

## **The Dorothy Durfee Avery Loan Forgiveness Program (Avery-Stanford Loans)**

### **How does this program work?**

Eligible students are awarded loans that will be “forgiven” after teaching for 4 years in a public school.

### **How do I apply?**

You apply through the University Financial Aid Office. Applicants for federal loans will be considered for Avery-Stanford loans. You must complete two applications forms: the 2009-2010 Free Application for Federal Student Aid (FAFSA) and the STEP application document. See the website for application procedures, time-lines and documents:

<http://www.stanford.edu/dept/finaid/forms.html#Grad>.

### **Who will be offered an Avery-Stanford loan? And, how much can I expect to receive?**

Admitted students who apply and are eligible for the federal Perkins loan will be considered eligible for the Avery-Stanford loan over the autumn, winter and spring quarters.

### **When do I need to apply for an Avery-Stanford loan?**

You should apply as early as possible. There is a limited amount of funding; once the funds have been fully allocated, we will not be able to process loans.

### **How much of the loan can I have forgiven?**

The entire loan can be forgiven. Loan amounts depend on financial need and availability of funds.

### **Will everyone who receives a federal Perkins loan receive the maximum available Avery-Stanford loan?**

No, everyone will not receive the maximum loan amount. Financial eligibility, determined by filing the FAFSA application, will determine the amount of the loan.

### **How soon will I know if I'm eligible for an Avery-Stanford loan?**

It can take up to one month for the results to be available after completing the application process. To have the results before the April 15th reply date you should submit all application documents before March 19th. Financial aid packages will consist first of Perkin's loans, then subsidized Stafford loans, and then Avery-Stanford loans.

### **What are the requirements for cancellation of the loan?**

STEP graduates who teach in a public school are eligible to have the loan forgiven (students teaching in private schools that benefit underserved communities will also be considered). You will be required to provide documentation establishing your eligibility every year. Half (50%) of the loan is forgiven after the second year of teaching and the remaining 50% is forgiven after the fourth year of teaching.

### **What if I don't teach for four years?**

Once you stop teaching, you will be required to start making payments to Stanford University on any remaining principle and accrued interest.

**What will the terms of the loan be if I don't meet the cancellation/forgiveness requirements?**

The interest rate will correspond to the interest rate for Stafford loans, with a 10 year repayment period.

**If I don't meet the cancellation/forgiveness requirements, what is the time to repay?**

Any remaining principle and accrued interest will be collected over a 10 year repayment period.

**Is there a grace period before repayment begins?**

The Avery-Stanford loan has a 6 month grace period once you leave school.

**Can this loan be deferred for continued education?**

The same deferment rules that apply to the federal Perkins loans will apply to the Avery-Stanford loan. This includes enrollment as a student at a minimum of half time.

**In some forgiveness programs you pay the loan first and then are reimbursed. Is that how this will work?**

No, the Avery-Stanford loan does not require you to pay and then be reimbursed. If the borrower (you) provides evidence of eligibility annually to Student Financial Services, repayment is not required. If the borrower becomes ineligible, the borrower will be billed by Stanford for the loan repayments and interest.

**How do I know if the private school where I teach qualifies me to have the Avery-Stanford loan forgiven?**

You will need to submit an application and a committee at the School of Education will determine if the private school meets the criteria of serving an underserved community.

**What paperwork do I need to fill out in order to prove that I teach in an eligible school?**

At the end of each year of qualified teaching, you will be required to submit a letter on school letterhead describing your status from the past year (i.e., full time teacher, subjects taught, dates employed) signed by the school principal. This letter will need to be submitted to the Student Financial Services office no later than July 1<sup>st</sup> of each year.

**Will there be an exit interview with me explaining the terms of my loan?**

All STEP students are invited to a loan cancellation workshop in the winter quarter of every year, followed by an exit interview with Student Financial Services in the Spring Quarter. Stay tuned and check your emails for those announcements.

**I only received \$5,000 from Avery-Stanford but received full federal loans. Can I choose to have all my loans be Avery-Stanford?**

No. To take advantage of existing federal programs and their loan forgiveness options, your financial aid will consist first of Perkin's loans, then a subsidized Stafford loan, and then an Avery-Stanford loan.