



# Sacred Heart UNIVERSITY

## Direct Loan(s) Accept/Reduce/Decline

To process your Federal Direct Loan(s), you would need to Accept/Reduce/Decline your Federal Direct Loan(s) through [SHUAwards](#) by clicking on Menu > Accept Awards. If desired, you can reduce the Direct Loan(s) amount(s) to the right of the Direct Loan(s) under "Total." Under "Status", you can Accept or Decline your Direct Loan(s). If you need to adjust your loan disbursement(s) to uneven disbursements by semester, please email [sfa@sacredheart.edu](mailto:sfa@sacredheart.edu).

## 2025-2026 Borrowing Federal Direct Loans – Frequently Asked Questions

### How much should I borrow?

If you plan to borrow student loans, it is recommended that you borrow conservatively. You are not required to borrow the entire amount offered. Only borrow what you need. Refer to your award notification or view [SHUAwards](#) for your eligible loan amount. You are also advised to review your Financial Aid Disclosure in [SHUAwards](#). You may only use your loan to pay for education-related expenses. Direct Loan borrowers are restricted to [annual loan limits](#) per academic year as well as [aggregate lifetime loan limits](#) for undergraduate and graduate study. You can review your [Student Account online](#) to determine your semester billed tuition and fee costs. Need help planning for the academic year? [Contact us!](#)

### What are the interest rates and fees?

Direct Subsidized and Unsubsidized loans have a current [fixed interest rate](#) of 6.53% for undergraduates. For graduate students, Direct Unsubsidized loans have a current [fixed interest rate](#) of 8.08%. After June 2025, the interest rate is TBD. Both loan types have an origination fee of 1.057%, which is deducted from each loan disbursement.

### What is the difference between Subsidized and Unsubsidized Direct Loans?

Direct Subsidized Loans are only available to undergraduate students with financial need. The Department of Education pays the interest on a subsidized loan while you are enrolled at least half-time, during your grace period, and during periods of loan deferment. Direct Unsubsidized Loans are not need-based and are available to both undergraduate and graduate students. Direct Unsubsidized Loans accrue interest from the date of disbursement. If you do not pay the interest while you are enrolled in school or during your grace period, accrued interest will be added to your loan's principal.

### What actions need to be completed for loan processing?

To finalize your loan for processing, Accept/Reduce/Decline your loans through [SHUAwards](#) under Menu > Accept Awards. If you are a first-time Direct Loan borrower, you must complete a [Master Promissory](#)

[Note \(MPN\)](#) and [Entrance Counseling](#) online at [studentaid.gov](http://studentaid.gov). All student loan borrowers have the option to electronically complete the [Annual Student Loan Acknowledgment \(optional\)](#), which will display your accumulated total of federal loans borrowed. New students have the option to complete this document to confirm they understand their responsibilities as borrowers. Review [SHUAwards](#) for any outstanding documentation. You will receive periodic emails if financial aid forms are missing or incomplete.

### How and when will my loan disburse?

Direct Loans are typically divided into equal disbursements for each semester. You may review [SHUAwards](#) for the semester installment amounts of your loans. After the start of your classes (typically after the add/drop period), your loans will post to your Student Account. To be eligible for federal loan disbursement, you must initiate attendance, be enrolled at least half-time, and be meeting [satisfactory academic progress](#). At least half-time is defined as 6 or more credits for undergraduate students and 3 or more credits for graduate students. All outstanding financial aid requests related to eligibility must be received as indicated in [SHUAwards](#). When your loans disburse, you will receive a disbursement notification from the Office of Student Accounts, so it is important to stay connected and keep your contact information current.

### When will I receive my financial aid refund?

If your federal aid exceeds your billed charges for the term, you will receive a refund of your credit balance within 14 days of aid disbursement. For more information, refer to the [Student Accounts Credit Balance Processing](#) webpage. Alternatively, you may elect to have the credit held for future academic year charges.

### How do I modify, cancel, or return a portion of my loan?

To increase a loan amount, request a modification, cancellation, or a loan decrease to a future term by emailing [SFA@sacredheart.edu](mailto:SFA@sacredheart.edu) from your Sacred Heart email account. For returns back to the lender, please send your written request to either [SFA](#) or to the Office of Student Accounts within 120 days of your disbursement date.

### What happens to my loan if I add, drop, or withdraw from classes?

Changes in your enrollment status may impact your financial aid. If you drop below half-time enrollment, you may be ineligible for federal loan disbursement. It is important to keep your Financial Aid Counselor informed so that you can be advised concerning any changes to your aid eligibility. Before you make any decisions about dropping or withdrawing, please read our [Financial Assistance Withdrawal Policy](#) and go over the changes with your Financial Aid Counselor. Failed attendance (unofficial withdrawals) and official course withdrawals affect your [satisfactory academic progress](#), which may also impact your aid eligibility.

### What happens if I graduate or stop attending?

When you graduate or cease at least half-time enrollment, you will complete [Exit Counseling](#), during which you will receive important information regarding repayment of your Direct Loans. Our Registrar will report your enrollment change to your loan servicer. Direct Subsidized and Unsubsidized loans have

a 180-day grace period before repayment. During this grace period, you are not required to make payments though interest will continue to accrue.

### When do my Direct Loans need to be repaid?

For Direct Subsidized and Unsubsidized loans, your repayment date will be directly after your 180-day grace period, which is after you graduate, withdraw, or cease half-time enrollment.

### How do I repay my loans?

After your loans disburse, you will be assigned a federal loan servicer who will manage the repayment of your student loans. Direct loan borrowers are automatically assigned to the 10-year standard repayment plan. However, there are several [repayment plans](#) available to Direct Loan borrowers. You may contact your loan servicer for information on the different repayment strategies and request an alternate repayment option.

### Where can I find out how much I have borrowed?

Please visit the [Federal Student Aid website](#) and log in with your FSA ID. The *My Aid* page will display your loan history for federal student loans. Private loans are not included.

### Who do I contact with loan questions?

More questions? We are here to help! Contact Student Financial Assistance via email at [sfa@sacredheart.edu](mailto:sfa@sacredheart.edu) or by phone at 203-371-7980. For specific information about your loan repayment, reach out to your federal loan servicer.