

2009-2010 GRADUATE FEDERAL DIRECT PLUS FACT SHEET

WHAT IS A GRADUATE FEDERAL DIRECT PLUS?

The Graduate Federal Direct PLUS is a federal credit-based loan which is available to assist students with the costs of higher education. Eligible graduate loan borrowers are those who are enrolled at least half-time (6 credits) per semester in a graduate or professional degree that leads to a master's, law or medical degree. The credits must be accepted towards the degree program. The student must be a U.S. citizen or permanent resident, must not have an outstanding balance from a prior period of enrollment and must be making satisfactory academic progress.

WHAT IS THE INTEREST RATE?

The interest rate on the Graduate Federal Direct PLUS is fixed at 7.9%. Interest begins to accumulate on the date of the first loan disbursement, and continues to be charged during periods of deferment and forbearance. You may either pay the interest as it accrues (the Direct Loan Servicing Center will send quarterly interest statements) or you may allow the interest to be capitalized (added to your loan principal balance) at the end of the deferment or forbearance. Capitalization increases the total loan amount that you must repay.

WHEN DOES REPAYMENT BEGIN?

While you are enrolled in school on at least half-time basis, you are eligible for an in-school deferment that allows you to postpone payments until you graduate or drop below half-time status. The repayment period for the Graduate Federal Direct PLUS begins six months after you cease half-time enrollment. This six month period is called a post-enrollment deferment period. The Direct Loan Servicing Center will notify you of your payment start date between 30 and 60 days before the deferment ends.

HOW MUCH CAN I BORROW?

Students may borrow annually a Graduate Federal Direct PLUS up to the cost of education less any financial aid they are receiving. However, students should not borrow more than they are able to repay. There is no cumulative limit on the amount a student can borrow over the course of a student's education. Before deciding on an amount to borrow, students should first consider the Federal Direct Loan (DL), a loan for which the student is the borrower. The maximum borrowing limit on the DL, depending on discipline and class year, is up to \$47,167 (of which no more than \$8,500 can be a subsidized DL) with a fixed 6.8% interest rate. To begin the application process for a DL, the student should complete the Free Application for Federal Student Aid (FAFSA). If you have any questions regarding the DL Program, contact the Office of Student Financial Services.

A 4% fee is deducted from the loan proceeds. In addition, borrowers will be given an up-front rebate that is approximately equal to 1.5% of the loan amount approved. A borrower retains the rebate by making the first 12 monthly payments on time. Overall, the amount available will be 2.5% less than the loan amount approved. Be sure to consider this when deciding how much to borrow. **Remember, if you need to borrow for two semesters, be sure to include the amounts you would like to request for both semesters in the total loan amount requested.**

(PLEASE KEEP THIS FACT SHEET FOR YOUR REFERENCE)

HOW DO I APPLY?

1) Complete a FAFSA which can be done on-line at www.fafsa.ed.gov. Please list “Boston University” using Federal School Code Number 002130 as a recipient of your FAFSA data. Federal Student Aid Programs will process your FAFSA and forward your data to Boston University (BU). After your FAFSA has been processed, you will receive a Student Aid Report (SAR) from the U.S. Department of Education (DOE). You should review this report for additional information regarding your aid eligibility, and make any corrections if necessary.

2) A borrower who previously completed a Graduate Federal Direct PLUS Master Promissory Note (MPN) for the 2008-2009 academic year and did not have an endorser to secure the loan will not need to complete a new MPN. All other borrowers, including first time borrowers, will need to complete a Graduate Federal Direct PLUS MPN. The borrower can complete the MPN at www.dlenote.ed.gov using their federal personal identification number (PIN). If the borrower does not have a PIN or cannot recall it, please go to www.pin.ed.gov and allow up to 10 business days to secure the PIN. The Graduate Federal Direct PLUS cannot be used in settlement of the student account until the promissory note has been completed.

If the borrower fails to complete the MPN on-line, a paper MPN will be mailed to the home address. Complete all required items, sign the MPN and return it according to the instructions. Failure to complete the MPN before the end of the loan period will result in cancellation of the loan.

3) A borrower must complete entrance counseling for the Graduate Federal Direct PLUS which can be done at www.dl.ed.gov. Entrance counseling must be completed before loan funds can be disbursed to BU.

4) Students must apply for the Graduate Federal Direct PLUS as well as complete the MPN at least two weeks before the end of the academic period. Federal legislation prohibits BU from certifying a federal loan after the academic period has ended.

WHEN WILL THE LOAN FUNDS BE AVAILABLE?

The Graduate Federal Direct PLUS record will be sent to the Direct Loan Origination Center (DLOC) for their credit review of the applicant. If the borrower passes the credit review and all requirements are met, the DLOC will send BU an electronic notification that the loan has been credit approved. Once the Graduate Federal Direct PLUS has been approved by the DLOC, funds for the semester will be credited electronically to the student’s BU account within three to five business days. If the student does not pass the credit review, the student may appeal the decision or request re-evaluation with a co-signer (endorser). BU requests that you contact the Office of Student Financial Services (OSFS) within one month to notify us of any re-evaluation request made to the DLOC. Failure to notify our office will result in the cancellation of your loan application one month after the initial denial notification and you will be required to start the process over.

If there is a credit balance on your account after the loan funds are credited, you may request a refund with OSFS.

(PLEASE KEEP THIS INSTRUCTION PAGE FOR YOUR REFERENCE)

GRADUATE FEDERAL DIRECT PLUS (2009-2010 Request Form)

Thank you for your interest in the Graduate Federal Direct PLUS. In order to review eligibility, please note that there are **THREE** separate steps.

STEP ONE: Complete the Graduate Federal Direct PLUS Request Form on the next page to authorize the U.S. DOE to perform a credit review. The form may be mailed to the Office of Student Financial Services, 72 East Concord Street, Room A401, Boston, MA 02118-2526.

STEP TWO: A borrower who previously completed a Graduate Federal Direct PLUS MPN for the 2008-2009 academic year and did not have an endorser to secure the loan, will not need to complete a new MPN. All other borrowers, including first time borrowers, will need to complete an MPN. The borrower can complete the MPN at www.dlenote.ed.gov using their federal personal identification number (PIN). If the borrower does not have a PIN or cannot recall it, please go to www.pin.ed.gov and allow up to 10 business days to secure the PIN. The Graduate Federal Direct PLUS cannot be used in settlement of the student account until the MPN has been completed.

If the borrower fails to complete the MPN on-line, a paper MPN will be mailed to the home address. Complete all required items, sign the MPN and return it according to the instructions. Failure to complete the MPN before the end of the loan period will result in cancellation of the loan.

STEP THREE: A borrower must complete entrance counseling for the Graduate Federal Direct PLUS which can be at www.dl.ed.gov. Entrance counseling must be completed before loan funds can be disbursed to BU.

Boston University Medical Campus

Office of Student Financial Services

GRADUATE FEDERAL DIRECT PLUS LOAN (2009-2010 Request Form)

I, the **student borrower**, request that Boston University process a Graduate Federal Direct PLUS for the 2009-2010 academic year.

I, the **student borrower**, understand that I am required by the U.S. Department of Education (DOE) to complete Entrance Counseling and that the disbursement of these funds will not occur until the requirement is complete.

I, the **student borrower**, understand that I will be notified by the Office of Student Financial Services (OSFS) at Boston University's Medical Campus (BUMC) as to when I can complete the PLUS Entrance Counseling requirement.

I, the **student borrower**, understand that I must complete my PLUS Master Promissory Note (MPN) prior to OSFS at BUMC obtaining a report of my credit status and to determine whether to award a Graduate Federal Direct PLUS to me.

I, the **student borrower**, consent to allow the U.S. DOE and its agents to obtain a report of my credit record and use the information from that report in determining whether to award a Graduate Federal Direct PLUS to me. I understand that I will be notified in writing of the results of the credit check with respect to my loan application.

Loan Amount Requested: \$ _____, which will be divided in equal installments for the fall 2009 and spring 2010 semesters. Approximate net reduction of 2.5% in loan fees will be deducted from the Loan Amount.

I, the student borrower, understand my responsibility to provide OSFS with the following:

Number of credits:	Fall 2009 _____	Spring 2010 _____
Any funds anticipated for 2009-2010 from a source other than this loan:		
Source _____	Amount \$ _____	Source _____ Amount \$ _____

PLEASE PRINT FULL LEGAL NAME EXACTLY AS IT APPEARS ON THE GRADUATE FEDERAL DIRECT PLUS MASTER PROMISSORY NOTE.

_____-_____-_____
Student's Social Security Number Student's First Name Middle Initial Last Name

_____-_____-_____
Student's BU ID Number Student's Date of Birth U.S. Citizenship Status (check one)
(mm/dd/yyyy) (1) ___ U.S. Citizen or National
(2) ___ Permanent Resident/Other Eligible Non-Citizen
If (2), alien registration No. _____

Student's Permanent Address – Street Apt. # City State Zip Code

Home Telephone Number Boston University E-Mail Address

By my signature below I acknowledge that the above information is true and correct. I understand that I must notify OSFS regarding any and all changes to the above information. I understand that changing my enrollment may reduce or eliminate my eligibility for a Graduate Federal Direct PLUS.

Student's Signature Date

Boston University
Student Accounting Services
881 Commonwealth Avenue
Boston, MA 02215-1390

Student Name: _____
Address: _____

B.U. ID# _____-____-_____

Federal Financial Aid Credit Authorization

Boston University records indicate that you may be eligible for a refund due to financial aid in excess of your tuition, fees and residence charges, based on your current aid eligibility and enrollment status. Under federal regulations, you may authorize Boston University to hold these excess funds and pay other charges that may be assessed to your student account and/or pay a prior or future semester balance. If you do not authorize Boston University to use your excess funds to pay a prior or future semester balance and/or other billed charges, (e.g. medical insurance, sports pass, convenience points, library fines), you will be issued a refund of the excess, by mail, after all funds have been received by the University and applied to your student account. If you are issued a refund, all outstanding charges made to your student account must be paid to remain in good standing.

I have read the above statement and I authorize Boston University to hold the excess funds to pay other charges that may be assessed to my student account and/or pay a prior or future semester balance. I understand that any excess funds which have not been applied to other charges will be refunded at the end of the academic period.

Signature

Date

You may rescind your authorization, in writing, any time prior to incurring such charges; otherwise the authorization is valid for both the current and future academic periods. Please return the signed and dated authorization immediately to: Student Accounting Services, 881 Commonwealth Avenue, Boston, MA 02215-1390.

Federal Financial Aid includes the following: Perkins Loan, Pell Grant, Supplemental Educational Opportunity Grant (SEOG), Parental Loan for Undergraduate Student (PLUS), Graduate Federal Direct PLUS, Federal Direct Subsidized and Unsubsidized Stafford Loan.