

2018-2019 Federal Direct Grad PLUS Loan Fact Sheet

You are eligible for a Federal Direct Grad PLUS Loan if you:

- Are borrowing to pay the education cost of yourself as a graduate student.
- Are a U.S. Citizen or eligible non-citizen (permanent resident).
- Do not have an adverse credit history. An applicant is considered to have an adverse credit history if the applicant is 90 days or more delinquent on any debt or during the five years preceding the credit report, the applicant has been in default on debt, debts have been discharged in bankruptcy or the applicant has been the subject of a foreclosure, repossession, tax lien wage garnishment or write-off on a federal student aid debt.
- Have an adverse credit history, but either obtain an endorser who is credit worthy or you document extenuating circumstances that are accepted by the U.S. Department of Education.
- Are not in default on a Federal Stafford Loan, Federal PLUS Loan or Federal Direct Stafford Loan or if you are in default, you have made satisfactory repayment arrangements

Loan amounts and Interest Rates

- The maximum amount you may borrow is the total cost of attendance less all financial aid awarded to the student.
- Through 9/30/2018 a 4.264% origination fee is associated with the Federal Direct PLUS Loan resulting in a net disbursement of 4.264% less than the total loan amount requested
- The interest rate is fixed at 7.60%.

Disbursements

- If your loan period is for the full academic year, the Federal Direct PLUS Loan is disbursed in two equal payments applied directly to the student's account. If your loan period is for only one semester, the full amount is disbursed for that specific semester. The funds cannot be disbursed any earlier than 10 days before the first day of classes each semester.

Terms of Repayment

- Your first payment will be due 60 days after the final disbursement for the loan period.
- Interest begins to accumulate on the date of the first disbursement.
- Students can elect to defer payments on a Federal Direct Grad PLUS Loan until six months after the date the student ceases to be enrolled on at least a half-time basis. Accruing interest can either be paid by the borrower monthly or quarterly, or be capitalized quarterly. You must contact the Direct Loan Servicer to request a deferment.
- During the periods of deferment and forbearance, you do not pay any principal, but interest will accumulate. This will result in an increase in your loan principal unless you chose to pay the interest monthly during the deferment or forbearance.
- There are three options for repayment of the Federal Direct Grad PLUS Loan:
 - **Standard Repayment Plan** – fixed monthly payments of at least \$50 a month for not more than 10 years.
 - **Extended Repayment Plan** – fixed monthly payments of at least \$50 a month; number of years of repayment varies based on the total amount of the loan but may not exceed 30 years.
 - **Graduated Repayment Plan** – monthly payments that graduate to a higher level at least twice over the years of repayment; number of years of repayment varies depending based on total amount of the loan but may not exceed 30 years.

Federal Direct Graduate PLUS Loan Request Form Instructions

Thank you for your interest in the Federal Direct PLUS Loan Program. In order to review your eligibility, there are two separate steps:

- 1) Please complete the Direct Graduate PLUS Loan Application and return it to our office for processing:
 - This form authorizes the U.S. Department of Education to perform a credit review and
 - Requires you indicate the loan amount you wish to borrow.

Return the application to:

The Office of Financial Assistance,
950 Main Street,
Worcester, MA 01610
Fax: to 508-793-8802
Email: Finaid@clarku.edu

- 2) Once approved for the Direct PLUS Loan, the borrower will be notified by the Department of Education regarding approval of the loan and instructed to complete a Master Promissory Note. All first time borrowers must complete a PLUS Master Promissory Note online at www.studentloan.gov. The borrower will be required to use his/her U.S. Department of Education FSA ID The Master Promissory Note must be completed in order for the loan to disburse to the school and be applied to your student account.
- 3) If you are denied the Direct Graduate PLUS Loan you may be able to appeal or resubmit your application with an endorser. The Dept. of Education will provide further information.
- 4) If you have any questions, please contact the Office of Financial Assistance at 508-793- 7478. Our office is open Monday through Friday from 8:30am to 5:00pm.

Direct Lending Customer Service Representatives are also available to assist borrowers at 1-800-557-7394, they are available Monday through Friday from 8:00am to 8:00pm ET.

**Clark University
 2018-2019
 Federal Direct Grad PLUS Loan Request Form**

Section A: Student/Borrower Information – Please Print

Student ID: _____ Social Security Number: _____

Name (Last, First, Middle Initial): _____

U.S. Citizenship Status:

____ U.S. Citizen or National
 ____ Eligible Non-Citizen, Please provide Alien ID# _____

Year in School: _____ Expected Year of Graduation: _____

Permanent Home Address: _____ Apt. # _____

City: _____ State: _____ Zip: _____

Home Telephone: _____ Daytime Telephone: _____

Date of Birth: _____ Email Address: _____

Driver's License Number: _____ State: _____

Direct Grad PLUS Amount Requested: \$ _____

Loan Period- Please check one:

Full Year (Recommended*) _____ Summer Only _____ Fall Only _____ Spring Only _____

Remember to consider the origination fee (assessed up front) when determining the Direct PLUS amount you want to request. The current Direct PLUS origination fee through 9/30/2018 is 4.264%, resulting in a net disbursement of 4.264% less than the total loan amount requested. The interest rate for 2018-2019 is 7.60%.

*You will only pay interest on the portion of your Direct PLUS that has been disbursed to the University; we recommend that you apply for what you will need for the full academic year. The spring disbursement can be cancelled if you decide you do not need the funds.

READ CAREFULLY BEFORE SIGNING:

- I consent to the U.S. Department of Education and its agents obtaining a report of my credit record and using the information from that report in determining whether to make a Direct PLUS Loan to me. I understand that I will be notified in writing of the results of the credit check with respect to my loan application. My signature also confirms I am not in default on a Federal Stafford Loan, Federal PLUS Loan or Federal Direct Stafford Loan or if I am in default, I have made satisfactory repayment arrangements

Borrower Signature: _____ Date: _____

Electronic signatures are not accepted