

Pursuant to the postsecondary Student Assistance Amendments of 1981, all student loans are subject to a loan origination fee, which is 3% of the principal amount of the loan. This fee is also deducted from the disbursement.

#### **CHECK ISSUANCE**

Upon receiving an insurance commitment for the loan amount, the student is notified. The check is made co-payable to the student and the school of enrollment. It is mailed to the financial aid office. This is done to verify the enrollment and make sure that the funds are used for educational costs. Federal law requires that all loans be disbursed in at least two installments.

#### **REPAYMENT OF LOAN**

Borrowers are given a six month grace period following the date the student ceases to be enrolled on at least a half-time basis.

Repayment will include principal and whatever interest accrues on the outstanding balance. All loans must be repaid within 10 years. The annual payment for loans disbursed after October 1, 1981, must amount to at least \$600.

It is also permissible to pay the principal of the loan while the borrower is still in school or in the grace period which follows.

#### **APPLICATION**

The appropriate forms are furnished only on request of a student who has actually been accepted, or is continuing his or her education, in an eligible institution of higher learning accredited by the Department of Education.

In order to avoid the circulation of forms which may in time become obsolete due to amendments in this federally sponsored program, it is our policy not to send large quantities of application packets to individuals, councils or other groups.

#### **APPLICATION PERIOD**

Application may be submitted at any time, but a word of caution is in order. According to federal regulations, loans must be disbursed before the end of the academic period for which the loan is intended.

#### **FURTHER INFORMATION**

Please direct requests for applications or for any other information regarding the loan program to:

KNIGHTS OF COLUMBUS  
STUDENT LOAN COMMITTEE  
P.O. BOX 1670  
NEW HAVEN, CT. 06507-0901  
Phone: (203) 772-2130. Ext. 224

# **KNIGHTS OF COLUMBUS**

# **STUDENT LOAN PROGRAM**



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The Church in the Second Vatican Council, reaffirming the right of everyone to a suitable education, has called upon "the sons of the Church to assist in a spirit of generosity in the whole field of education, especially with the aim of extending more rapidly the benefits of education and instruction throughout the world."

*(Christian Education #1.)*

The Knights of Columbus Student Loan program is a modest attempt to partially fulfill the wishes of the Church. In accordance with the laws governing fraternal societies, certain provisions have been made for loans, as described below.

The guarantee agency of the state of Connecticut — the Connecticut Student Loan Foundation — has agreed to insure loans for Knights of Columbus borrowers nationwide. The Connecticut Student Loan Foundation (CSLF) is reinsured by the Federal Government and subject to rules and regulations issued by the Department of Education.

## **ELIGIBILITY**

These Federal Stafford Student Loans (FSL) are accessible to members of the Order in good standing, their wives, sons, and daughters, and to the widows and sons and daughters of members affiliated at the time of death. Also eligible are members of the Columbian Squires.

Without reference to membership in the Order, the Student Loans are also available to priests, brothers, sisters, seminarians and postulants at the college, seminary and postgraduate levels.

By federal law, the applicant must be enrolled as at least a half-time student and must be a citizen or a resident alien of the United States. Further, the school must be one that is recognized by the U.S. Government under the FSL program. The list of such schools is maintained and updated by the Department of Education. It includes technical and vocational schools, community and junior colleges, colleges and universities and major seminaries within the United States and in other countries.

*Please note that students who attend schools which are not recognized by this federal agency are not eligible for loans from the Knights of Columbus under the FSL program.*

The Stafford Loan program consists of both subsidized and unsubsidized loans.

All student loan applicants must show need to qualify for a Federally-subsidized loan. It is the responsibility of the school to determine the Adjusted Gross Income of the student's family in accordance with procedures established by the Department of Education.

After taking into account the expected contribution of the student's family and other financial assistance, the school determines if the student qualifies for a subsidized loan.

Unsubsidized loans are issued for students who do not qualify, in whole or in part, for a subsidized Stafford Loan

If the student qualifies for a subsidized loan, the government will pay the interest that accrues on the loan during the time he or she is in school. If the loan is unsubsidized, the student is responsible for the accrued interest.

## **PURPOSE AND RENEWAL OF LOANS**

These loans are designed to cover educational costs. Examples of such educational costs are tuition, room and board, books and supplies, transportation and fees, as certified by the school involved.

The loans are made in reference to a specific school for a specific period of time, not to exceed one year. Therefore, the loan request must be renewed by the student for each successive school period. All forms must be renewed, including membership verification where it applies.

## **AMOUNT OF LOAN**

Application may be made in any year of one's study. The amount of the loan request may not exceed the listed educational costs of the school less any other financial aid (e.g. grants, Perkins Loans, College Work-Study, etc.)

Knights of Columbus loan maximums for Student Loans are:

\$2,625 per academic year — 1st Year Students  
\$3,500 per academic year — 2nd Year Students  
\$5,500 per academic year — 3rd and 4th Year Students  
\$8,500 per academic year — Graduate Students

Knights of Columbus maximums are based on the Federal Family Education Loan Program annual loan limits.

*It is emphasized that any FSL borrowed from other lenders or state guarantee agencies in addition to the Knights of Columbus loan, may not exceed the Federal maximums.*

For instance, if a first year student has obtained a Stafford Student Loan through a local bank for \$2,625, he or she cannot borrow any additional funds from the Knights of Columbus for that academic year.

The minimum loan amount that will be approved for any loan period is \$500.

## **INTEREST RATE**

The loan's interest rate is variable and may change every July 1, but will not exceed an interest rate cap stated at the time of loan approval.

## **INSURANCE PREMIUM AND ORIGINATION FEE**

All student loans are insured. This means that in the event of the death or disability of the student, the entire amount owed will be paid by the CSLF and will not be the liability of the borrower's family or estate. The loan is also insured against default but in this case the borrower remains liable to the Connecticut Student Loan Foundation.

The insurance premium is 1% of the loan amount and the fee is deducted from the student's disbursement.