What is a Direct Graduate PLUS Loan? The Direct Graduate PLUS Loan is an unsubsidized loan for students in a degree-seeking Graduate-level program. PLUS loans help pay for education expenses up to the cost of attendance minus all other financial assistance. The fees and interest rate have not yet been determined for 2016-2017. The interest rate for 2015-2016 was 6.84%. An origination fee of 4.272% was charged by the US Department of Education for 2015-2016 loans. This fee is deducted from the disbursement of the loan. For example, if you requested and were approved for a gross loan amount of $5000, the net disbursement to Auburn University on your behalf would be $4787.

Eligibility requirements for a Direct Graduate PLUS:

- You must have a 2016-2017 FAFSA on file with Auburn University, and any additional required documentation must be satisfied.
- You must be enrolled in a degree-seeking Graduate or Professional program. You may not be “Graduate Provisional” status. Students in a certificate program are not eligible for Graduate PLUS loans. In addition, students who are considered “Independent” for Financial Aid purposes, but are enrolled in an Undergraduate degree-seeking program, are not eligible for the Graduate PLUS Loan. Students who do not qualify for the Graduate PLUS program will most likely need to seek a private student loan.
- You must be enrolled at least half time, which is a minimum of 5 credit hours. Please wait until you are enrolled for at least 5 credit hours before making your Summer Graduate PLUS application.
- You must 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.
- You must be maintaining Satisfactory Academic Progress (SAP). Please refer to www.auburn.edu/finaid in the “Special Information” section to review the requirements for SAP.
- PLUS Loan borrowers cannot have an adverse credit history (a credit check will be performed during the application process). The credit decision is not based on credit score, but on negative items in your credit file, such as past due accounts, charged-off accounts, liens, bankruptcies, repossessions, etc. A PLUS loan approval does not ensure future PLUS loan approvals, as that will be based on the information in your credit file at the time of application. If your PLUS loan is declined, based on your credit history, you will be provided some options.

PLEASE SEE PAGE 3 OF THIS DOCUMENT FOR DENIAL OPTIONS.
Direct Graduate PLUS Application Steps

1) Review the eligibility requirements from the first page of this guide. If all requirements are met, move on to step 2.
2) You will need a Federal Student Aid ID.
3) Go to www.studentloans.gov and log in using FSA ID. www.studentaid.gov/sfaid
   a. Once you are successfully logged in, you will select “Apply for a PLUS Loan”, then “Direct PLUS for Graduate/Professional Student Borrowers”.
   b. Verify your information under “Borrower Information” and hit continue.
   c. Select award year 2016-2017 from the drop-down box.
   d. Choose Auburn University as your intended school.
   e. Choose a loan amount (maximum will be the Cost of Attendance minus any other aid received). After your application has been processed, if you see that your requested amount is incorrect, you may adjust your amount in the following ways: for a reduction, you may email your request to finaid7@auburn.edu; for an increase, you will follow this application process again at www.studentloans.gov.
   f. The loan period for Fall-Spring is Aug 2016-May 2017. Fall only (not attending Spring) is Aug 2016-Dec 2016.
   g. Review your request and then continue to the credit check and submission. If your application is declined for credit, please refer to the denial options section on page 3 of this guide.
   h. If your application is approved for credit, and you do not have a PLUS Master Promissory Note (MPN) on file with Direct Loans, you will need to complete that at www.studentloans.gov. The PLUS MPN can be completed under “Complete Master Promissory Note” for the “Graduate PLUS”. In addition, if this is your first Graduate PLUS loan at Auburn University, you will need to complete PLUS Entrance Counseling at www.studentloans.gov.
4) Once your application has been submitted, please allow 48 business hours for Auburn University to receive and process your request.
PLUS Loan Denial Options:
In the event that your loan application was denied, due to adverse credit, you will be given some options within the loan application at [www.studentloans.gov](http://www.studentloans.gov). Please review the information below for further clarification of the options that will be offered to you.

- **APPEAL**: If you choose to appeal the credit decision, you will do so through the [www.studentloans.gov](http://www.studentloans.gov) site under “Document Extenuating Circumstances”. If the appeal is successful, you will be notified by Direct Loans and the school will be notified approximately one business day later.
  - If your loan is approved through appeal, you will be required to complete PLUS loan counseling prior to your loan being fully approved for disbursement.

- **ENDORSER**: If you choose to apply with a credit-worthy endorser, you will receive an email from Direct Loans with a “PLUS Loan Endorser Code” shortly after submitting your application online. You will need to have your endorser apply for a Federal Student Aid ID ([www.studentaid.gov/fsaid](http://www.studentaid.gov/fsaid)) and use that to log into [www.studentloans.gov](http://www.studentloans.gov) with their information. Once logged in, they will select the option “Endorse a Direct PLUS Loan”. They will use the provided “PLUS Loan Endorser Code” where requested.
  - If your loan is approved with an endorser, you will be required to complete PLUS loan counseling prior to your loan being fully approved for disbursement.
  - A new Graduate PLUS MPN (Master Promissory Note) is required for each endorser-approved loan.
  - If your loan is approved with an endorser, you will be required to complete PLUS loan counseling prior to your loan being fully approved for disbursement.

- **UNDECIDED**: If you choose “undecided”, nothing will happen with your PLUS request, until our office hears from you.