

2008-2009 FEDERAL STAFFORD LOAN INFORMATION

The following information is provided to assist students who have been awarded Federal Stafford Loans for the 2008-2009 school year.

Completing the Federal Stafford Loan Process

Students who borrow Federal Stafford Loans must complete steps each year that include accepting your loan, completing a Master Promissory Note if not previously done with your selected lender, and completing entrance loan counseling if you are a first-time borrower at Minnesota State Mankato. The Student Response Form is used to accept loan amounts each year. The Master Promissory Note acknowledges your acceptance of the lender's fees, interest rates, loan limits and repayment terms. Entrance loan counseling provides information on your rights and responsibilities as a student loan borrower.

In order to borrow from the Federal Stafford Loan program, you must select a lender. Student-borrowers may choose to borrow from any financial institution that participates in the Federal Stafford Loan program. Your financial aid award will indicate lender code information for your most recent lender if you have previously borrowed Federal Stafford Loans through Minnesota State Mankato. Although it is not required, it is strongly recommended that students select the same lender from year to year. If you change lenders for your Federal Stafford Loans, you will need to complete a Master Promissory Note with your newly selected lender.

Federal Stafford Loan Recommended Lender List

As a resource to students who do not have a pre-existing relationship with a financial institution offering Federal Stafford Loans, a list of recommended lenders is provided below. This list contains names of lenders with whom Minnesota State Mankato has a working relationship to provide good customer service to our students. Loans through other financial institutions are processed by the Student Financial Services staff with the same level of commitment and priority as loans with our recommended lenders; students will be asked to provide the name, address, and code of the selected lender and its guaranty agency.

Repayment and benefits may vary between lenders. Please refer to the websites below for detailed information, or go to www.mnsu.edu/campus/loans/FASTChoice to view a comparative display of the recommended lenders, or check with the lender of your choice.

The recommended lender list is reviewed and updated annually to ensure accountability to our students. Among the things considered, the lenders must:

- > have a record of exceptional customer services for student-borrowers;
- > offer a comprehensive array of products including Federal Family Education Loan Program (FFELP) loans and alternative loans;
- > offer online services including all aspects of the loan application process to student-borrowers;
- > have a record of efficient and accurate loan processing;
- > have documented success in processing a high volume of FFELP loans;
- > demonstrate a commitment to keep student indebtedness to a minimum through loan education programs;
- > adhere to business practices that in no way result in denial of a borrower's access to student loans because of his/her race, sex, color, religion, national origin, age, handicapped status, or income.

Minnesota State Mankato's recommended lenders for Federal Stafford Loans for 2008-2009 include:

| Lender | Code | Website | Guaranty Agency |
|--|--------------------------------|--|---|
| U.S. Bank Wells Fargo Wachovia | 821654 807176 870005 | usbank.com/studentloans wellsfargo.com/student wachovia.com/personal/page | Great Lakes Higher Education Corp. P.O. Box 64080 St. Paul, MN 55164-0080 800-366-0032 |
| Bremer Bank Citibank EdAmerica | 806361 826878 831453 | bremer.com/home/personal/ Click on "Student Loans" studentloan.com edamerica.net | Education Assistance Corp. (EAC) 115 First Avenue Southwest Aberdeen, SD 57401-4184 800-458-4011 |
| Security National Bank | 804189 | studentloan.org/borrowerbenefits.htm | Iowa College Student Aid Commission c/o iLink Service Center P.O. Box 7005 Des Moines, IA 50309-7005 800-243-7552 |

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| Lender | Code | Website | Guaranty Agency |
|-------------------|--------|--|---|
| Bank of N. Dakota | 816386 | mystudentloanonline.com | Student Loans of North Dakota P.O. Box 5509 Bismarck, ND 58506-5509 800-472-2166 |

Loan Disbursements and Amounts

The disbursement date indicated on the Loan Disclosure Statement you receive from your lender is the date your loan proceeds will be sent to Minnesota State Mankato. Your loan(s) will then be applied to your account and any remaining balance will be paid to you according to the University's pre-established disbursement schedule. The first disbursement date for Fall Semester 2008 is September 5, 2008. The first disbursement date for Spring Semester 2009 is January 23, 2009.

Loan funds will be equally divided between the two semesters unless you are requesting funds for only one semester.

If you are an undergraduate student and your remaining period of study is less than a full academic year (e.g. you are graduating at the end of the Fall Semester), your Stafford Loan eligibility will be prorated based on the number of credits for which you enroll. Proration will be based on a full-time annual enrollment of 32 credits. For example, if you are enrolled for 15 credits, you would be eligible for 15/32 of your annual limit.

Interest Rates, Fees, and Loan Limits

Interest rates for Subsidized Stafford Loans as of 7/1/2008 are 6.0% for undergraduate students, and 6.8% for graduate students. Interest rates for Unsubsidized Stafford Loans are 6.8%. Student-borrowers will receive a Loan Disclosure Statement and other notifications from their servicer indicating the interest rate on their Federal Stafford Loans.

The lender and/or guaranty agency may deduct an origination fee (up to 1.0%) and a default aversion fee (up to 1.0%) from the Federal Stafford Loan prior to disbursement. For example, a loan of \$1,000 with a 1.0% fee would result in a net disbursement of \$990.

The Federal Stafford Loan program has annual and aggregate limits on the amount of loan funding a student may borrow. The limits for the combined total of subsidized and unsubsidized borrowing are as follows:

Dependent students

| Grade Classification | Annual Limit | Aggregate Limit |
|----------------------|---|--|
| Freshman | \$5,500 (subsidized may not exceed \$3,500) | \$ 31,000 (subsidized may not exceed \$23,000) |
| Sophomore | \$6,500 (subsidized may not exceed \$4,500) | \$ 31,000 (subsidized may not exceed \$23,000) |
| Junior & Senior | \$7,500 (subsidized may not exceed \$5,500) | \$ 31,000 (subsidized may not exceed \$23,000) |

Independent students

| Grade Classification | Annual Limit | Aggregate Limit |
|----------------------|--|--|
| Freshman | \$ 9,500 (subsidized may not exceed \$3,500) | \$ 57,500 (subsidized may not exceed \$23,000) |
| Sophomore | \$10,500 (subsidized may not exceed \$4,500) | \$ 57,500 (subsidized may not exceed \$23,000) |
| Junior & Senior | \$12,500 (subsidized may not exceed \$5,500) | \$ 57,500 (subsidized may not exceed \$23,000) |
| Graduate | \$20,500 (subsidized may not exceed \$8,500) | \$138,500 (subsidized may not exceed \$65,500) |

