



Federal Direct Loans: are Federally insured, can be consolidated and borrowers are able to apply for extensions of repayment. Students must complete the Free Application for Federal Student Aid (FAFSA)* in order to receive Federal Aid. To add, all Federal Aid (excluding Graduate Plus Loans) have an aggregate (cap on borrowing limits). Borrowers can verify their Federal debt from all institutions by visiting www.studentaid.gov.

***Visit www.studentaid.gov to file your FAFSA annually using your tax information from the prior prior tax year**

FEDERAL DIRECT LOANS (for Graduate and Professional Level Students)

- Direct Loans will carry a 7.94% fixed interest rate for 25-26 effective July 1, 2025 (rates can change annually on July 1); [loan processing fees apply](#) (Read your Master Promissory Note-MPN)
- Borrowers are automatically packaged with these loans if they are eligible (have not exceeded the set aggregate (cap/max) limit)
- 6 month grace period; not a credit based loan
- The two types of loans are Federal **Subsidized** Direct Loan and Federal **Unsubsidized** Direct Loan

Federal Subsidized Direct Loans are awarded based on financial need (income/asset information from the FAFSA)

- As of July 1, 2012, Subsidized Direct Loans are **no longer be offered** to Graduate and Professional students

Federal Unsubsidized Direct Loan

- Unsubsidized* loans can be awarded to any eligible applicant; not a credit based loan; [loan processing fees apply](#)
- Interest on *Unsubsidized* Loans accrues from the date the loan is disbursed until it is paid in full; loan processing fees may apply
- Students should only borrow what is needed to meet their cost of attendance and/or personal budget

Federal Graduate Plus Direct Loan

- Will carry a 8.94% fixed interest rate for 25-26 effective July 1, 2025; (rates can change annually on July 1); [loan processing fees apply](#)
- Your credit will be checked—this is a credit based loan
- 6 month post-enrollment deferment for loans disbursed after 7/1/2008 (follow up with your loan servicer for verification/specifics)
- This loan can fill the gap between the cost of attendance and the annual maximum amount of Unsubsidized Direct Loan funding (no aggregate on this loan as long as there is room within the cost of attendance/academic budget)
- Unsubsidized: Interest accrues from the date of disbursement until it's repaid in full

OTHER SOURCES OF FUNDING

Private/Alternative Education Loans

- Your credit will be checked—this is a credit based loan; loan processing fees may apply; however, verify with the lender/servicer directly
- Can carry a fixed interest rate or an adjustable interest rate (which can change based on the economy); however, verify loan/interest options with the lender/servicer directly
- Verify repayment extension options with the servicer directly if you're unable to be in repayment; loan processing fees may apply
- Rowan University provides a [list of alternative loan lenders](#) as a service to its student body; however, Rowan University does not endorse any particular lender and students are encouraged to borrow from any lender they choose
- Typically DO NOT have grace periods; however, verify with the lender/servicer directly
- Interest accrues from the date of disbursement until it's repaid in full

Listed below is the formula to verify the monthly interest amount for student loans*:

**Amount borrowed * the interest rate * 31 (days in a month) / 365 (days in a year)=
monthly interest amount**

Example: \$5000*6.21*31/365=\$26 per month

***This formula was provided by American Education Services (AES).**