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# Federal Direct PLUS Loans for Graduate Students

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The Federal Direct PLUS Loan for Graduate Students is available to degree seeking graduate and professional students to provide the expected family contribution for their educational expenses, and/or make up the difference between the cost of attendance and the financial aid awarded them. This Loan is not based on financial need and is borrowed from the U.S. Department of Education.

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## Eligibility

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The graduate or professional student borrower must meet the following criteria to receive a Federal Direct PLUS Loan.

The student must:

- File a Free Application for Federal Student Aid (FAFSA)
- Be U.S. citizens or other eligible status (permanent resident).
- Not owe a defaulted student loan or a federal grant repayment.
- Meet other eligibility requirements as applicable.
- Be in compliance with the SIUC Satisfactory Academic Progress Policy.
- Be enrolled at least half-time. (Audited courses are not eligible to determine enrollment status.)
- Not have an adverse credit history.

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## Loan Amounts

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Graduate and professional students may borrow a Federal Direct PLUS Loan for an amount up to their educational expenses minus other financial aid. However, we recommend using the Cost Calculator available on line at <http://www.siu.edu/~fao/costs/costcalc.htm> to determine the loan amount that you may need to borrow.

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## Loan Fees, Interest, Repayment and Deferments

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An origination fee of 4% of the loan amount is deducted by the federal government from the Federal Direct Graduate PLUS Loan proceeds. Borrowers are notified of this fee at the time of loan approval and loan disbursement amounts reflect the deduction of this loan fee. The interest rate is 7.9%. Interest begins upon disbursement and repayment begins within 60 days after the loan is disbursed. Some deferments and various repayment options are available, and in some cases interest may be capitalized. The U.S. Department of Education contracts with a servicer to handle the collection of loans. Borrowers should contact the servicer or the Financial Aid Office for more information on interest, repayment and deferments. Federal Direct Graduate PLUS Loan information is also available at <http://studentaid.ed.gov>

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## PLUS Loan Procedures

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- Student borrower must have filed a FAFSA and have their eligibility for Federal Direct Subsidized and Unsubsidized loans determined prior to being awarded a Federal Direct Graduate PLUS Loan.
- An SIUC Application for a Federal Direct Graduate PLUS Loan must be completed the student, and submitted to the Financial Aid Office. The SIUC Graduate PLUS Loan application is available at <http://www.siu.edu/~fao/forms/index.htm>.
- An Electronic Master Promissory Note for a Federal Direct Graduate PLUS Loan is required. The Electronic Master Promissory Note can be completed on-line at <https://lo-online.ed.gov/empn/>
- The Financial Aid Office determines eligibility and forwards information to the U.S. Department of Education's Direct Loan Servicing Center. The U.S. Department of Education checks the credit history of the student borrower and accepts or rejects the application.
- SIUC disburses an approved Graduate PLUS loan in semester installments. Federal Direct Graduate PLUS Loans are credited to the student borrower's University account to pay all charges first. If the credit exceeds charges, a refund check is processed and mailed to the student borrower.
- Student borrower's have the right to cancel all or a portion of their Graduate PLUS loans by contacting the Financial Aid Office within 90 days after disbursement.

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## Adverse Credit History

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If your PLUS Loan application is rejected by the U.S. Department of Education's Direct Loan Servicing Center due to an adverse credit history you may elect to find an endorser for the loan.



# SIUC APPLICATION FOR A FEDERAL DIRECT PLUS LOAN FOR GRADUATE STUDENTS

2009-10

- After completing and submitting the electronic Federal Direct Graduate PLUS Loan Master Promissory Note on the Direct Loan Servicing web site, (<https://lo-online.ed.gov/empr/>), complete and return this form to **SIUC Financial Aid Office, 900 S Normal Avenue, Woody Hall - B Wing - Third Floor, Southern Illinois University, Carbondale, IL 62901-4702**. A Federal Direct Graduate PLUS Loan will not be disbursed until **both** the electronic Federal Direct PLUS Loan Master Promissory Note and this form are completed, submitted and approved.

## Section A – Student Borrower Information

1. NAME:	_____	4. SOCIAL SECURITY NO.	_____
2. ADDRESS:	_____	5. BIRTH DATE:	_____
	_____	6. TELEPHONE NUMBER	_____
	_____	7. LOAN AMOUNT REQUESTED:	_____
3. EXPECTED DATE OF GRADUATION:	_____	8. LOAN REQUESTED FOR:	[ ] Fall Only    [ ] Fall & Spring Semesters [ ] Spring Only    [ ] Summer Only
		(Check only one)	

9. The U.S. Department of Education's Direct Loan Origination Center conducts a credit check to determine if the borrower has adverse credit. You will be notified if the Federal Direct PLUS Loan is not approved due to an adverse credit rating.

10. \_\_\_\_\_  
**Student Borrower Signature** **Date**

## Section B – School

\_\_\_\_\_ SIUC approved your Federal Direct PLUS Loan for \$\_\_\_\_\_

\_\_\_\_\_ SIUC did not approve your Federal Direct PLUS Loan because

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