

# Financial Aid



## Federal Direct Graduate PLUS Loan

These loan funds are made available by the U.S. Department of Education to students studying at the graduate, doctoral or professional levels, and are meant to assist students with covering their remaining charges after applying the Federal Direct Unsubsidized Loan. The University of Dayton's Office of Financial Aid will determine the student's eligibility for this loan.

### ***Direct Graduate PLUS Loan Eligibility***

To be eligible to apply for a Graduate PLUS Loan, all of the following criteria must be met:

- Be in a degree seeking program and enrolled at least half-time (3 credit hours for graduate students and 6 credit hours for law students).
- Not have an adverse credit history (credit check will be performed). If the borrower (student) does not pass the credit check, he/she may still receive a loan if someone (such as a relative or friend who is able to pass the credit check) agrees to endorse the loan. The endorser promises to repay the loan if the student fails to do so.
- Be a U.S. citizen or eligible noncitizen, must not be in default on any federal education loans, or owe an overpayment on a federal education grant, and must meet other general eligibility requirements for the federal student aid programs.
- Have FAFSA results sent to the University of Dayton. For most programs, summer term is used as a 'trailer' to the academic year so uses the current aid year FAFSA results. For example, we would require the 2018-19 FAFSA for awarding aid for the summer 2019 term. For MBA@Dayton students, the summer term (beginning in July) is a 'header' term, so will require the 2019-20 FAFSA results.

### ***Master Promissory Note***

The U.S. Department of Education must have a valid Master Promissory Note (MPN) on file in order to disburse the loan funds to the university. The MPN is a legal document in which the borrower promises to repay the loan and any accrued interest and fees to the U.S. Department of Education. It also explains the terms and conditions of the loan. In most cases, the MPN can be used to disburse approved loans during the student's entire graduate enrollment, although the borrower must complete a Loan Request for each school year.

### ***Loan Limits***

The maximum PLUS loan amount a student can borrow is the cost of attendance (determined by the school) minus any other financial assistance received. There is no aggregate limit of borrowing for the PLUS loan.

### ***Interest Rate***

For PLUS loans with a first disbursement on or after July 1, 2018 and before July 1, 2019, the fixed interest rate will be 7.595%. Interest is charged from the date of the first disbursement until the loan is paid in full.

### ***Origination Fee***

For PLUS loans with a first disbursement on or after October 1, 2018 and before October 1, 2019, the Department will retain an origination fee of 4.248% of the principal from the amount of each disbursement. Therefore, be sure to account for this when determining the amount to borrow.

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## **Disbursement**

The U.S. Department of Education will send the loan funds directly to the University of Dayton. Loans approved for the academic year will be disbursed in two equal amounts at the beginning of each semester following federal regulations\*. The school will use the loan funds first to pay the student's tuition, fees, and other school charges. If any loan funds remain, the student will receive the amount as a check or other means. Any remaining loan funds must be used for the student's education expenses.

\*For MBA@Dayton students, loans approved for the academic year will be disbursed evenly over the number of terms they are expected to attend for the aid year.

## **Repayment**

Students that receive a Direct PLUS Loan as a graduate or professional student are not required to make any payments while enrolled in school at least half-time, and for an additional six months after the student graduates, leaves school, or drops below half-time enrollment. During any period when the student is not required to make payments, interest will accrue on the loan. Students may choose to pay the accrued interest or allow the interest to be capitalized (added to the loan principal balance) when they have to start making payments. The federal loan servicer will notify the student when first payment is due.

More detailed Federal Direct PLUS Loan information can be found at [www.studentaid.ed.gov](http://www.studentaid.ed.gov).

## **Loan Timeline**

A PLUS loan request should not be completed for the upcoming academic year until mid-May. If the student plans to be enrolled for the full academic year (fall and spring terms), they are encouraged to apply for the full year amount (August – May) upon initial request\*. Adjustments can always be made during the loan period if needed.

\*If an MBA@Dayton student plans to be enrolled for the full academic year (summer, fall, winter, spring terms), they are encouraged to apply for the full year amount (July-June) upon initial request.

## **Applying for Your Loan**

The financial aid office will notify students of their financial aid eligibility once their files are complete. The student will receive an email directing them to view the information via the student portal 'Porches'. In order for the financial aid office to be able to certify the loan, the student must be registered for the initial term of the loan period.

Steps to apply for the loan:

1. Student should review the financial aid award and decide how much of the Graduate PLUS Loan eligibility he/she will need to cover all charges/expenses.
2. Student will sign in to the U.S. Department of Education's student loan website using his/her Federal Student Aid ID (<http://www.studentloans.gov>).
3. Once logged in, verify personal information then select the '**Request a Direct PLUS Loan**' link.
4. After reading the supplemental information, view '**What You Need**' and make sure to have the information at hand for the next step.
5. Go back to the previous page and select the '**Graduate PLUS**' link and follow the instructions for completing the PLUS request process.
6. If approved, the student will need to complete the '**Master Promissory Note**' (MPN) and the '**Entrance Counseling**' (only if student is a first time borrower or requires the use of an endorser) before funds can be disbursed to the student's account.
7. If denied, the student can choose to appeal the decision or seek an endorser. Those options are handled on the studentloans.gov site.