PROGRAM DESCRIPTION

The Direct PLUS Loan is a federal credit-based loan for GRADUATE students. The loan offers an additional borrowing option to GRADUATE students to assist with educational financing above and beyond the traditional Direct Loan programs. The PLUS loan allows students who are in attendance at least half-time to borrow an amount up to the cost of attendance after considering all other student aid.

Recipients must meet the eligibility requirements listed below. For the joint doctoral program in Education, students receive financial aid through UCSD. Students taking courses required for teacher certification or for admission into a Graduate program are not eligible for a Direct PLUS Loan. The Direct PLUS Loan program is administered by the U.S. Department of Education. For a detailed explanation from the Department of Education, refer to the brochure “Questions and Answers About Direct PLUS Loans for Graduate and Professional Students”, available at [http://studentaid.ed.gov/students/attachments/funding/PlusLoansQA.pdf](http://studentaid.ed.gov/students/attachments/funding/PlusLoansQA.pdf).

For terms and conditions, refer to [http://studentaid.ed.gov/PORTALSWebApp/students/english/PlusLoansGradProfstudents.jsp](http://studentaid.ed.gov/PORTALSWebApp/students/english/PlusLoansGradProfstudents.jsp)

INTEREST RATE/FEES

The interest rate for PLUS is 7.9%, fixed for the life of the loan. There is a 2.5% net Loan Fee (4% Loan Fee, which is adjusted down by a 1.5% repayment rebate). Interest is capitalized; interest begins to accrue at the time the first disbursement is made. Capitalization increases the total loan amount that you must repay.

PLUS LOAN ELIGIBILITY

To qualify for a Direct PLUS loan, a student must:

- Be a U.S. citizen or eligible non-citizen.
- Submit the 2010-2011 Free Application for Federal Student Aid (FAFSA).
- Be enrolled in at least five units in a Graduate program that leads to a Master’s Degree.
- Have already accepted/borrowed the yearly maximum Federal Direct Subsidized and Unsubsidized Loan ($20,500).
- Not be in default on any type of a federal student loan.
- Must maintain Satisfactory Academic Progress (SAP).
- Pass a credit check. A PLUS applicant who is determined to have an adverse credit history may receive the loan if s/he obtains a co-signer (endorser) for the loan who passes the credit check.

CREDIT CRITERIA:

The U.S. Department of Education obtains a credit report from at least one national credit bureau. The applicant must have a lack of adverse credit in order to qualify for the Graduate PLUS loan. Adverse credit is defined as having one or more of the following:

- Is 90 days or more delinquent on any debt.
- During the last 5 years, has defaulted on a debt, debts have been discharged in bankruptcy, or has been the subject of foreclosure, repossession, tax lien, wage garnishment or write-off of an Federal Student Aid debt.
- It is not based on a credit score.
- An applicant cannot be rejected for a PLUS loan because he or she has no credit history.

If credit is approved, the CSUSM Financial Aid and Scholarships office is notified, and the funds are ready to be disbursed. If credit is denied, the Department of Education’s Direct Lending notifies the applicant directly with the outcome and possible options, which include obtaining an endorser, or appealing the credit decision with documentation of extenuating circumstances.

STEP ONE: SUBMIT A CSUSM FEDERAL DIRECT GRADUATE PLUS LOAN APPLICATION

The maximum eligibility is the Cost of Attendance for the period of enrollment, minus other financial assistance received for that period. The financial assistance includes Direct Subsidized Loan and/or Direct Unsubsidized Loan amounts accepted/borrowed for that period of enrollment.

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Direct PLUS Loans for Graduate and Professional Students FACT SHEET (cont’d)

**STEP TWO: COMPLETE THE DIRECT PLUS LOAN APPLICATION AND MASTER PROMISSORY NOTE (MPN)**

First-time PLUS loan borrowers must complete a Federal Direct PLUS Loan Application Master Promissory Note at www.studentloans.gov using their federal personal identification number (PIN). If you do not have a PIN or cannot recall it, go to www.pin.ed.gov and allow up to 10 business days to secure the PIN.

At the www.studentloans.gov site, sign-in using your federal personal identification number (PIN). After you sign in, you will be at the “Welcome to StudentLoans.gov” page. Select the "Complete MPN" in the left-hand navigation bar. This will direct you to a page where you may select the "Graduate PLUS" button. Please note that this is different from the MPN you would have already completed for your Direct Loan(s), both Subsidized and Unsubsidized.

You will be asked to enter data about yourself in both the “Student” Section and the “Borrower” section of the MPN. Make sure that your Name, Social Security Number and Birth Date match exactly with your FAFSA.

Completion of the Graduate PLUS Master Promissory Note is required before PLUS loan funds are posted to your student account. Failure to complete the MPN before the end of the loan period will result in cancellation of the loan.

**STEP THREE: COMPLETE DIRECT LOAN ENTRANCE COUNSELING FOR GRADUATE STUDENTS**

First-time CSUSM Direct PLUS loan borrowers, must complete the Direct Loan Entrance Counseling which includes Grad PLUS information at www.studentloans.gov. Select “Complete Entrance Counseling” at the center of the screen, and proceed as directed. Be sure to select the option: I am completing entrance counseling in order to receive loans as a graduate or professional student. Completion of the Grad PLUS counseling is required before PLUS loan funds are credited to your account. The counseling session provides information on managing your student loans, both during and after college.

**WHEN ARE GRADUATE PLUS LOAN FUNDS AVAILABLE?**

Loan funds are evenly disbursed among your mandatory semesters of enrollment for the academic year: typically over two semesters. The funds will be evenly disbursed over three semesters if summer is required in your program. Funds are credited to your account in University Cashiers when your loan is ready for disbursement, or prior to the beginning of each semester.

**REPAYMENT**

There are no payments due while the graduate student is in school enrolled at least half time (5 graduate units per semester).

While you are enrolled in school at least a half-time (5 graduate units per semester), you are eligible for an in-school deferment. This allows you to postpone payments on your Direct PLUS Loan until you graduate or drop below half-time status. In most cases, the Direct Loan Servicing Center will automatically grant an in-school deferment on your Direct PLUS Loan based on information reported by CSUSM to the U.S. Department of Education reflecting your enrollment as at least half-time.

The Direct Loan Servicing Center will notify you of the deferment and of your option to cancel the deferment and begin making payments on your loan. Generally, the in-school deferment on your Direct PLUS Loan will remain continuously in effect until you graduate or drop below half-time enrollment status, and will not have to be renewed each year. At which time the repayment period begins on the date of the final disbursement of the loan, and the first payment is due within 60 days after the date the loan is fully disbursed.

If you have questions regarding your Graduate PLUS loan, you may contact the Direct Loan Servicing Center at 1-800-848-0979 or online at www.dlservicer.ed.gov.

**QUESTIONS**

If after reviewing this information you have additional questions about the PLUS loan or the application process, please contact the Financial Aid and Scholarships Office at 760-750-4850 or come to Cougar Central on the 3rd floor of Craven Hall.