



**Boston University School of Medicine
Division of Graduate Medical Sciences**

2014/2015 Federal Graduate PLUS Loan Fact Sheet

WHAT IS A GRADUATE FEDERAL PLUS LOAN?

The Federal Graduate PLUS is a credit-based loan which is available to assist students with the costs of higher education. Eligible graduate loan borrowers are those who are enrolled at least half-time (6 credits) per semester in a graduate or professional degree that leads to a master's, law or medical degree. The credits must be accepted towards the degree program. The student must be a U.S. citizen or permanent resident, must not have an outstanding balance from a prior period of enrollment and must be making satisfactory academic progress per school guidelines.

WHAT IS THE INTEREST RATE?

The interest rate on the Graduate PLUS Loan is fixed at 7.21% for the 2014-2015 year. Interest begins to accumulate on the date of the first loan disbursement, and it continues to be charged during periods of deferment and forbearance. You may either pay the interest as it accrues (the loan servicer will send quarterly interest statements) or you may allow the interest to be capitalized (added to your loan principal balance) at the end of the deferment or forbearance. Capitalization increases the total loan amount that you must repay.

WHEN DOES REPAYMENT BEGIN?

The repayment period for the Graduate PLUS loan begins on the date after the final disbursement is made, and the first payment is due within 60 days after the date the loan is fully disbursed. However, if you are enrolled in school on at least half-time basis, you are eligible for an in-school deferment that allows you to postpone payments until you graduate or drop below half-time status. Upon dropping to less than half-time enrollment status, the borrower can get a 6 month post enrollment deferment. The first payment will be due within 45 days after the deferment end date. The loan servicer will notify the student 60 days before the deferment ends.

HOW MUCH CAN I BORROW?

Students may borrow annually a Graduate PLUS Loan up to the cost of education less any financial aid the student is receiving. However, students should not borrow more than they are able to repay. There is no cumulative limit on the amount a student can borrow over the course of a student's education. Before deciding on an amount to borrow, students should first consider the Federal Stafford Loan. The maximum borrowing limit on the Federal Stafford Loan is \$20,500 with the interest rate set at 6.21%. To begin the application process for a Federal Stafford Loan, the student should complete the Free Application for Federal Student Aid (FAFSA). If you have any questions regarding the Stafford Loan Program, contact your Graduate School Financial Aid Office.

A 4.292 percent fee is deducted from the loan proceeds. Overall, the amount available will be 4.292 percent less than the loan amount approved. Be sure to consider this when deciding how much to borrow. **Remember, if you need to borrow for two semesters, be sure to include the amounts you would like to request for both semesters in the total loan amount requested.**

HOW DO I APPLY?

1) Complete a Free Application for Federal Student Aid (FAFSA). The FAFSA can be completed online at www.fafsa.ed.gov. Please list "Boston University" using Federal School Code Number 002130 as a recipient of your FAFSA data. Federal Student Aid Programs will process your FAFSA and forward your data to Boston University. After your FAFSA has been processed, you will receive a Student Aid Report (SAR) from the Department of Education. You should review this report for additional information regarding your aid eligibility, and make any corrections if necessary.

2) All first time borrowers or borrowers who borrowed with an endorser in 2013-2014 will need to complete a promissory note. All other borrowers will not need to complete a Federal Graduate PLUS Master Promissory Note. The borrower can complete the promissory note online at www.studentloans.gov using his/her federal personal identification number (PIN). If the borrower does not have a PIN or cannot recall it, please go to www.pin.ed.gov and allow up to 10 business days to secure the PIN. The PLUS loan cannot be used in settlement of the student account until the promissory note has been completed.

Failure to complete the promissory note before the end of the loan period will result in cancellation of the loan.

3) A borrower must complete entrance counseling for the Graduate PLUS loan. The requirement can be completed online at www.studentloans.gov. Entrance counseling must be completed before loan funds can be disbursed to Boston University.

4) Students must complete the Graduate PLUS Request Form as well as complete the promissory note at least three weeks before the end of the academic period. Federal legislation prohibits Boston University from certifying a federal loan after the academic period has ended. The PLUS Request form may be faxed to Boston University Financial Assistance at 617-353-8200 or mailed to 881 Commonwealth Avenue, Boston MA 02215.

WHEN WILL THE LOAN FUNDS BE AVAILABLE?

The Graduate PLUS Loan record will be sent to the Direct Loan Center for their credit review of the applicant. If the borrower passes the credit review and all requirements are met, the Direct Loan Center will send Boston University an electronic notification that the loan has been credit approved. Once the Graduate PLUS Loan has been approved by the Direct Loan Center and all loan requirements have been completed, funds for the semester will be credited electronically to the student's account no earlier than 10 days before the start of your loan period and the funds will be available to you no earlier than the first day of classes. If there is a credit balance on your account after the loan funds are credited, you may request a refund with your Graduate Financial Aid Office.

If the student does not pass the credit review, the student may appeal the decision or request re-evaluation with an endorser (co-signer). Instructions regarding the appeal or endorser will be sent to you with your credit decision. Boston University requests that you contact Boston University Financial Assistance within one month to notify us of any re-evaluation request made to the Direct Loan Center. Failure to notify our office will result in the cancellation of your loan application one month after the initial denial notification and you will be required to start the process over.

Boston University 2014/2015 Federal Graduate PLUS Request Form

I, the **student borrower**, authorize the U.S. Department of Education to check my credit history for the purpose of determining my eligibility for the Federal Graduate PLUS loan for the 2014/2015 academic year and to report information about my loan eligibility to persons and organizations permitted by law to receive that information. I understand that I will be notified in writing of the results of the credit review with respect to my loan application.

Default Certification: If you are in default on any loan received under the Direct Loan, the Federal Family Education Loan or the Federal Perkins Loan Programs (including the National Direct Student Loans), you are not eligible to receive a Graduate PLUS Loan unless you have made satisfactory repayment arrangements with the loan holder to repay the amount owed. Check the box below to certify that you meet this requirement.

I am not in default on a loan received under the programs listed above, or if I am in default, I have made satisfactory arrangements with the loan holder to repay the amount owed.

Loan Amount Requested: \$_____, which will be divided in equal installments for the Fall 2014 and Spring 2015 semesters. Approximate net reduction of 4.292% loan fee will be deducted from the Loan Amount.

I, the student borrower, understand my responsibility to provide the Boston University Financial Assistance with the following:

- Number of credits: Fall 2014_____ Spring 2015_____
- Any funds anticipated for 2014/2015 from a source other than this loan:

Source_____ Amount \$_____

Source_____ Amount \$_____

PLEASE PRINT FULL LEGAL NAME EXACTLY AS IT APPEARS ON THE PROMISSORY NOTE.

Student's Social Security Number

Student's
First Name

Student's
Middle Initial

Student's
Last Name

Student's Date of Birth
(mm/dd/yyyy)

Student's Permanent Address:

Street Name

Student's Citizenship Status (check one)

(1) ___ U.S. Citizen or National

(2) ___ Permanent Resident or

Other Eligible Non-Citizen

If (2), alien registration No. _____

City

State

Zip Code

Student's Phone Number

Student's Email Address

By my signature below I acknowledge that the above information is true and correct. I understand that I must notify the Financial Assistance Office regarding any and all changes to the above information. I understand that changing my enrollment may reduce or eliminate my eligibility for a Federal Graduate PLUS Loan.

Student's Signature:

Date:

BU Identification Number

**Boston University
Student Accounting Services
881 Commonwealth Avenue
Boston, MA 02215-1390**

Student Name: _____
Address: _____

B.U. ID# _____ - _____ - _____

Federal Financial Aid Credit Authorization

Boston University records indicate that you may be eligible for a refund due to financial aid in excess of your tuition, fees and residence charges, based on your current aid eligibility and enrollment status. Under federal regulations, you may authorize Boston University to hold these excess funds and pay other charges that may be assessed to your student account and/or pay a prior or future semester balance. If you do not authorize Boston University to use your excess funds to pay a prior or future semester balance and/or other billed charges, (e.g. medical insurance, sports pass, convenience points, library fines), you will be issued a refund of the excess, by mail, after all funds have been received by the University and applied to your student account. If you are issued a refund, all outstanding charges made to your student account must be paid to remain in good standing.

I have read the above statement and I authorize Boston University to hold the excess funds to pay other charges that may be assessed to my student account and/or pay a prior or future semester balance. I understand that any excess funds which have not been applied to other charges will be refunded at the end of the academic period.

Signature

Date

You may rescind your authorization, in writing, any time prior to incurring such charges; otherwise the authorization is valid for both the current and future academic periods. Please return the signed and dated authorization immediately to: Student Accounting Services, 881 Commonwealth Avenue, Boston, MA 02215-1390.

Federal Financial Aid includes the following: Perkins Loan, Pell Grant, Supplemental Educational Opportunity Grant (SEOG), Parental Loan for Undergraduate Student (PLUS), and Federal Direct Subsidized and Unsubsidized Stafford Loan.