

Direct Loans Program

Direct Loans are low-interest loans for students and parents to help pay for the cost of a student's education after high school. The lender is the U.S. Department of Education rather than a bank or other financial institution.



With Direct Loans you:

- Borrow directly from the federal government and have a single contact (the Direct Loan Servicing Center) for everything related to the repayment of your loans, even if you receive Direct Loans for studying at different schools
- Have online access to your Direct Loan account information 24 hours a day, 7 days a week on the [Direct Loan Servicing website](#) (External Link)
- Can choose from multiple repayment plans that are designed to meet the needs of almost any borrower, and you can switch repayment plans if your needs change
- Student borrowers are not required to begin making payments until after they drop below half-time attendance
- Your school will tell you how much you may borrow and the types of loan you are eligible to receive

There are two types of Direct Loans - you may apply for a Subsidized Loan and an Unsubsidized Loan:

- Direct Subsidized Loans are for students with demonstrated financial need, as determined by federal regulations. No interest is charged while a student is in school at least half-time, during the grace period and during deferment periods
- Direct Unsubsidized Loans are not based on financial need; interest is charged during all periods, even during the time a student is in school and during grace and deferment periods

How much funding am I eligible for?

The amount of aid you receive depends on the [cost of your attendance](#) (COA) on the course.

We will also review your previous loan history and please note, if you have received financial aid in the past, this may affect the amount of loan you are entitled to now. Please see our Loan Limits page [for bachelors](#) or [for graduates](#) for further information.

The sum of your Federal and any private loans cannot exceed the Cost of Attendance (COA) so you should think carefully, should you decide to take out both types of loans.

Note: Origination fees apply. Please visit studentloans.gov (external link) for more information on this.

How will I be paid?

Direct Loans must be paid at least once per term (semester, trimester or quarter).

Working with the Revenue Department, at the University of South Wales, the US Loans Administration Team, at the University of South Wales will:

- Credit your funds to your school account to go towards your tuition fee payment
- Pay you directly into your UK bank account

Note: PLUS Loan borrowers cannot have an adverse credit history (a credit check will be done).