



# Student Loan Guide

For your convenience, UNM now offers two loan programs:

- 1) The Federal Direct Student Loan Program and
- 2) The Federal Family Education Loan Program (FFELP) through New Mexico Student Loans.

Both programs offer Stafford Loans. The major difference between the programs is the source of the loan funds. Under the Direct Loan Program, the funds for your loan are lent directly from the U.S. government. Under the FFELP, the funds for your loan are lent to you from a lender, like New Mexico Student Loans, a nonprofit organization. Another major difference is the type of programs offered to reduce the costs of paying back your loan. *As part of the student loan process, you will choose either the Direct Loan Program or the FFELP through New Mexico Student Loans.*

## What I Need to Know About Stafford Loans

To get started, here's information about Stafford Loans that applies to both Direct and FFELP Programs.

**Subsidized Stafford Loans**—This loan is awarded based on financial need. The U.S. government pays the interest while you are in school. It is a variable interest rate loan and will not exceed 8.25%. The interest rate changes on July 1 every year.

**Unsubsidized Stafford Loans**—This loan is for all eligible students, regardless of income. You are charged interest from the time the loan is disbursed until it is paid in full. If you allow the interest to accumulate, it will be capitalized. This means the interest is added to the principal amount of the loan and continues to accumulate

based on the higher principal balance. This increases the amount you will repay. If you choose to pay the interest as it accumulates, you'll repay less in the long run. It is a variable interest rate loan and will not exceed 8.25%. The interest rate changes on July 1 every year.

## How Much Can I Borrow?

Your loan eligibility is determined by the Financial Aid Office and will not exceed the annual loan limits listed in the chart. Make a budget and only borrow what you need to pay for your education. Loans must be repaid, with interest, after you leave school. Also, consider your anticipated salary for your career and borrow accordingly. Visit [www.acinet.org](http://www.acinet.org) for more information about salaries.

## How Do I Receive My Loan Money?

A disbursement occurs when your loans are credited to your student account at UNM. In order for your Stafford Loan(s) to be disbursed and to maintain your eligibility, you must be enrolled at least half-time. Due to federal regulations, there is a 30-day delay for loan disbursements to freshman first-time borrowers.

YEAR/CREDITS	DEPENDENT UNDERGRADUATE STUDENTS (maximum combined subsidized/unsubsidized funding)*	INDEPENDENT UNDERGRADUATE STUDENTS (maximum combined subsidized/unsubsidized funding)
Year 1 (1-25 credits)	\$2,625	\$6,625 (\$2,625 of this amount may be in subsidized loans.)
Year 2 (26-59 credits)	\$3,500	\$7,500 (\$3,500 of this amount may be in subsidized loans.)
Year 3, 4, 5 (60 or more credits)	\$5,500	\$10,500 (\$5,500 of this amount may be in subsidized loans.)
Aggregate Undergraduate Limits	\$23,000	\$46,000 (\$23,000 of this amount may be in subsidized loans.)
Graduate/Professional Annual Loan Limit	N/A	\$18,500 (\$8,500 of this amount may be in subsidized loans.)
Graduate/Professional Aggregate Limits (includes undergraduate loans)	N/A	\$138,500 (\$65,500 of this amount may be in subsidized loans.)

\* Loan limits for independent students also apply to dependent students whose parents do not qualify for a PLUS loan.

## Questions?

If you have any questions regarding your financial aid or student loan, please contact us.

Student Financial Aid Office  
MSC06 3610

Mesa Vista Hall North  
1 University of New Mexico  
Albuquerque, NM 87131  
Phone: 505.277.2041

or

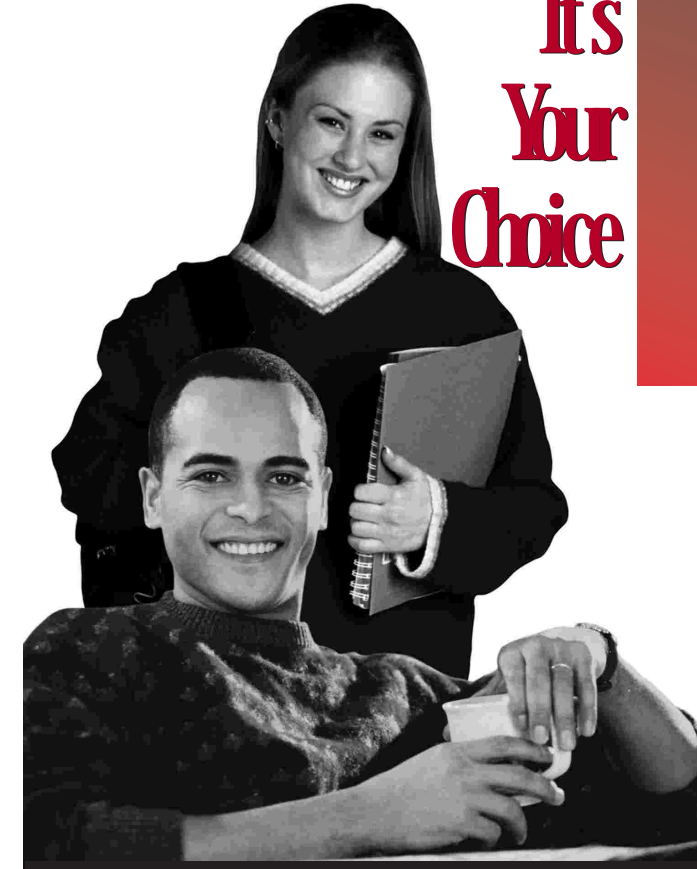
1-800-CALL-UNM  
Fax: 505.277.6326

Web: <http://www.unm.edu/~finaid/>  
Email: [finaid@unm.edu](mailto:finaid@unm.edu)



# Future Educators and Nurses

## It's Your Choice



Sponsored by New Mexico Student Loans

# Student Loan Guide

For College of Education and School of Nursing

# The choice you make now will affect your future

When you start paying back your loans, you will want to take advantage of the benefits offered by the Federal Direct Loan program or FFELP. It will help you save money when you need it most.

## Choosing a Program—Ways to Save

DIRECT LOAN	FFELP through New Mexico Student Loans
<ul style="list-style-type: none"> <li>• Up-front 1.5% origination fee assessed.</li> </ul>	<ul style="list-style-type: none"> <li>• Up-front 3.0% origination fee assessed.</li> <li>• Teachers for Tomorrow – 0% interest is charged when your loan enters repayment and you teach full-time in New Mexico. Consolidate your loans and teach full-time in New Mexico and your interest rate will be 1.25%.</li> <li>• Nurses for New Mexico – 0% interest is charged when your loan enters repayment and you work full-time as a nurse in New Mexico. Consolidate your loans and work full-time as a nurse in New Mexico and your interest rate will be 1.25%.</li> <li>• Visit <a href="http://www.nmstudentloans.org">www.nmstudentloans.org</a> for more details.</li> </ul>
<ul style="list-style-type: none"> <li>• Automatic payment withdrawals - your interest rate will be reduced by .25%.</li> <li>• Visit <a href="http://www.dlsonline.com">www.dlsonline.com</a> for more details.</li> </ul>	<ul style="list-style-type: none"> <li>• Pot of Gold – 5% is automatically reduced from your outstanding principal loan balance when you make your first 48 monthly payments on time.</li> <li>• Visit <a href="http://www.nmstudentloans.org">www.nmstudentloans.org</a> for more details.</li> </ul>

## Choosing Direct or FFELP?

If you are interested in applying for a loan, you must select one of these two programs: Federal Direct Student Loan or FFELP through New Mexico Student Loans. Here's some information to assist in your decision-making process. It outlines programs that reduce the cost of paying back your loans.

Once you have made your decision, complete the Loan Choice Request Form and follow the instructions provided.

## I've Selected Federal Direct Loans

**Loan Counseling**—If you are a first-time borrower at UNM, complete entrance counseling online at [www.ed.gov/DirectLoan/](http://www.ed.gov/DirectLoan/). If you prefer, you may attend an entrance counseling session in the Financial Aid Office. Contact our office for times.

**Complete the Promissory Note**—You may complete your Direct Loan Master Promissory Note (MPN) online at: <http://dlenote.ed.gov/>.

**Sign your MPN**—To electronically sign your MPN, you will need your FAFSA PIN. If you do not have a PIN, visit [www.pin.ed.gov](http://www.pin.ed.gov).

You can complete the online MPN at any time up to a year before your loan is approved. However, completing the electronic MPN does not guarantee you will receive a student loan.

Your completed electronic MPN is valid for ten years after disbursement of your first Direct Loan, if the school(s) you attend within ten years participates in the Federal Direct Student Loan program.

You will receive notification from the Direct Loan Origination Center each time you are approved for a Federal Direct Student Loan. If an approved loan is reduced or canceled, you will receive updated information with the adjusted amount.

If you do not know if you've completed a Direct Loan MPN, you may contact UNM or check with the Department of Education at <http://dlenote.ed.gov/>.

## I've Selected FFELP through New Mexico Student Loans

**Loan Counseling**—If you are a first-time borrower, complete online entrance counseling at [www.mapping-your-future.org](http://www.mapping-your-future.org). Follow the link for "Student Loan Counseling Interview" and select Stafford Entrance. Follow all directions to complete your loan counseling.

**Complete the Promissory Note**—If this is your first loan at UNM through New Mexico Student Loans or if you are changing from Direct Loans to New Mexico Student Loans, you are required to complete a new Master Promissory Note (MPN).

**Sign your MPN**—Once your loan is approved by the financial aid office, you will be notified by New Mexico Student Loans when the online MPN is available for your signature. To electronically sign your MPN, you will need your Free Application for Federal Student Aid (FAFSA) PIN. If you do not have a PIN, visit [www.pin.ed.gov](http://www.pin.ed.gov). You may also download and print the MPN, sign and return it to New Mexico Student Loans.

The MPN is valid for up to ten years and does not require a signature each year as long as you continue borrowing through New Mexico Student Loans.

You will receive notification from New Mexico Student Loans each time you receive a loan disbursement. If your loan amount has been reduced or canceled, you will receive updated information.

If you do not know if you've completed a FFELP MPN, you may contact our office or New Mexico Student Loans at 505-345-8821 or 1-800-279-3070.