



## **2011-2012 Direct Plus Loan Instructions**

Graduate students may apply for a Federal Direct PLUS Loan to help pay their education expenses as long as certain eligibility requirements are met.

### **Who is eligible for a Direct PLUS Loan?**

-You must be a graduate student who is enrolled at least half-time at a school that participates in the Direct Loan Program.

#### **NOTE:**

Be sure to utilize all subsidized and unsubsidized loan eligibility prior to applying for a DIRECT PLUS loan. Contact the Office of Student Financial Services at 718-260-3300 for additional information.

-You must not have an adverse credit history. If the borrower does not pass the credit check, they may still receive a loan if someone (such as a relative or friend who is able to pass the credit check) agrees to endorse the loan. The endorser promises to repay the loan if the borrower fails to do so. The borrower may also still receive a loan if he or she can demonstrate extenuating circumstances.

-You must be U.S. citizens or eligible noncitizen, must not be in default on any federal education loans or owe an overpayment on a federal education grant, and must meet other general eligibility requirements for the federal student aid programs.

### **How does a Graduate Student apply for a Direct PLUS loan?**

For a Direct PLUS Loan, the graduate borrower must complete the FAFSA application at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). THEN the borrower can complete a Direct PLUS Loan Application and Master Promissory Note (MPN). The MPN is a legal document in which the borrower promises to repay the loan and any accrued interest and fees to the Department of Education. It also explains the terms and conditions of the loan. In most cases, one MPN can be used for loans that a borrower receives over multiple academic years although a separate Loan Request must be filed for each school year. Graduate borrowers can complete the Direct PLUS application and MPN online at [www.studentloans.gov](http://www.studentloans.gov).

**Step 1-** Borrower navigates to [www.studentloans.gov](http://www.studentloans.gov) and signs into the secure website with federal pin number. Pin numbers can be obtained at [www.pin.ed.gov](http://www.pin.ed.gov).

**Step 2-** Once the borrower is logged in with their unique federal pin number; select the link **REQUEST PLUS LOAN** under the PLUS LOAN PROCESS navigation bar on the left side of the webpage.

**Step 3-** Under the **SELECT THE LOAN TYPE** header, double click **GRADUATE PLUS**.

**Step 4-** Enter Borrower information on the **PERSONAL INFORMATION** tab. Click **CONTINUE** at bottom of webpage to proceed.

**Step 5-** Enter **Award Year** & complete the **SCHOOL AND LOAN INFORMATION** on the **STUDENT AND LOAN INFO** tab. Click **CONTINUE** at bottom of webpage to proceed. Be sure to enter loan data and select **New York/ POLYTECHNIC UNIVERSITY**.

**Step 6-** Thoroughly review your application for completion and accuracy. Edit where applicable. Click **CONTINUE** at bottom of webpage to proceed.

**Step 7-** Click form field box to agree to authorize a credit check and to submit the PLUS loan application. Click **CONTINUE**.

**Step 8-** You will receive instant notification on whether your application is approved or denied. If your application is approved you must complete the Direct Parent Plus Master Promissory Note immediately at [www.studentloans.gov](http://www.studentloans.gov).

If you are not approved for the loan, you can try to add an endorser to your loan application at [www.studentloans.gov](http://www.studentloans.gov) or by calling the federal Direct Lending Service Center at 1-800-557-7394.

## **Direct Plus Loan FAQ's**

### **How does a Graduate student apply for the loan?**

For a Direct PLUS Loan, the borrower must complete a Direct PLUS Loan Application and Master Promissory Note (MPN). The MPN is a legal document in which the borrower promises to repay the loan and any accrued interest and fees to the Department. It also explains the terms and conditions of the loan. In most cases, one MPN can be used for loans over multiple academic years although a separate Loan Request must be filed for each school year.

### **How much can a Graduate student borrow?**

The annual limit on a PLUS Loan is equal to the student's cost of attendance minus any other financial aid the student receives. For example, if the cost of attendance is \$6,000 and the student receives \$4,000 in other financial aid, the student can request up to \$2,000.

### **How does the Graduate student get the loan money?**

ED will send the loan funds to the student's school. In most cases, the loan will be disbursed in at least two installments, and no installment will be more than half the loan amount. The school will use the loan money first to pay the student's tuition, fees, room and board, and other school charges. If any loan funds remain, the student will receive the amount as a check.. Any remaining loan funds must be used for the student's education expenses.

### **What's the interest rate?**

The interest rate is fixed at 7.9%. Interest is charged from the date of the first disbursement until the loan is paid in full.

### **Other than interest, is there a charge to get a PLUS Loan?**

The student will pay a fee of 4% of the loan amount, deducted proportionately each time a loan disbursement is made.

### **When does the Graduate student begin repaying the loan?**

The repayment period for a Direct PLUS Loan begins when the loan is fully disbursed, and the first payment is due 60 days after the final disbursement. However, for Direct PLUS Loans with a first disbursement date on or after July 1, 2008, the student may defer repayment: while he/she is enrolled on at least a half-time basis, and for an additional six months after the student ceases to be enrolled at least half-time.

### **How does the Graduate student pay back the loan?**

The borrower will repay the servicer listed on the disclosure statement provided when he or she received the loan. The loan servicer will provide regular updates on the status of the PLUS Loan, and any additional PLUS Loans that a student receives. The loan servicer also will be listed in the student's account at [www.nslids.ed.gov](http://www.nslids.ed.gov). The Direct PLUS Loan Program for Graduates offers three repayment plans-standard, extended, and graduated-that are designed to meet the different needs of individual borrowers. The terms differ between the repayment programs, but generally borrowers will have 10 to 25 years to repay a loan.

### **What if a students has trouble repaying the loan?**

Under certain circumstances, a borrower can receive a deferment or forbearance to temporarily stop or lower the payments on a loan. For more information, go to the following website;  
<http://studentaid.ed.gov/PORTALSWebApp/students/english/repaying.jsp>.