2011-2012 Guide to Direct Graduate PLUS Loans

David Geffen School of Medicine at UCLA
Financial Aid Office

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Program Description
Graduate PLUS Loans are a part of the William D. Ford Federal Direct Loan Program. These loans are available to graduate students enrolled at least half time (4 units) who have borrowed the maximums from Direct Subsidized and Unsubsidized loans. Students may borrow up to their full cost of education for the academic year less any other aid received for that year. The borrower (you) and the Financial Aid Office work with the Department of Education (DOE) to complete the loan process and deliver loan funds to you. Your Financial Aid Notification (eFAN) will let you know the amount of Direct PLUS Loan that you are eligible to borrow.

PLUS Eligibility
- You must complete the Free Application for Federal Student Aid (FAFSA).
- You must be a US citizen or an eligible non citizen.
- A credit check will be required before DOE will approve your eligibility.
- If your credit is denied you may still be able to qualify for PLUS by appealing the credit decision or applying with an endorser.

Credit Requirements
A PLUS loan applicant is considered to have an adverse credit history if he or she:
- Is 90 or more days delinquent on any debt as of the date of the credit report, or
- Has been the subject of a default determination, bankruptcy discharge, foreclosure, repossession, tax lien, wage garnishment or write-off of debt under Title IV of Higher Education Act during the 5 years preceding the date of the credit report.

Interest Rate
Interest rate for Direct PLUS loan is fixed at 7.9%. Te interest starts accruing at disbursement.

Loan Fees
4% origination fee is charged by DOE and 1.5% interest rebate is automatically applied at the time the loan is disbursed for a net fee of 2.5% per disbursement. However; the interest rebate is lost if you do not make 12 consecutive on time payments at repayment. If the rebate is lost, loan interest is recalculated at 4% from the date of disbursement.

Repayment
Repayment begins 60 days after the final disbursement but the borrower can request a deferment until 6 months after graduation. The interest on the loan starts accruing at disbursement and the borrower has an option to make interest only payments while enrolled.
Standard repayment period is 10 years but can be extended. Please go to www.StudentLoans.gov for information about different repayment plan options, deferments and forbearances available through the Department of Education.

**Applying for Graduate PLUS Loan**

*Accept the loan on your eFAN –* If you would like to borrow less than the loan amount offered, indicate the amount you want to borrow in the space provided on the eFAN. If you do not need all of the loans offered on your eFAN, borrow the maximum Subsidized and Unsubsidized Direct Loan you are eligible for before accepting a Graduate PLUS Loan.

*Complete a Master Promissory Note (MPN), if you are a first time borrower –* You must complete an MPN the first time you borrow a Direct Graduate PLUS Loan. Once completed the Direct Loan MPN is valid for 10 years so continuing borrowers do not have to complete one each year.

*Complete a Debt Management Session (DMS), if you are a first time borrower at UCLA –* If you are borrowing a Graduate PLUS Loan for the first time at UCLA you are required to complete a Graduate PLUS Debt management Session with the Student Loan Office. Go to www.loans.ucla.edu to complete your Grad PLUS DMS. If you have any questions about this requirement, please contact the Student Loan Office at 310-825-9864.

**Loan Disbursements**

The total loan amount you accept on your eFAN will be divided equally among the terms, for which you have been awarded. If you want to accept a portion of your loan for different terms of enrollment than those reflected on your eFAN, please notify the Financial Aid Office.

Your loan will be disbursed to your BruinBill account at the beginning of each term. Any funds remaining after your BruinBill balance is paid will be refunded to you.

We recommend that you sign up for Bruin Direct with the Main Cashier so that your refund can be deposited directly to your bank account via electronic fund transfer (EFT). If you do not have Bruin Direct, a refund check will be mailed to you by Student Financial Services. Paper checks are processed only once a week, on Thursdays.

You must be enrolled at least half time (4 units) in order for your loan to be disbursed. If you drop below half time or withdraw from school you may be billed for loans funds disbursed to you for the term.