

## Federal Stafford Loan (subsidized and unsubsidized)

Contact: Your lender/servicer (check your records!)

You may review your borrowing history through the National Student Loan Data System available on the web at [www.nsls.ed.gov](http://www.nsls.ed.gov) or [www.studentclearinghouse.org](http://www.studentclearinghouse.org)

For Many St. Olaf Students:

Great Lakes Higher Education Corp.  
444 Cedar St. Suite 600  
St. Paul, MN 55101-2133  
(800) 236-4300  
[www.mygreatlakes.com](http://www.mygreatlakes.com)

AND/OR

Wells Fargo Education Financial Services  
301 E. 58<sup>th</sup> Street North  
P.O. Box 5185  
Sioux Falls, SD 57117-5185  
(800)658-3567  
[www.wellsfargo.com/student](http://www.wellsfargo.com/student)

**What Are the Terms of the Loan?** The **subsidized** Stafford Loan is interest-free to you during in-school, deferment, and grace periods. On the **unsubsidized** Stafford Loan, you are charged interest during those periods. You or your parents may have chosen to pay the interest on the unsubsidized loan while you were in school, or you may have allowed it to accrue and capitalize (be added to the principal amount). You should be aware that if you allowed your interest to accrue, your principal amount would be higher than the original amount you borrowed when it is time to enter repayment.

The interest rate on the Stafford Loan is variable annually, with a cap of 8.25%. Effective July 1, 2003, the interest rate is 2.82% during in-school periods and 3.42% during repayment.

**When Do I Begin Repayment?** The Stafford Loan has a six-month grace period, which means you begin repayment six months after you cease to be enrolled as a half-time student (whether you graduate or not).

**What Will My Monthly Payment Be?** Use the Loan payment Calculator at [www.mygreatlakes.com](http://www.mygreatlakes.com). Click on Borrowers and then on Loan payment calculator to estimate your monthly payment.

**What If I'm Still In School?** If you plan to or already have transferred to another school after leaving St. Olaf, you can qualify for a deferment of repayment if you are enrolled at least half time. Contact your lender/servicer for a deferment form, which you must take to the Registrar's office at the school at which you will be enrolled. They will certify your status and send it back to your lender.

**What is a Student Loan Servicer?** A loan servicer is an organization that contracts with your lender to handle all of the paperwork (deferments, repayments, etc.) associated with your student loan. If your lender does this, they are required to notify you. From then on, you should maintain contact with the servicer, not your lender. The lender may still "hold" your loan, but the servicer knows its current status and can answer all of your questions and concerns.

**What Are My Repayment Options?** Initially, most students will be granted a ten-year repayment period. If that results in payments that are unmanageable for you, contact the lender/servicer for information about Consolidation and/or Graduated Repayment. These options allow you to refinance your loans over a longer period of time, thereby reducing your monthly payment. Consolidation information and a Consolidation Calculator are also available at [www.mygreatlakes.com](http://www.mygreatlakes.com). Click on Borrowers and the on consolidation calculator to estimate the repayment term, monthly payment amounts and total interest for each of the available Consolidation Loan payment plans.

**What If I Can't Afford to Repay My Loan At All?** If you anticipate that you will be unable to afford your Stafford Loan payment, or if circumstances suddenly arise that make you unable to pay, do not ignore the loan! You may qualify for an economic hardship or an unemployment deferment (remember, your subsidized loan is interest-free during deferment). If you don't qualify for a deferment, you can probably receive an economic hardship "forbearance." This is a period of time (usually granted in six- month increments) during which you are not required to make payments on your Stafford Loan. This will not adversely affect your credit rating. However, during forbearance, interest will accrue on both the subsidized and the unsubsidized loans.

**Having Problems Resolving a Loan Dispute?** The SFA Ombudsman works with student borrowers to informally resolve loan disputes and problems. This site provides online problem assistance.  
<http://wwwsfahelp.ed.gov>

Generally, your lender/servicer is very willing and able to work with you to prevent default on your student loan, as long as you keep in touch with them and contact them immediately if you are unable to afford your payments!

**IF YOU ARE HAVING DIFFICULTY WITH YOUR STUDENT LOANS, YOU MAY STILL CONTACT THE ST. OLAF FINANCIAL AID OFFICE FOR HELP AND ADVICE! WE CAN BE REACHED AT:**

1520 St. Olaf Avenue  
Northfield, MN 55057  
(507)646-3019  
[finaid@stolaf.edu](mailto:finaid@stolaf.edu)