

# Federal Loans

Federal loans are low-interest, fixed rate loans borrowed through the federal government.

**Federal Direct Subsidized Student Loans:** A [subsidized](#) loan is one that the government pays the interest while the student is in school, in a grace period, or in deferment. A student must complete the FAFSA to be considered for a subsidized loan. Repayment begins six months after graduation or discontinuance of at least half-time, degree seeking enrollment. First-time borrowers must additionally complete a [Master Promissory Note \(MPN\)](#) and [Entrance Counseling](#) to better understand repayment and options.

**Federal Direct Unsubsidized Student Loans:** All students who complete the FAFSA are eligible for a federal unsubsidized loan including students who do not qualify or qualify for only part of the subsidized loan. An unsubsidized loan is one in which the government does not pay the interest on the loan while the student is in school, in a grace period, or in deferment. Payments of principal and interest may be deferred while enrolled at least half-time as a degree seeking student. Repayment begins six months after graduation or discontinuance of at least half-time, degree seeking enrollment. A student must complete the FAFSA to be considered for an unsubsidized loan. First-time borrowers must additionally complete a [Master Promissory Note \(MPN\)](#) and [Entrance Counseling](#) to better understand repayment and options.