



OUACHITA BAPTIST UNIVERSITY

Federal Direct Student Loan Acceptance/Decline 2022-23

Your financial aid includes an offer for a Federal Direct Student Loan awarded through the Department of Education. The amounts offered are the maximum amounts you are currently eligible to receive under the Federal Direct Student Loan Program for the 2022-23 academic year. Student loans may not cover your entire net cost at the university. We encourage you to reduce your debt burden by using personal income and/or savings as much as possible, and only borrowing to cover your necessary education-related expenses.

Accept or Decline the student loan offer electronically (recommended procedure)

*Login to your OBU web portal account at info.obu.edu

*username is first 3 digits of last name and your OBU id number

*password was set up by you at time of application, may be reset if needed

*In the Menu under Financial select 'Award Letter-Accept or Decline Loans'

*Accept or Decline Loan Offer

*If Accepting the Loan: Complete Master Promissory Note for undergraduates (MPN) and Entrance Counseling at www.studentaid.gov to finalize your student loan offer

OR

Accept or Decline the student loan by returning this completed and signed form to Ouachita Baptist University, OBU Box 3774, Arkadelphia, AR 71998, or fax to 870-245-5318.

___ I wish to **DECLINE** the entire Federal Direct Student loan offered.

I wish to **ACCEPT** the full loan, or any portion of the loan, as indicated below:

___ I wish to receive the Federal Direct Student Loan(s) in the amount offered.

___ I would like a reduction in the loan amounts offered. Please explain (i.e. decline unsubsidized loan; decline portion of loan offered; specify amounts): _____

Print Name _____

SS# _____

Email Address _____

ID# _____

Student Signature _____

Date _____

REMEMBER TO SIGN YOUR MASTER PROMISSORY NOTE AND COMPLETE ENTRANCE COUNSELING AT www.studentaid.gov IN ORDER FOR YOUR LOAN FUNDS TO BE RECEIVED.

Contact Jo Beth Compton, Student Loan Counselor, at 870-245-4282 or comptonj@obu.edu with any questions.

What is a federal student loan?

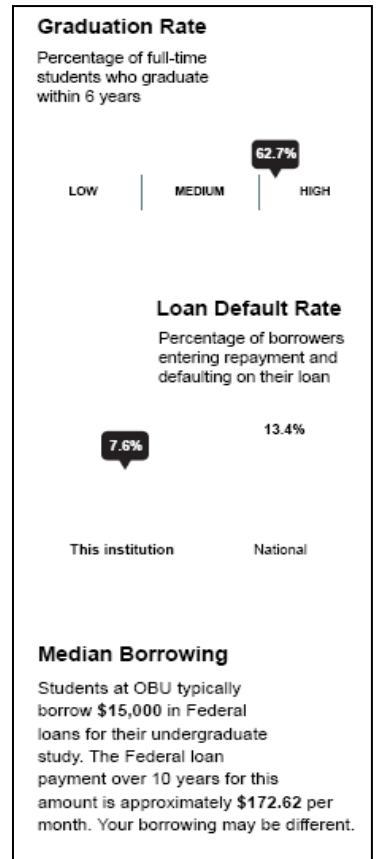
Federal loans are borrowed funds that you must repay with interest. A federal student loan allows students and their parents to borrow money to help pay for college through loan programs supported by the federal government. They have low interest rates and offer flexible repayment terms, benefits, and options.

Why are federal student loans a better option for paying for college?

Federal student loans offer borrowers many benefits not typically found in private loans. These include low fixed interest rates, income-based repayment plans, and cancellations for certain employment, and deferment (postponement) options, including deferment of loan payments when a student returns to school. Also, private loans usually require a credit check. For these reasons, students and parents should always exhaust federal student loan options before considering a private loan. For additional information on federal student aid, visit www.studentaid.ed.gov/funding or call 1-800-4-FED-AID (1-800-433-3243).

Repaying your Direct Subsidized or Unsubsidized Loan

- After you stop attending school at least half time, a 6-month grace period begins. You receive only one grace period per loan.
- Repayment begins after the grace period ends, with your first payment usually due 45-60 days later.
- The maximum repayment period is 10 years.
- Payments are expected each month.
- The minimum monthly payment is \$50, but this amount may be higher depending on your loan balance.
- You may prepay your loan at any time without penalty. Prepayment may substantially reduce the amount of interest you pay.



STUDENT LOAN REPAYMENT CHART

6.8% Fixed Interest Rate

| Amount Borrowed | Monthly Payment | Interest Paid | Total Repaid |
|-----------------|-----------------|---------------|--------------|
| \$1,000 | \$50 | \$64 | \$1,064 |
| \$3,500 | \$50 | \$971 | \$4,471 |
| \$4,500 | \$52 | \$1,715 | \$6,215 |
| \$8,000 | \$92 | \$3,047 | \$11,047 |
| \$10,000 | \$115 | \$3,810 | \$13,810 |
| \$12,000 | \$138 | \$4,572 | \$16,572 |
| \$15,000 | \$173 | \$5,714 | \$20,714 |
| \$20,000 | \$230 | \$7,619 | \$27,619 |
| \$23,000 | \$265 | \$8,762 | \$31,762 |
| \$30,000 | \$345 | \$11,429 | \$41,429 |
| \$40,000 | \$460 | \$15,238 | \$55,238 |

For Additional Loan Information or to speak with a counselor about educational loan options:

*Jo Beth Compton, OBU Student Loan Counselor; comptonj@obu.edu
870.245.4282

*<http://studentaid.ed.gov>.