

Student Loan Guidance for Prospective Borrowers

Date: [Insert Date]

Dear [Recipient's Name],

Thank you for your interest in pursuing higher education. We understand that financing your education is a significant consideration, and we are here to guide you through the student loan process.

Understanding Your Options

As a prospective borrower, you have various options available to fund your education. Here are some key types of student loans:

- **Federal Direct Subsidized Loans:** Available to undergraduate students with financial need.
- **Federal Direct Unsubsidized Loans:** Available to undergraduate and graduate students, not based on financial need.
- **PLUS Loans:** Graduate or professional students, and parents of dependent undergraduate students, may apply for these loans.

Loan Limits

It is crucial to be aware of the loan limits associated with each type of loan, as this will help you manage your borrowing wisely:

- **Subsidized and Unsubsidized Loans:** Loan limits vary based on your year in school.
- **PLUS Loans:** The amount you can borrow is determined by your cost of attendance minus other financial aid.

Repayment Options

When it comes time to repay your loans, several options are available to ease your financial burden:

- **Standard Repayment Plan:** Fixed monthly payments over a 10-year period.
- **Income-Driven Repayment Plans:** Monthly payments based on your income and family size.
- **Deferment and Forbearance:** Temporary postponement of payments under certain circumstances.

We recommend that you carefully consider your options and borrow only what you need. For further information, we encourage you to visit our website or contact our financial aid office.

Sincerely,

[Your Name]

[Your Title]

[Your Institution]