We want to bring to your attention some recent changes in the law due to Federal Sequestration that will affect your Federal Financial Aid.

1. **Federal Direct Subsidized, Federal Direct Unsubsidized, Federal Direct PLUS Loans (for both parent and graduate student borrowers).**
   While the law does not otherwise change the amount or terms or conditions of the Federal Direct Loans, it does increase loan fees on Federal Direct Loans first disbursed on or after July 1, 2013. This law impacts loans that will be made for the remainder of the 2012-2013 academic year, loans that will be made for summer 2013, and loans that will be made for the 2013-2014 academic year and forward.

   The fee on the Federal Direct Subsidized/Unsubsidized loan will increase from 1.0 percent to 1.051 percent. For example, the fee on a $5,500 loan will increase by $2.80 from $55.00 to $57.80. Similarly, the fee on a Federal Direct PLUS loan will increase from 4.0 percent to 4.204 percent. For example, the fee on a $10,000 PLUS loan will increase by $20.40 from $400.00 to $420.40.

   Second or other subsequent disbursements of a Federal Direct Loan for which the first disbursement was made before July 1, 2013, the original 1.0 percent and 4.0 loan fees will be applied.

   **WHAT YOU NEED TO DO**
   a. In order to benefit from the lower fee rates, you must request/accept the loan and satisfy all loan requirements no later than **June 21, 2013**.
   b. If you request/accept the loan after June 21, 2013 and/or all the loan requirements are not satisfied by this deadline and as a result, the loan is disbursed after June 30, 2013, you will be agreeing to the higher fee.
   c. If you wish to cancel or reduce your loan, you may do so by contacting the Office of Student Financial Aid Services at finaid@njit.edu or at 973-596-3479.

2. **Federal Pell Grant**
   Sequester has no impact on the Federal Pell Grant Program.

3. **Federal Work Study and Federal Supplemental Educational Opportunity Grant**
   Funding will be reduced for the 2013-2014 academic year for the Federal Work Study (FWS) and Federal Supplemental Educational Opportunity Grant (FSEOG).

4. **Iraq-Afghanistan Service Grants/TEACH Grants**
   Both grants are subject to an across-the-board budget cut under the sequester.

We will closely monitor the new developments impacting the Federal Financial Aid and keep you informed.

Sincerely,
Ivon
Ivon Nunez
Director, SFAS