

# Wilmington University School of Law

## Student Loan Literacy

It is important to realize that the cost of law school is more than just tuition. There are other items for which you must account. The office of financial aid calculates your [cost of attendance](#) to include items such as books, transportation and other living expenses. The cost of attendance determines the maximum limit of your financial aid. We encourage every student to review the cost of attendance and plan accordingly.

In addition, students should create a budget which allows them to live within their means while in law school. Reducing unnecessary expenses can have a huge impact on the amount of law school debt that must be repaid after school. Financial literacy and student loan counseling is available from the university.

Below is some important information concerning student loans

## Federal Loans

### *Federal Direct Stafford Loan*

The Federal Direct Unsubsidized Stafford Loan program (Stafford) is the most readily available loan for law students. The annual maximum award is \$20,500 with an aggregate maximum of \$138,000 (graduate and undergraduate combined). This loan has a six-month grace period, flexible repayment plans, and is eligible for potential forgiveness in the Public Service Loan Forgiveness program.

### *Federal Direct Graduate PLUS Loan (Grad Plus)*

The Grad Plus loan has a higher interest rate than the Stafford loan and requires a credit decision for approval. It is not your credit score, but your recent credit history, that is scrutinized for approval. You can borrow up to the school's Cost of Attendance minus the amount of any other financial aid you are receiving for the academic year. This loan has a six-month deferment period, flexible repayment plans, and is eligible for potential forgiveness in the Public Service Loan Forgiveness program.

### Private Loans

Credit-based private loan programs are available for students who are credit-worthy but unable to borrow federal student loans. Because terms and conditions vary greatly among private loan programs, it is important to familiarize yourself with all pertinent details before making commitments.

## Interest Rate and Fees

All federal direct loans are unsubsidized. That means that, although repayment isn't required while enrolled at the school of law, interest accrues from the date the loan is disbursed to your student account. Borrowers have the option of paying the interest while in school or allowing the interest to accumulate for repayment after leaving law school. Please note unpaid interest capitalizes and is added to the loan principal. For a complete explanation of how interest accrues please visit the [federal student aid site](#).

Current interest rates are 6.54% for Stafford Loans and 7.54% for Graduate Plus Loans.

Borrowers must also pay a one-time origination fee for each student loan. The fee for Stafford Loans is 1.057% of the loan amount. The Graduate Plus fee is 4.228% of the loan amount.

Private loan interest rates and origination fees vary by lender.

## Loan Repayment

Federal Direct Stafford loans have a six-month grace period before payments are due. The grace period begins once a student is no longer enrolled or drops below half-time enrollment.

Federal Graduate Plus Loans do not have a grace period. However, Plus loan borrowers have a 6-month deferment before payments are due. The deferment begins once a student is no longer enrolled or drops below half-time enrollment.

There are multiple payment plans for Federal Loans. Descriptions of these plans are available on [studentaid.gov](http://studentaid.gov).

The terms for private loan repayment vary by lender and loan agreement.

### Other considerations

Although interest rate is a very important factor, students should also understand repayment plans, public interest loan forgiveness, and other programs when deciding on a type of loan. Students should review Federal program options when deciding between a Federal direct Loans and private loans. In some cases, the Federal Loans would be the best option. In other cases, a private loan may be the best option.

Students are encouraged to the [University's Student Affairs Resource Coordinator](#) for individual student loan counseling.