

# UNIVERSITY OF THE INCARNATE WORD FEDERAL DIRECT LOAN BENEFITS

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## WHY AM I OFFERED A FEDERAL DIRECT LOAN?

Students will typically have a gap between their charges and what their grants or scholarships cover. Loans can be an option to help fill that gap. Federal Direct Loans are available each year through the FAFSA application and are awarded without a credit check or cosigner. Learn more at <http://www.uiw.edu/finaid/loansasst1.html>

## WHY WOULD I BORROW?

Loans are repaid with interest, so borrowing now could prepare you for a better paying job later.

WHA

## WHAT IS THE DIFFERENCE BETWEEN SUBSIDIZED AND UNSUBSIDIZED LOANS?

Subsidized Direct Federal Loans are offered to undergraduate students with financial need, as determined by the FAFSA. Subsidized Loans do not accrue interest while you are attending at least half time or during deferment periods.

Unsubsidized Direct Federal Loans are offered to undergraduate and graduate students; there is no requirement to demonstrate financial need. Unsubsidized Loans accrue interest while attending school as well as during deferment periods. Find more information on federal loans at <https://studentaid.gov/>

## WHAT KIND OF LOAN DEBT DO STUDENTS GRADUATE WITH AT UIW?

FEDERAL UNDERGRADUATE LOANS	
UIW Median Borrowing Amount	\$ 27,179
Dependent Student Maximum Borrowing Amount	\$ 31,000
Independent Student Maximum Borrowing Amount	\$ 57,500

Last academic year, new freshman that utilized federal loans borrowed an average of \$5,730 each. If you borrowed a total of \$27,000 for your education at 5.5% and used a standard 10-year repayment plan, your monthly payment would be \$287.04. You have a 6-month grace period prior to repayment. For more information on repayment, deferments, and loan forgiveness, visit <https://studentaid.gov/Z/uvPro/v>.

## WILL MY FINANCIAL AID BE THE SAME EVERY YEAR?

The main factors in aid amounts each year come from your aid application (FAFSA) and your satisfactory academic progress (SAP). Renewal of all your federal and UW aid requires you to maintain a 2.0 cumulative GPA and complete at least 75% of the courses you attempt. State aid requires the completion of 24 credit hours and a 2.5 cumulative GPA each year. Dropping classes, failing classes, adding additional minors or changing majors can all impact your overall progress and your length of time to graduation. More information on the SAP process is available at <http://www.uw.edu/financialaid/sapinfo.html>.

Another factor is your need-based eligibility from FAFSA. Applying for your FAFSA each October will make sure you have the most timely information and understand any changes to your aid eligibility. Changes in aid amounts most commonly occur with changes in income, household size, or the number of students from your household who are in college. Find FAFSA information and applications online at <https://studentaid.gov/> or call 1-800-431-5463.

## HOW CAN I REDUCE COSTS?

You have several ways to help reduce your costs and increase your aid. Apply for your FAFSA as early as October 1<sup>st</sup> for the following year, every year. Look for scholarship opportunities on the UW Financial Assistance website at <http://uw.edu/financialassistance> or call 1-800-431-5463.