



This guide will provide you (the borrower) with information regarding the Direct Graduate PLUS Loan. Effective July 1, 2010 changes in legislation will eliminate the Federal Family Education Loan Program (FFELP), in which UCLA currently participates in order to deliver Federal Subsidized, Unsubsidized Stafford and Graduate PLUS Loans. For 2010-11, UCLA will switch to the William D. Ford Federal Direct Loan program. Under this program, we will work with the Department of Education instead of individual lenders to deliver loan funds to UCLA borrowers. Your electronic Financial Aid Notification (eFAN) will let you know the amount of Direct PLUS Loan that you are eligible to borrow.

## Graduate PLUS Fact Sheet

Direct Graduate PLUS Loans	
<b>Program Description</b>	Direct PLUS Loans are available to graduate students enrolled at least half time (4 units) who have borrowed the allowable maximums from the Direct Subsidized & Unsubsidized Loan Program. Students may borrow up to the full cost of education for the academic year less any other aid received for that year.
<b>Eligibility</b>	The borrower must be a U.S. citizen or a permanent resident in order to qualify. A credit check is required before the Department of Education (DOE) can approve your PLUS application. If you do not meet the federal credit requirements, you may still be able to receive a PLUS loan applying with an endorser (co-signer). If denied, DOE will provide you with instructions on providing an endorser. Free Application for Federal Student Aid (FAFSA) must be completed annually.
<b>Interest Rate</b>	7.90% fixed. Interest starts accruing at disbursement.
<b>Fees*</b>	4% origination fee charged by US Dept. of Education. 1.5% interest rebate is applied automatically but lost if the borrower does not make 12 consecutive on time payments at repayment.
<b>Repayment</b>	No payments due while student is in school. Direct PLUS loans are eligible for an automatic 6 month deferment after dropping below half-time enrollment. Standard repayment period of 10 can be extended. Please go to StudentLoans.gov for information on different repayment plan options available.

**In order for loan funds to be disbursed, federal loans must be originated by the school before last day of your enrollment period. If you are accepting a federal loan, please submit your eFAN to the financial aid office no less than 5 business days before the end of the term, for which you are enrolled.**

\* Origination fees are deducted from and rebates applied to each disbursement prior to the disbursement of funds to the borrower.

## Graduate PLUS Credit Requirements

Because Graduate PLUS is a federally guaranteed loan, the credit requirements used by the Department of Education to approve eligibility are less stringent than the requirements for a line of credit or a consumer loan. Credit requirements used for Graduate PLUS are:

- No delinquencies of 90 days or more on repayment of any debt.
- No debts discharged in bankruptcy during the past 5 years.
- No evidence of default, foreclosure, tax lien, repossession, wage garnishment or write-off of Title IV financial aid debt during the past 5 years.

If your Graduate PLUS application is denied for credit reasons a formal appeal process is available and/or you may be approved if you apply with an endorser. You will be sent endorser application information by DOE, if your PLUS application is denied.

## Applying for a Graduate PLUS Loan

**Accept the Loan –** Accept the loan offered to you on your electronic Financial Aid Notification (eFAN). If you would like to borrow less than the amount offered, indicate the amount you want to borrow in the space provided on the eFAN. If you do not need to borrow all of the loans offered to you, borrow maximum Stafford for which you are eligible before accepting a Graduate PLUS Loan.

## Complete a Master Promissory Note (MPN) –

**ALL borrowers must complete a DL PLUS Master Promissory Note for 10-11.**

The Direct Loan program requires a different Master Promissory Note than the Federal Family Education Loan Program (FFELP), in which UCLA participated prior to 10-11. If you are a new borrower or if you are a continuing borrower who has borrowed Graduate PLUS Loans in the FFELP program, you must complete a Direct PLUS Loan MPN at [www.StudentLoans.gov](http://www.StudentLoans.gov). Once completed, the DL MPN is valid for 10 years so continuing borrowers do not have to complete one each year.

## Complete a Debt Management Session (DMS) –

**Only first time borrowers at UCLA are required to complete the Graduate PLUS Debt Management Session.**

If you are a first time Graduate PLUS borrower at UCLA you must complete a Debt Management Session before your Graduate PLUS Loan will be disbursed. Go to [www.loans.ucla.edu](http://www.loans.ucla.edu) in order to complete your session on line. If you have any questions about this requirement, please contact Student Loan Office at 310-825-9864.



***You have the right to request a cancellation or a reduction of your loan provided that you submit a written request to the Financial Aid Office within 30 days of disbursement.***



## **Loan Disbursements**

The total loan amount you accept on your eFAN will be divided equally among the terms for which you have been awarded. Your loan will be disbursed to your UCLA student account (BAR) at the beginning of each term. Any funds left after BAR charges are paid will be refunded to you.

We recommend that you sign up for Bruin Direct with the Main Cashier so that your refund can be deposited directly to your bank account via electronic fund transfer (EFT). If you do not have Bruin Direct, a refund check will be mailed to you by Student Financial Services. Paper checks are processed once a week only, on Thursdays.

You must be enrolled at least half time (4 units) in order for your loans to be disbursed. If you drop below half time enrollment or withdraw from school, you will be billed for all or part of the loan(s) disbursed to you for that term.

***If you want to accept a portion of your loan for a single term of enrollment, please notify the Financial Aid Office. Any loan amount accepted on the eFAN will be split equally among all terms for which you have been awarded.***

## **Additional Resources**

**Federal Student Aid Processor** – to find more information about Direct Loans, complete your DL Master Promissory Note, endorse PLUS Loan or find information about managing your loan repayment go to [www.StudentLoans.gov](http://www.StudentLoans.gov)

**Financial Aid Office** – to find more information about your loan eligibility, the status of your application and disbursements, go to [www.fao.ucla.edu](http://www.fao.ucla.edu), e-mail us at [finaid@saonet.ucla.edu](mailto:finaid@saonet.ucla.edu) or call our office at 310-206-0400.

**Student Loan Office** – to find more information about UCLA Debt Management Session requirement or to complete DMS on-line, go to [www.loans.ucla.edu](http://www.loans.ucla.edu) or call 310-825-9864.

**Student Financial Services** – to sign up for Bruin Direct (electronic deposit of your financial aid refund to your bank account) or to check on the status of your refund, go to [www.sfs.finance.ucla.edu](http://www.sfs.finance.ucla.edu) or call 310-825-9194.

