



MECOP/CECOP

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MECOP and Federal Stafford/Direct Student Loans

This document is an attempt to summarize the impact on MECOP undergraduate students with regard to federal regulations for the Federal Student Aid loan Programs. If you have any questions about this loan program, you should contact the OSU Office of Financial Aid and Scholarships at (541) 737-2241 or go on-line to: www.FederalStudentAid.ed.gov

After you graduate, leave school, or drop below half-time enrollment (Less than 6 credit hours), you have a period of time before you have to begin repayment. This period of time is referred to as your "grace period". The grace period for Stafford/Direct loans is six months. It does not count normal breaks or summer, provided you are enrolled in the spring and fall terms.

If a student is not registered for at least six credits, their student loans will go in to repayment status with a payment due after 6 months. Once the six-month grace period is exceeded, repayment of the loan begins. Students are eligible to have a deferment reinstate once they reenroll at least half-time in a subsequent term. Additional breaks in enrollment will result in an immediate requirement for repayment to begin.

The bottom line is - If you do not register for at least six credits during either spring or summer term of your first internship, one payment may be due at the end of your first internship. This happens because the time between the completion of winter term and the start of fall term is more than six months. This scenario assumes that you previously have not used your six-month grace period. During any subsequent break in your enrollment (such as the second internship or upon completion of your degree), payments will become due immediately. After your internship, no loan payments are due when you are attending at least six credit hours of classes and your loan is in a deferment status.

If you wish to avoid using your six-month grace period while you are on an MECOP internship, you should register for at least six credits during either Spring or Summer terms at either Oregon State University or at another institution closer to your job site.

You should carefully analyze your academic and financial situation before making a decision about this issue. It may be that the fees you pay to register will be more than the required repayment on your loan. If you can take courses that apply to your degree and you can meet your work obligations while taking six credits, you may find that it is in your best interest to register for some classes while on your internship.

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