



Terms & Conditions of Financial Aid Programs

Types of Federal Student Loans

The Federal Student Aid website (<https://studentaid.gov/>) is a valuable resource for students and prospective students who are considering taking out loans to pursue their degree. The following information is taken directly from their website.

If you apply for financial aid, you may be offered loans as part of the financial aid offer from Messenger College. A loan is money you borrow and must pay back with interest.

If you decide to take out a loan, make sure you understand who is making the loan and the terms and conditions of the loan. Student loans can come from the federal government, from private sources such as a bank or financial institution, or from other organizations. Loans made by the federal government, called federal student loans, usually have more benefits than loans from banks or other private sources. Learn more about the differences between federal and private student loans.

What types of federal student loans are available?

The U.S. Department of Education's federal student loan program is the William D. Ford Federal Direct Loan (Direct Loan) Program. Under this program, the U.S. Department of Education is your lender. There are four types of Direct Loans available:

- *Direct Subsidized Loans are loans made to eligible undergraduate students who demonstrate financial need to help cover the costs of higher education at a college or career school.*
- *Direct Unsubsidized Loans are loans made to eligible undergraduate, graduate, and professional students, but eligibility is not based on financial need.*
- *Direct PLUS Loans are loans made to graduate or professional students and parents of dependent undergraduate students to help pay for education expenses not covered by other financial aid. Eligibility is not based on financial need, but a credit check is required. Borrowers who have an adverse credit history must meet additional requirements to qualify.*
- *Direct Consolidation Loans allow you to combine all of your eligible federal student loans into a single loan with a single loan servicer.*

The Federal Student Aid website also has an excellent resource that summarizes the terms and conditions of the various federal loan programs. Click on the link [here](#) to see what options are available.

Please refer to the FAQs listed on Messenger's Financial Aid page for more information about federal student loan programs.