

IMPORTANT INFORMATION ABOUT THE GRADUATE PLUS LOAN PROCESS

The Federal Direct Plus Loan for Graduate Students (PLUS) is offered by The U.S. Department of Education. A Master Promissory Note (MPN) is used for PLUS loans. This means that you will be able to request future loans and if approved, not have to sign a new note. This process is in place for the Federal Direct Student Loan Program. If the student is denied the PLUS Loan after the credit check and the loan is subsequently approved with a cosigner (endorser), the PLUS MPN will only be valid through that loan. You would have to sign a new PLUS MPN for additional loans.

When this request for a PLUS Loan and Consent to Obtain a Credit Report is received by the Financial Aid Office, the application will be checked for completeness and accuracy and the data entered into our system. Student information is sent to the U.S. Department of Education's Common Origination and Disbursement Center (COD) where a match of all information and a credit check are performed to determine if the loan is approved.

You must complete a MPN at www.studentloans.com. You will need your federal pin number in order to complete the MPN online. Once the MPN is accepted by COD and the student is properly enrolled for the academic period for which the loan is intended, the proceeds of the loan are disbursed to the student's account according to the disbursement policy below.

GENERAL ELIGIBILITY FOR A PLUS LOAN

- The student must file a Free Application for Federal Student Aid (FAFSA).
- The student must be matriculated, enrolled in at least 6 credits (half-time) and making academic progress for federal aid
- The student borrowing the loan must be a U.S. Citizen or eligible non- citizen
- The student may seek an endorser (cosigner) if credit is denied.
- The student must have applied for the annual loan maximum eligibility under the Federal Subsidized and Unsubsidized Stafford Loan Program before applying for a Graduate/Professional PLUS loan.
- The student must be an independent graduate student.

You may borrow any amount up to the cost of your education, minus any other financial aid you receive. A 2.5% loan origination fee is deducted from the amount requested. Example: The student requests \$2,000, \$1950 will be credited to the student's account.

The interest rate for the Direct PLUS loan is 7.9% as of February 2008.

WHEN TO APPLY

You apply for a Direct PLUS loan each academic year. Allow plenty of time for your application to be reviewed and processed by Pace University and the U.S. Department of Education. Processing time varies. We recommend that you begin the application process 2 – 3 weeks prior to any payment date. You can apply for a PLUS loan after school begins, but requests must be initiated 30 days prior to the close of semester(s) for which the loan is requested.

DISBURSEMENTS

U. S. Department of Education regulations state that federal aid may be disbursed no earlier than 10 days before the start of the semester for which the aid is awarded. In addition, Fall/Spring PLUS loans must be disbursed in at least two disbursements. The second disbursement of a two-semester loan may not be disbursed earlier than 10 days before the start of the second semester.

REPAYMENT

You will begin repaying your PLUS loan 60 days after the full amount you have borrowed for a school year has been disbursed. While you are enrolled in school on at least a half-time basis, you are eligible for an in-school deferment that allows you to postpone payments on your Direct Plus Loan until you graduate or drop below half-time status. You must contact Borrower Services at 1-800 848 0979 for information.

ADDITIONAL INFORMATION

Extensive information is available on the Direct Loan web site. www.ed.gov/directloan.

**OSA/Financial Aid
New York Campus
1 Pace Plaza
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Fax: (212) 346-1750**

**OSA/Financial Aid
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