

Michigan Engineering Incentive

MICHIGAN FINANCIAL AID PROGRAMS

www.michigan.gov/mistudentaid

Michigan Engineering Incentive

Considering a career in engineering or another high-tech field? Then you need to know about the Michigan Engineering Incentive.

The Michigan Engineering Incentive is a unique program designed to encourage more students to consider study and careers in the engineering and technology fields by offering a zero percent 0% interest rate and either payment or reimbursement of the federal loan origination fee.

The Michigan Engineering Incentive is for students receiving Federal Family Education Loan Program (FFELP) Federal Stafford Loans and is exclusively for students who:

- Are pursuing engineering or technology majors, and
- Intend to live and work in Michigan.

MICHIGAN ENGINEERING INCENTIVE BENEFITS

- Zero Percent (0%) Interest Rate - The interest rate on your Federal Stafford Loan will be reduced to 0% at the start of repayment and will continue at 0% as long as you meet the continuing eligibility requirements.
- Reimbursement of the Federal Loan Origination Fee - The federal loan origination fee will either be paid on your behalf by your lender or your loan will be credited with an amount equal to the origination fee after it has been fully disbursed.

CONTINUING ELIGIBILITY

Once you have begun repayment of your loan, you must:

- Live and work in Michigan, and
- Keep your loan current throughout repayment by making monthly payments. If eligible, deferment and/or forbearance may also be used.

QUALIFICATIONS

- You are either a Michigan resident attending school anywhere in the United States or a non-Michigan resident attending a Michigan school.
- You must be enrolled in an approved engineering or technology major at a participating FFELP school.
- You must receive a Federal Stafford Loan for your junior (third-year undergraduate), senior (fourth-year undergraduate), or fifth-year undergraduate school years.
- You have obtained your Federal Stafford Loan from MHESLA or any of the Michigan lenders that have agreed to sell this loan to MHESLA. Eligible loans are Federal Stafford Loans first disbursed on or after August 1, 2005.

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MICHIGAN ENGINEERING INCENTIVE SAVINGS

Your savings depend on the amount of eligible Federal Stafford Loans you have and the length of repayment. The following examples identify the approximate savings available through the Michigan Engineering Incentive.

The examples use the 6.8% Federal Stafford Loan interest rate, and a ten-year repayment period.

Loan Amount	2 % Origination Fee*	Interest	Incentive Savings
\$ 5,000	\$100	+ \$ 995	= \$1,095
\$10,000	\$200	+ \$1,990	= \$2,190
\$15,000	\$300	+ \$2,984	= \$3,284

*Federal loan origination fee from 7/1/06 through 6/30/07.

HOW TO PARTICIPATE

You must complete and return a [Michigan Engineering Incentive Participation Request, Form 4295](#) at the time you accept the financial aid award package from your school. This form must be received at the address provided on the form no later than the last day of the loan period. If you would like to have form sent to you, [e-mail](#) your request, or contact our office toll-free at 888-MHESLA1 (888-643-7521). Participation requests received after the last day of your loan period will not be considered.

PARTICIPATING LENDERS

Obtain a list of the [participating lenders](#) that sell loans to MHESLA. As part of the eligibility requirements, you must obtain your loan from MHESLA or one of these lenders. Please consult with your school's Financial Aid Office prior to selecting a lender to ensure they participate with your school.

FEDERAL CONSOLIDATION LOANS

Federal Consolidation Loans do not qualify for the Michigan Engineering Incentive. Therefore, if you consolidate loans in the Michigan Engineering Incentive program, you lose the 0% interest benefit. Please be aware that the current statutory interest rate, and not the 0% interest rate, will be used to calculate the Federal Consolidation Loan interest rate

SUCCESSFUL REPAYMENT

If you run into financial difficulties while paying back your student loans, the worst thing you can do is miss payments or habitually be late in making them. There are several repayment options including deferments and forbearance that borrowers should not miss out on.