

2009-2010

FEDERAL DIRECT GRADUATE PLUS LOAN REQUIREMENTS AND APPLICATION

- Complete the Free Application for Federal Student Aid (FAFSA) **prior** to completing a Federal Direct Graduate PLUS loan application. The FAFSA can be filed on-line by going to <http://www.fafsa.ed.gov/>
- Review the amount of Federal Direct Graduate PLUS loan offered to you on your award notification and determine the amount you need to borrow. The amount offered to you will be the maximum amount you can apply for in most cases.
- Submit a complete **Graduate PLUS Loan Application** to the Office of University Scholarships and Financial Aid (USFA) by June 1, 2009. If you are awarded after June 1, 2009, please return the form no later than **30 days after** you have received your award notification. If you fail to submit this form by the deadline, the Federal Direct Graduate PLUS loan will be cancelled.
- First time borrowers need to complete a Federal Direct Graduate PLUS Loan Master Promissory Note (MPN).** The MPN is signed electronically on the web at <https://dlenote.ed.gov> using your student PIN. **Be sure and complete all steps.** The PIN is the same number used to sign your Free Application for Federal Student Aid (FAFSA). You can request a PIN at <https://PIN.ed.gov> if necessary.
- First time borrowers need to complete a Federal Direct Graduate PLUS Loan Entrance Interview Session.** The Entrance Interview session must be completed online at <https://www.dl.ed.gov/borrower/EntrCounselingStart.do?cmd=initializeContext>

IMPORTANT FACTS

1. It is not necessary to select a lender for the Graduate PLUS loan. Virginia Tech is a Direct Lending school and the Graduate PLUS loan will be set up with the Federal Direct Loan program through the U.S. Department of Education.
2. The Federal Direct Graduate PLUS loan will begin accruing interest once the loan disburses. Interest will continue to be charged during periods of deferment and forbearance as well. You may either pay the interest as it accrues or you may allow the interest to be capitalized (added to your loan principal balance) at the end of the deferment or forbearance. Since capitalization increases the total loan amount that you must repay, you are encouraged to pay the interest if at all possible.
3. In most cases, the Direct Loan Servicing Center will automatically grant an in-school deferment for the Federal Direct Graduate PLUS loan. You will be notified of this deferment and you will have the option to cancel the deferment and begin making payments on your loan.
4. **If the MPN is not complete within 30 days of the loan appearing on your Hokie Spa account, the loan will be canceled and any balance will be due immediately to the University.**
5. The MPN is a legally binding commitment to repay this loan. It must be completed for the initial Federal Direct Graduate PLUS loan, but does not have to be completed for subsequent loans.
6. **The FAFSA and Federal Direct Graduate PLUS Loan Application must be completed each year.**

7. Approval or denial of the Federal Graduate PLUS Loan is given by Direct Loans and not Virginia Tech. If the Federal Graduate PLUS loan is **denied**, the U.S. Department of Education will send you a form giving the option to secure an endorser. No action is taken with VT in choosing an endorser; rather, you should communicate directly with the U.S. Department of Education.
8. All requirements must be complete before the Federal Graduate PLUS Loan funds can be disbursed. Failure to complete all requirements will result in a delay in loan disbursement and possible cancellation of the loan.
9. You have the right to cancel all or part of the Federal Direct Graduate PLUS loan prior to the first day of the semester or within 30 days of notification of the disbursement of the loan. You may also **reduce** the amount of the PLUS loan or **cancel** a future disbursement by completing the **Financial Aid Change** form at <http://www.finaid.vt.edu/forms/>. **DO NOT REPAY LOAN FUNDS to Direct Loans during the academic year.**

Comparison of Federal Direct Stafford Loans and Federal Direct Graduate PLUS Loans

You are encouraged to accept **all Stafford subsidized and unsubsidized loan** amounts before considering a Federal Direct Graduate PLUS loan.

	Federal Direct Subsidized Stafford Loan (awarded based on need eligibility)	Federal Direct Unsubsidized Stafford Loans	Federal Direct GRAD PLUS Loans
Maximum Amount	\$8500	\$20,500 (minus sub eligibility)	Cost of Attendance – Other Financial Aid
Interest Rate	6.8% fixed	6.8% fixed	7.9% fixed
Interest accrues	Only when loan is in repayment or forbearance	At time of disbursement	At time of disbursement
Deferment Options	Yes	Yes	Yes
Forbearance Options	Yes	Yes	Yes
Repayment	Begins six months after the student graduates or ceases to be enrolled at least half time	Begins six months after the student graduates or ceases to be enrolled at least half time	Begins immediately after the student ceases to be enrolled at least half time (this includes breaks in enrollment during the summer)

**2009-2010
Federal Direct Graduate Plus Loan Application**

**This is only an application. Federal Direct Lending Program is responsible for final credit approval.
Please type or print clearly and review all information for accuracy.**

Student's ID #: _____ Student Email: _____

Student's Full Legal Name: _____, _____, _____
(Please print clearly) last first middle

LOAN REQUIREMENTS:

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- Review the amount of Federal Direct Graduate PLUS loan offered on to you on the Hokie Spa/My VT. And determine the amount you need to borrow. The amount offered to you will be the maximum amount you can apply for in most cases.
- Submit a complete **Graduate PLUS Loan Application** to the Office of University Scholarships and Financial Aid (USFA) by June 1, 2009. If you are awarded after June 1, 2009, please return the form no later than **30 days after** you have received your award notification. If you fail to submit this form, the Federal Direct Graduate PLUS loan will be cancelled.
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Please indicate enrollment period and loan amount requested (See <http://www.bursar.vt.edu/> for cost information)

<input type="checkbox"/> Fall and Spring	(08/24/09 – 05/12/10)	Amount Requested	Please choose one:
<input type="checkbox"/> Fall Only	(08/24/09 – 12/17/09)	\$ _____	<input type="checkbox"/> Original <input type="checkbox"/> Additional Amount
<input type="checkbox"/> Spring Only	(01/19/10 – 05/12/10)	\$ _____	<input type="checkbox"/> Original <input type="checkbox"/> Additional Amount

SIGNATURE – I certify that I have read and understand all the information provided in the requirements and comparisons of programs on pages 1-2 and the information furnished on this form is complete and correct, to the best of my knowledge. In addition, I understand that by completing this form a **credit check** will be performed by the Department of Education to determine eligibility for this loan.

Student Signature

Date

For Office Use Only

COA _____
Resources _____
Aid _____
Rem. Elig _____
PLUS Amt _____