

## **SUMMER 2022 GRADUATE FEDERAL DIRECT PLUS FACT SHEET FOR GRADUATE STUDENTS**

The Graduate Federal Direct PLUS is a federal credit-based loan, which is available to assist students with the costs of higher education. The student borrower must pass the Graduate Federal Direct PLUS credit check review and cannot have an adverse credit history. The student borrower must be a citizen, permanent resident or eligible non-citizen of the United States. Eligible graduate loan borrowers are those who are enrolled at least half-time (six credit hours) per semester in a graduate or professional degree program, do not have an outstanding balance from a prior period of enrollment and are making satisfactory progress per school guidelines.

### **What is the interest rate?**

For current interest rates, loan fees and terms for the **Graduate Federal Direct PLUS**, please visit the U.S. Department of Education (DOE) website at <https://studentaid.gov/understand-aid/types/loans/plus/grad>. Interest begins to accrue on the date of the first loan disbursement, and it continues to be charged during periods of deferment and forbearance. You may either pay the interest as it accrues (the loan servicer 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?**

The repayment period for the Graduate Federal PLUS loan begins on the date after the final disbursement is made, and the first payment is due within 60 days after the date the loan is fully disbursed. However, if 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. Upon dropping to less than half-time enrollment status, you can get a six month post enrollment deferment. The first payment will be due within 45 days after the deferment end date. The loan servicer will notify you 60 days before the deferment ends.

### **How much can I borrow?**

You may annually borrow a Graduate Federal Direct PLUS up to the cost of your education less any financial aid you are receiving though there is no aggregate limit. However, you are strongly urged to borrow no more than you are able to repay.

**An origination fee is deducted from the loan proceeds.** Overall, the amount available will be minus the fee. 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.**

Before deciding on an amount to borrow, you should first consider the **Federal Direct Unsubsidized Loan (DL)**, a loan for which you are the borrower. The maximum borrowing limit on the DL, depending on discipline and class year, is up to \$47,167. For current interest rates, loan fees and terms for the DL, please visit <https://studentaid.gov/understand-aid/types/loans/interest-rates>. To begin the application process for a DL, you must complete the Free Application for Federal Student Aid (FAFSA). If you have any questions regarding the DL Program, contact Student Financial Services (SFS).

### **When will the loan funds be available?**

The Graduate Federal Direct PLUS record will be sent to the Direct Loan Origination Center (DLOC) for a credit review. If you pass the credit review and all requirements are met, Boston University (BU) will receive electronic notification that the loan has been credit approved. Once approved and all loan requirements have been completed, funds will credit to your BU account no earlier than 10 days before the start of your loan period and will be available to you no earlier than the first day of classes. If you do not pass the credit review, you may appeal the decision or request re-evaluation with a co-signer (endorser). Instructions regarding the appeal or endorser will be sent to you with your credit decision. If the PLUS is approved via appeal or endorser, you will be required to complete a PLUS online counseling session at [StudentAid.gov](https://StudentAid.gov) prior to the disbursement of the loan. You will be notified by the DOE if you need to complete the PLUS counseling requirement. BU requests that you contact SFS 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 SFS.

## How do I apply?

In order to review eligibility, please note that there are FOUR steps.

- 1) Complete a FAFSA at [StudentAid.gov/h/apply-for-aid/fafsa](https://studentaid.gov/h/apply-for-aid/fafsa) listing BU and using Federal School Code Number 002130. The Federal Student Aid Program will process your FAFSA and forward your data to BU. After your FAFSA has been processed, you will receive a Student Aid Report (SAR) from the U.S. Department of Education (ED). You should review this report for additional information regarding your aid eligibility, and make any corrections if necessary.
- 2) Complete the Graduate Federal Direct PLUS Request Form on page 3 to authorize ED to perform a credit review. The form may be submitted [via email, based on your school/college of enrollment](#).
- 3) All first-time borrowers or borrowers who borrowed with an endorser in 2021-2022 must complete the Graduate Federal Direct PLUS Master Promissory Note (MPN) at [StudentAid.gov](https://studentaid.gov). All other borrowers will not need to complete the MPN. The borrower will be required to use their FSA ID, which is made up of a username and password. If you do not already have a FSA ID, you can create one when logging into [StudentAid.gov](https://studentaid.gov). It may take one to three business days to obtain the [FSA ID](#). The Graduate Federal Direct PLUS cannot be used in the settlement of the student account until the promissory note has been completed.
- 4) Borrowers must complete entrance counseling, which can be done at [StudentAid.gov](https://studentaid.gov), for the Graduate Federal Direct PLUS. Entrance counseling must be completed before loan eligibility can be finalized and before funds can be disbursed to Boston University. Special loan counseling is required for any student who has an adverse credit history but qualifies for the Graduate PLUS loan through the reconsideration process or by obtaining an endorser for the loan. The loan counseling requirement must be completed online at [StudentAid.gov](https://studentaid.gov). The student will be notified by the DOE if the student needs to complete special loan counseling.

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

**Failure to complete the MPN before the end of the loan period will result in cancellation of the loan.**

**(PLEASE KEEP THESE INSTRUCTION PAGES FOR YOUR REFERENCE.)**



**Boston University**  
**Student Accounting Services**  
**25 Buick Street Suite 130**  
**Boston, MA 02215**

**Student Name:** \_\_\_\_\_ **B.U. ID#** \_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**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 semester balance of up to \$200 . If you do not authorize Boston University to use your excess funds to pay other charges that may be assessed to your account (e.g. medical insurance, sports pass, convenience points, library fines), or a prior semester balance of up to \$200, 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 balance of up to \$200. I understand that any excess funds, which have not been applied to other charges, will be refunded at the end of the academic period.

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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, 25 Buick Street Suite 130, Boston , MA 02215-1390.

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