

Financial Aid



Federal Direct Graduate PLUS Loan

These loan funds are made available by the U.S. Department of Education (the Department) students studying at the graduate, doctoral or professional levels, and are meant to assist you with covering your remaining charges after applying your federal direct unsubsidized loan. The University of Dayton's Office of Financial Aid will determine your 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 (three 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 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. Summer term is used as a 'trailer' so, for example, we would require the 2016-2017 FAFSA in awarding aid for the summer 2017 term.

Master Promissory Note

The Department must have a valid Master Promissory Note (MPN) on file in order to disburse the loan funds to the university. Approved parent borrowers must complete an MPN for each student for whom they are borrowing. The MPN is a legal document in which the borrower promises to repay the loan and any accrued interest and fees to the Department. 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 undergraduate enrollment. However, the borrower must complete a Loan Request for each school year.

Loan Limits

The annual limit that you may borrow under the Federal Direct PLUS Loan is equal to student's cost of attendance minus any other financial aid the student receives. 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, 2016 and before July 1, 2017, the fixed interest rate will be 6.31%. 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, 2015 and before October 1, 2016, the Department will retain an origination fee of 4.272% of the principal from the amount of each disbursement. The origination fee for loans with first disbursed on or after October 1, 2016 will be 4.276%. Therefore, be sure to account for this when determining the amount to borrow.

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Federal Direct Graduate PLUS Loan, cont.

Disbursement

The Department 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, room and board, and other school charges. If any loan funds remain, the parent will receive the amount as a check or other means, unless he or she authorizes the amount to be released to the student or transferred into the student's account at the school. Any remaining loan funds must be used for the student's education expenses.

Repayment

If you receive a Direct PLUS Loan as a graduate or professional student, you don't have to make any payments while you're enrolled in school at least half-time, and for an additional six months after you graduate, leave school, or drop below half-time enrollment. During any period when you're not required to make payments, interest will accrue on your loan. You may choose to pay the accrued interest or allow the interest to be capitalized (added to your loan principal balance) when you have to start making payments. Your loan servicer will notify you when your first payment is due.

More detailed Federal Direct PLUS Loan information can be found at www.studentaid.ed.gov.

Loan Timeline

A PLUS loan request should not be completed for the upcoming academic year until mid-May. If you plan to be enrolled for the full academic year (fall and spring terms), we encourage you apply for the full year amount (August – May) upon initial request. Adjustments can always be made during the loan period if needed.

Applying for Your Loan

The financial aid office will notify you of your financial aid eligibility once your file is complete. You will receive an email directing you to view the information via the student portal 'Porches'. In order for us to be able to certify the loan, you must be registered for the initial term of the loan period.

Steps to apply for the loan:

1. Review your financial aid award and decide how much of the Graduate PLUS eligibility loan you'll need to cover your charges/expenses.
2. Sign in to the Department's student loan website (<http://www.studentloans.gov>) using your Federal Student Aid ID.
3. Once logged in, verify your personal information then select the '**Request a Direct PLUS Loan**' link.
4. After reading the supplemental information, view '**What You Need**' and make sure you 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, you will need to complete the '**Master Promissory Note**' (MPN) and the '**Entrance Counseling**' (only if you are a first time borrower or require the use of an endorser) before funds can be disbursed to your account.
7. If denied, you can choose to appeal the decision or seek an endorser. The options will be presented to you at the time of the decision and are handled on the studentloans.gov site.