

## Applying for a Graduate PLUS Loan

The William D. Ford Federal Direct **Graduate (Grad) PLUS Loan** is an unsubsidized loan available through the U.S. Department of Education to graduate/professional who wish to borrow money to help finance their college education. The Grad PLUS Loan requires credit approval, and is generally meant to supplement the student's other financial aid.

### Information for Graduate Students

#### When should I apply?

A new application must be completed each year you wish to receive a Grad PLUS Loan (credit-checks are valid for up to 180 days). It is best to complete the application after you have received your Financial Aid Offer; knowing the amount of financial aid you are receiving will help you determine the appropriate PLUS Loan amount to request.

#### What are the eligibility requirements?

- You must be a U.S. Citizen or National or Permanent Resident/Other Eligible Non-Citizen.
- You must be in an eligible graduate degree program.
- You must not have an adverse credit history.
- You must have a valid FAFSA on file for the appropriate academic year.
- You must meet all general eligibility requirements for federal student aid, as defined by the U.S. Department of Education. For more information, visit <https://studentaid.ed.gov/sa/eligibility>.

#### What if I am not eligible?

If your Grad PLUS Loan application is denied based on the results of your credit-check, you may choose to obtain a credit-worthy endorser to cosign the loan, or appeal the credit decision by documenting extenuating circumstances relating to your adverse credit history to the satisfaction of the U.S. Department of Education. If your application is approved with an appeal or endorser, you must also complete **PLUS Credit Counseling** online at [StudentLoans.gov](http://StudentLoans.gov).

#### What other important information should I be aware of?

**Interest Rate:** Determined annually by the Government and fixed at the time of disbursement for the life of the loan. The interest rate for loans 1<sup>st</sup> disbursed between 7/1/19 and 6/30/20 is 7.08%.

**Loan Fee:** Prior to receiving any Grad PLUS Loan funds, the Government deducts a percentage of the principle loan amount, which is subtracted proportionately from each disbursement. This means the money you receive will be less than the amount you actually borrow. See [StudentAid.gov/interest](http://StudentAid.gov/interest) for current loan fees.

**Repayment:** The repayment period begins on the date of the final disbursement of the loan, with this first payment due within 60 days from that date. You may be able to defer payments while you are enrolled at least half-time, and for an additional six months after you graduate or drop below half-time. To learn more, visit [StudentAid.gov/deferment-forbearance](http://StudentAid.gov/deferment-forbearance).

**Maximum Loan Amount:** There is no set borrowing limit for Grad PLUS Loans, but you may not borrow more than the cost of attendance for the period of enrollment for which the loan is intended, minus the amount of other financial aid you are receiving.

**Receiving Your Loan Money:** Grad PLUS Loans are generally disbursed by semester in equal installments, and you must be enrolled at least ½ time. The funds will first be applied toward the owing balance on your school account. If the disbursement of your loan proceeds results in a credit balance, you may be eligible to receive a financial aid refund. All refunds are processed through Nelnet, a third party vendor. To sign up for Nelnet, login to your Eagle account and select My Profile and then Managing Refunds.

## Instructions for Graduate Students – How to Apply for a PLUS Loan

### Step 1

Student Must Submit a FAFSA

In order to receive a Grad PLUS Loan, you must have a valid Free Application for Federal Student Aid (FAFSA) on file with Northwest University for the applicable academic year. The FAFSA is completed online at [FAFSA.ed.gov](https://fafsa.ed.gov).

### Step 2

Direct PLUS Loan Application for Graduate/Professional Students

It is best to complete this step after reviewing your Financial Aid Offer and estimated out-of-pocket costs; knowing the amount of financial aid you are receiving will help you determine the appropriate PLUS Loan amount to request.

- Go to [StudentLoans.gov](https://studentloans.gov) and select the blue **Login** button to login with your Federal Student Aid ID (FSA ID).
  - \* All students must create their own unique FSA ID. For help, visit [FSaid.ed.gov](https://fsaid.ed.gov).
- Once logged in, select **Apply for a Direct PLUS Loan** from the menu under My Home Page.
- Scroll down to the **2<sup>nd</sup> option** and select the blue **Start** button next to the **Direct PLUS Loan Application for Graduate/Professional Students**.
  - \* Be mindful not to choose the **2<sup>nd</sup> option**, which is for parents of dependent undergraduate students.
- Select the appropriate **Award Year** from the drop down.
- Review the **Authorization for School to Use Loan Funds to Satisfy Other Charges** and select the box to authorize the school to use loan your Grad PLUS Loan to satisfy other educationally related charges you incur at the school (optional).
- Select **Northwest University** as the school to notify, and indicate the **Loan Amount** and **Loan Period** you are requesting.
  - \* If you are unsure of the **Loan Amount** you should request, or which **Loan Period** to select, please contact Student Financial Services for assistance.
- Enter **your** information under the **Borrower Information** section.
- **Review your application** and authorize the U.S. Department of Education to **perform a credit-check**.
- You will be notified immediately if your credit-check has been approved or denied, and the results will be sent electronically to Northwest University within approximately 48 hours. Credit decisions remain valid for **180 days**.

### Step 3

Direct PLUS Loan MPN for Graduate/Professional Students

The PLUS Loan Agreement/Master Promissory Note (PLUS MPN) explains all of the terms and conditions associated with PLUS Loans and constitutes your legally binding agreement to repay all loans received under the MPN. If you have borrowed a Grad PLUS Loan in the past, and the PLUS MPN has not expired, you do not need to complete a new one. However, if you have not borrowed a Grad PLUS Loan before, or your PLUS MPN has expired, **you must complete this step**.

- Go to [StudentLoans.gov](https://studentloans.gov) and select the blue **Login** button to login with your Federal Student Aid ID (FSA ID).
- Once logged in, select **Complete Loan Agreement (Master Promissory Note)** from the menu under My Home Page.
- Scroll down to the **2<sup>nd</sup> option** and select the blue **Start** button next to the **PLUS MPN for Graduate/Professional Students**.
  - \* Be mindful not to choose the **3<sup>rd</sup> option**, which is the PLUS MPN for Parents.
- Continue on to complete the **PLUS MPN for Graduate/Professional Students**, making sure to thoroughly review all terms and conditions entailed.
- Once complete, the PLUS MPN will be sent electronically to Northwest University within approximately 48 hours.

### What's Next?

After Completing Steps 1-3

Once all 3 steps above have been successfully completed, you will be notified once your Grad PLUS Loan has been awarded.