



2015-2016 Graduate PLUS LOAN Fact Sheet

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 (5 units or more) 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 CSUSM. 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>. For terms and conditions, refer to <http://studentaid.ed.gov/PORTALSWebApp/students/english/PlusLoansGradProfstudents.jsp>.

PLUS LOAN ELIGIBILITY

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

- Be a U.S. citizen or eligible non-citizen.
- Submit the 2015-2016 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 & 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 (see below for details regarding this option).

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:

- 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 a Federal Student Aid debt.
- Is not based on a credit score.
- 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.

INTEREST RATE/FEES

The Graduate PLUS loan fixed rate is currently 6.84%, but is subject to change every July 1st; however, the interest is fixed for the life of the loan. Interest begins to accrue 30 days after the first disbursement is made. Repayment of Graduate PLUS loans begins six months after the student either completes school or drops below half time enrollment. Interest accrues during deferment periods. The borrower has the option to pay the interest monthly or allow the interest to be capitalized. Capitalization of the accrued interest allows the interest to be compounded to the principal loan amount which increases the total loan amount that you must repay. Effective July 1, 2015, Federal Direct GRAD PLUS Loan borrowers are charged a 4.292% origination fee. Loans with first disbursements on or after October 1st 2015 will be charged a 4.272% origination fee. For more information about the Graduate PLUS loan, please visit www.studentloans.gov.

GRADUATE PLUS LOAN DISBURSMENTS

Loan funds are evenly disbursed among your mandatory semesters of enrollment for the academic year: typically over two semesters. If you plan to be enrolled for summer you will need to apply separately for a summer Grad PLUS loan.

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.

CANCELLING YOUR GRADUATE PLUS LOAN

If you decide that you are no longer interested in your Parent PLUS loan, please submit a 15-16 Loan Revision Form to the Financial Aid and Scholarships Office. This form can be found on our website at www.csusm.edu/finaid

QUESTIONS

If after reviewing this information you have additional questions about the Graduate 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.

DIRECTIONS FOR COMPLETING THE GRADUATE PLUS LOAN APPLICATION

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

Provide all information requested on this form and mail, fax or hand deliver it to the Financial Aid and Scholarship Office (contact information is provided on form).

- If you are credit approved, proceed to **STEP TWO**
- If you are credit denied you have may dispute and appeal the decision at www.studentloans.gov **or**;
- You may pursue an endorser (co-signor)

If you plan to pursue an endorser and that person is subsequently approved you will need to do the following in addition to STEPS TWO AND THREE:

- Log in to www.studentloans.gov with your FSA ID and go to "PLUS LOAN ENDORSER"
- Call our office to get a **Loan Identification Number**
- You will need to complete the **PLUS Loan Counseling** (this is different than STEP THREE) also at www.studentloans.gov

STEP TWO: COMPLETE THE DIRECT PLUS LOAN APPLICATION & 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 FSA ID number. If you do not have an FSA ID or cannot recall it, go to www.studentaid.ed.gov to create or retrieve this ID. At the www.studentloans.gov site, sign-in using your FSA ID. 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.

Note: If you are a Graduate PLUS Loan Borrower with a credit approved endorser you will be to complete PLUS Counseling in addition to the above—this counseling is specifically for borrowers with denied credit. PLUS Counseling can also be found at www.studentloans.gov.