

New interest rate cap for Military Members

Interest rate on a borrower's loan may be changed to six percent during the borrower's active duty military service. Additionally, this law applies to borrowers in military service as of August 14, 2008.

Borrower must contact the creditor (loan holder) in writing to request the interest rate adjustment and provide a copy of the borrower's military orders.

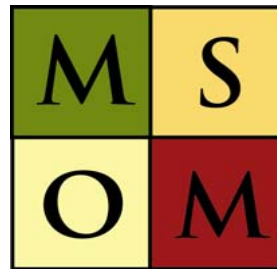
PLUS Loans for Graduate Students

Graduate and professional degree students are now eligible to borrow under the PLUS Loan Program up to their cost of attendance minus other estimated financial assistance. The terms and conditions applicable include a determination that the applicant does not have an adverse credit history, a provision that repayment begin on the date of the last disbursement of the loan, and a fixed interest rate of 8.5 percent. Applicants for these loans are required to complete the FAFSA. They also must have applied for their annual loan maximum eligibility under the Federal Subsidized and Unsubsidized Stafford Loan Program before applying for a Graduate/Professional PLUS loan.

Should I pay for help to fill out my FAFSA?

No, you don't need to. If you apply online at www.FAFSA.ed.gov, you will get online instructions for each question, and you can "chat" live online with a customer service representative.

Whether you apply online or use the paper FAFSA, you can get free help by calling the Federal Student Aid Information Center (FSAIC) at **1-800-4-FED-AID** or by contacting the UA financial aid office at 479-575-3806.



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For more information, contact your financial aid counselor at:

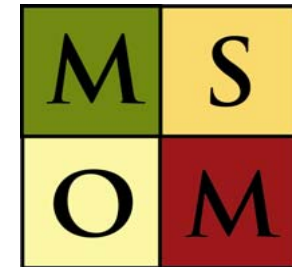
**University of Arkansas
Office of Financial Aid**

114 Silas Hunt Hall
Fayetteville, AR 72701
479-575-3806
Monday - Friday 8:00 am - 5:00 pm

**University of
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*Master of
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*Financial
Aid
Guide*

Financial Aid FAQ



To receive any kind of federal financial aid, a student must :

- Be enrolled as a regular student in an eligible program. Students who have been granted temporary admission status are not eligible.
- Register for six graduate hours per major semester (fall or spring). OMGT students may register for the required six hours all in one term or spread their enrollments over two terms (Terms I and II in August or Terms III and IV in January).
- Undergraduate prerequisites do not count toward the six hours required for financial aid.
- Sign the deferral agreement on the registration form.
- Complete the application process through the Office of Financial Aid.
- Not be in default on any Title IV loan or owe a refund on any Title IV aid.
- Be a citizen or eligible non-citizen (non-citizens should contact the Office of Financial Aid for information on eligibility).

What's the interest rate?

For all unsubsidized Stafford loans first disbursed on or after July 1, 2006, the interest rate is fixed at 6.8 percent. The interest rate for subsidized Stafford loans first disbursed on or after July 1, 2008 is fixed at 6.0 percent.

Other than interest, is there a charge for this loan?

For Stafford Loans that are first disbursed between July 1, 2008 and June 30, 2009, there is a fee of up to 2 percent of the loan, deducted proportionately from each loan disbursement. For a Stafford Loan, a portion of this fee goes to the federal government, and a portion goes to the guaranty agency (the organization that administers the program in your state) to help reduce the cost of the loans. Also, if you don't make your loan payments when scheduled, you may be charged collection costs and late fees.

How can I get a Stafford Loan?

You must fill out a FAFSA. The Free Application for Federal Student Aid (FAFSA) can be found at <http://www.uark.edu/admin/fininfo/index.html> (or from the University's homepage, www.uark.edu, choose "Financial Aid"). After your FAFSA is processed, your school will review the results and will inform you of your loan eligibility. You do not have to accept the full amount that you are eligible for. You also will have to sign a promissory note, a binding legal document that lists the conditions under which you're borrowing and the terms under which you agree to repay your loan. You'll need to choose a lender. See the Office of Financial aid for a list of preferred lenders. Student loan borrowers may choose a lender from that list, or choose a different lender they prefer (for example, a credit union).

How much can I borrow?

If you're a graduate or professional degree student, each year you can borrow up to: \$20,500. No more than \$8,500 of this amount may be in subsidized loans.

A subsidized loan is awarded on the basis of financial need. If you're eligible for a subsidized loan, the government will pay (subsidize) the interest on your loan while you're in school, for the first six months after you leave school, and if you qualify, have your payments deferred. Depending on your financial need, you may borrow subsidized money for an amount up to the annual loan borrowing limit for your level of study.

You may be able to borrow loan funds beyond your subsidized loan amount even if you don't have a demonstrated financial need. In that case, you'd receive an unsubsidized loan. Your school will sub-



tract the total amount of your other financial aid from your cost of attendance to determine whether you're eligible for an unsubsidized loan. On an unsubsidized loan, however, you will be responsible for the interest from the time the loan is disbursed until it's paid in full. You can choose to pay the interest or allow it to accrue (accumulate) and be capitalized (that is, added to the principal amount of your loan). Capitalizing the interest will increase the amount you have to repay.

You can receive both a subsidized loan and an unsubsidized loan for the same enrollment period, as long as you don't exceed the annual loan limits.

What is the deadline for the FAFSA application?

For the 2009-2010 school year, submit your application as early as possible, but no earlier than January 1, 2009. Your application must be received no later June 30, 2010. Your college must have your correct, complete information by your last day of enrollment in the 2009-2010 school year.

Where can I get more information about Pell Grants?

Pell Grants are generally awarded only to undergraduate students who have not earned a bachelor's or a professional degree.

I am an older student. Am I eligible to receive financial assistance?

Age is not a factor in determining eligibility for the Federal Student Aid programs.

How will I get the loan money?

You'll be paid through your school. Your loan money must first be applied to pay for tuition and fees and other school charges. If loan money remains, you'll receive the funds by check. Prepayment for future enrollment charges is not possible.