You are responsible for applying for the loan with a lender. The lender is responsible for performing the credit check and approving or denying your loan.
- Your interest rate will be determined by the lender based on your credit rating.
- If a lender approves your credit for an alternative loan, you must meet with a financial aid representative before your loan will be processed.
- You must apply for all federal aid prior to an Alternative Loan being processed for you.
- You must be a student in good standing to remain eligible for any Alternative Loan.
- You are not eligible for an Alternative Loan if you are on academic or financial aid probation.
- Money received from an Alternative Loan must be used for educational related expenses only.
- Loan disbursements are sent to the school in installments. Student loan funds will not be credited to the student's LSTC account until the 31st day of the semester.
- No Alternative Loan will be processed 30 days prior to the end of the semester.
- LSTC has the right to refuse to certify any Alternative Loan application.