

# Pell Grant and Direct Loan Program Information

*Undergraduate and Teaching Credential Students*

Humphreys University participates in the Federal Direct Loan Program, offering flexible, low-interest loan options for graduate students to support their educational journey. This guide outlines key programs, benefits, and application steps to help you make informed borrowing decisions.

## Pell Grant Program

### **Description**

Generally awarded to undergraduate students who are financially needy and who have not earned a bachelor's or graduate degree. For credential stand-alone programs, be sure to indicate on your FAFSA the Teaching Credential (non-degree program) as your degree or certificate program.

### **Award Amount and Lifetime Eligibility**

Annual minimum and maximum vary, as set by Congress. Repayment is not required. For the 2024–25 award year (July 1, 2024 to June 30, 2025), the maximum full-time award will be \$7,395. The award is subject to a 600% lifetime limit.

### **Enrollment Status and Disbursement Amounts**

Pell Grant disbursements are prorated based on enrollment intensity

**Full-Time:** 12 or more credit hours per quarter. Eligible for the full award amount.

**Three-Quarter Time:** 9-11 credit hours per quarter. The award amount is prorated to approximately 75% of the full award.

**Half-Time:** 6-8 credit hours per quarter. The award amount is prorated to approximately 50% of the full award.

**Less-than-Half-Time:** Fewer than 6 credit hours per quarter. The award amount is prorated to less than 50% of the full award

## Federal Direct Loan Program

The Federal Direct Loan Program provides low-interest loans to help students and parents pay for the cost of a student's education after high school. The loans are funded by the federal government and include several types, such as Direct Subsidized Loans, Direct Unsubsidized Loans, and Parent PLUS Loans.

### **Direct Subsidized Loans**

Direct Subsidized Loans are available to undergraduate students with financial need. The U.S. Department of Education pays the interest on these loans while you are in school at least half-time, during the grace period, and during deferment periods.

### **Direct Unsubsidized Loans**

Direct Unsubsidized Loans are available to undergraduate and graduate students regardless of financial need. Interest on these loans begins accruing immediately after disbursement and continues to accrue while you are in

school, during your grace period, and during any deferment or forbearance periods. These loans are not subsidized by the government.

## Direct Plus Loan for Parents

Parent PLUS Loans are available to parents of dependent undergraduate students to help pay for education expenses not covered by other financial aid. Interest on these loans begins accruing immediately after disbursement. Parents can defer payments while the student is enrolled at least half-time, but interest will continue to accrue during this period. These loans are not subsidized by the government.

## Interest Rates & Origination Fees

- **Interest Rates** for Federal Student Loans: Federal Student Aid
- **Origination Fees** for Federal Student Loans: Federal Student Aid

## Benefits of Federal Direct Loans

- **Fixed Interest Rates:** Do not change over the life of the loan.
- **Lower Interest Rates:** Compared to private loans.
- **Flexible Repayment Options:** Including income-driven plans.
- **Loan Forgiveness Programs:** May be eligible for PSLF.

## Loan Program Overview

Program	Description	Interest & Fees	How to Apply
Unsubsidized Loan	Interest accrues during all periods. Repayment begins 6 months after graduation or dropping below half-time.	Fixed rate. No credit check.	File the FAFSA. The loan will appear in your Financial Aid Offer.
Graduate PLUS Loan	Credit-based loan. May require an endorser. It covers the full cost of attendance minus other aid.	Fixed rate. Higher origination fee.	Apply at studentaid.gov and notify Student Services.

## Definitions

- **Eligibility:** Who can apply for the loan.
- **Interest Accrual:** When the interest on the loan starts to build up.
- **Subsidy:** Whether the government helps pay the interest on the loan.
- **Payments:** When you need to start making payments on the loan.
- **Interest Rate:** The percentage of the loan amount that you pay as interest each year.
- **Origination Fee:** A fee charged by the lender for processing the loan.

## Loan Comparison Table

Loan Type	Eligibility	Interest Accrual	Subsidy	Payments	Interest Rate	Origination Fee
<b>Direct Subsidized Loans</b>	Undergraduate students with financial need	No interest while in school, grace period, or deferment	Subsidized by the government	Not required while enrolled	Varies See Interest Rates	Varies See Origination Fees
<b>Direct Unsubsidized Loans</b>	Undergraduate and graduate students, no financial need	Interest accrues immediately after disbursement	Not subsidized by the government	Not required while enrolled, but interest accrues	Varies See Interest Rates	Varies See Origination Fees
<b>Parent PLUS Loans</b>	Parents of dependent undergraduate students	Interest accrues immediately after disbursement	Not subsidized by the government	Payments can be deferred while a student is enrolled	Varies See Interest Rates	Varies See Origination Fees

## Annual Loan Limits

The annual loan limits for Direct Subsidized and Direct Unsubsidized Loans vary based on the student's grade level and dependency status:

- First-Year Undergraduate Students:
  - Dependent Students: Up to \$5,500 (maximum \$3,500 subsidized)
  - Independent Students: Up to \$9,500 (maximum \$3,500 subsidized)
- Second-Year Undergraduate Students:
  - Dependent Students: Up to \$6,500 (maximum \$4,500 subsidized)
  - Independent Students: Up to \$10,500 (maximum \$4,500 subsidized)
- Third Year and Beyond Undergraduate Students:
  - Dependent Students: Up to \$7,500 (maximum \$5,500 subsidized)
  - Independent Students: Up to \$12,500 (maximum \$5,500 subsidized)

## Aggregate Loan Limits

The aggregate loan limits are the total amount a student can borrow throughout their undergraduate education:

- Dependent Students: Up to \$31,000 (maximum \$23,000 subsidized)
- Independent Students: Up to \$57,500 (maximum \$23,000 subsidized)

## Definitions

- Annual Loan Limits: The maximum amount a student can borrow each academic year.
- Aggregate Loan Limits: The total amount a student can borrow throughout their undergraduate education.

## Loan Limits Comparison Table

Loan Type	Annual Limit	Aggregate Limit
<b>Direct Subsidized Loans</b>	<ul style="list-style-type: none"><li>- <b>First-Year Undergraduate Students:</b> Up to \$3,500</li><li>- <b>Second-Year Undergraduate Students:</b> Up to \$4,500</li><li>- <b>Third Year and Beyond Undergraduate Students:</b> Up to \$5,500</li></ul>	<ul style="list-style-type: none"><li>- <b>Dependent Students:</b> Up to \$23,000</li><li>- <b>Independent Students:</b> Up to \$23,000</li></ul>
<b>Direct Unsubsidized Loans</b>	<ul style="list-style-type: none"><li>- <b>First-Year Undergraduate Students:</b> Up to \$9,500 (including subsidized amount)</li><li>- <b>Second-Year Undergraduate Students:</b> Up to \$10,500 (including subsidized amount)</li><li>- <b>Third Year and Beyond Undergraduate Students:</b> Up to \$12,500 (including subsidized amount)</li></ul>	<ul style="list-style-type: none"><li>- <b>Dependent Students:</b> Up to \$31,000 (including subsidized amount)</li><li>- <b>Independent Students:</b> Up to \$57,500 (including subsidized amount)</li></ul>
<b>Parent PLUS Loans</b>	Up to the cost of attendance minus any other financial aid received	No aggregate limit

## Borrow Wisely

Federal student loans may be used to cover all components of your Cost of Attendance (COA), including tuition, fees, books, supplies, housing, transportation, and personal expenses—as defined by federal regulations.

While students can borrow up to their full COA, it's important to note that the annual loan limit for the Direct Unsubsidized Loan may not cover the entire COA. In most cases, the COA exceeds the annual borrowing limit set by the Direct Loan program.

We strongly encourage graduate students to make informed and intentional borrowing decisions. Borrowing the full amount offered may be appropriate depending on your circumstances but remember that all borrowed funds accrue interest and must be repaid. Evaluate your financial needs, develop a budget, and consider other resources before accepting loan offers to help reduce long-term debt. [FSA Cost of Attendance Guide](#).

## Financial Awareness

- Start saving early; modest savings can grow significantly over time.
- Monitor your credit regularly to ensure accuracy and reduce identity theft risk.
- Track student loan borrowing through your Federal Student Aid account to stay informed about your loan balance and servicer.

## Repayment & Loan Forgiveness

- Compare federal repayment plans, including Standard, Graduated, and Income-Driven options.
- You may qualify for [Public Service Loan Forgiveness](#) (PSLF).
- Consider [Direct Loan Consolidation](#) to combine multiple loans and simplify your payments.
- Use the [Loan Simulator](#) to estimate monthly payments and explore the best plan for your future.

Visit [studentaid.gov](https://studentaid.gov) for tools and guidance.