



PLEASE CAREFULLY REVIEW THIS INFORMATION

## What is a Federal Graduate PLUS Loan?

The Federal Graduate PLUS Loan is an unsubsidized loan for students enrolled in a degree-seeking Graduate or Professional Program (Masters, PhD, Veterinary Medicine, Doctor of Pharmacy). PLUS loans help pay for education expenses up to the cost of attendance minus all other financial assistance.

## What costs are associated with the Federal PLUS Loan?

- ❖ **Interest:** The interest rates for the upcoming academic year have not yet been set by the U.S. Dept of Education. For reference, the interest rate on 2020-2021 loans was 5.30%.
- ❖ **Origination Fee:** An origination fee of 4.228% is charged by the US Department of Education on each loan disbursement. Therefore, a gross loan disbursement of \$5000 will net at \$4789.

## When and where do I apply?

Applications will be available late April 2021 at [www.studentaid.gov](http://www.studentaid.gov). The application period will remain open until the day before the last class day of the term. After the last class day, the school cannot originate a PLUS loan for you. Therefore, you should apply well before the end of term to make sure everything is in order prior to the last class day of the term.

## What are the eligibility requirements for a Federal Parent PLUS Loan?

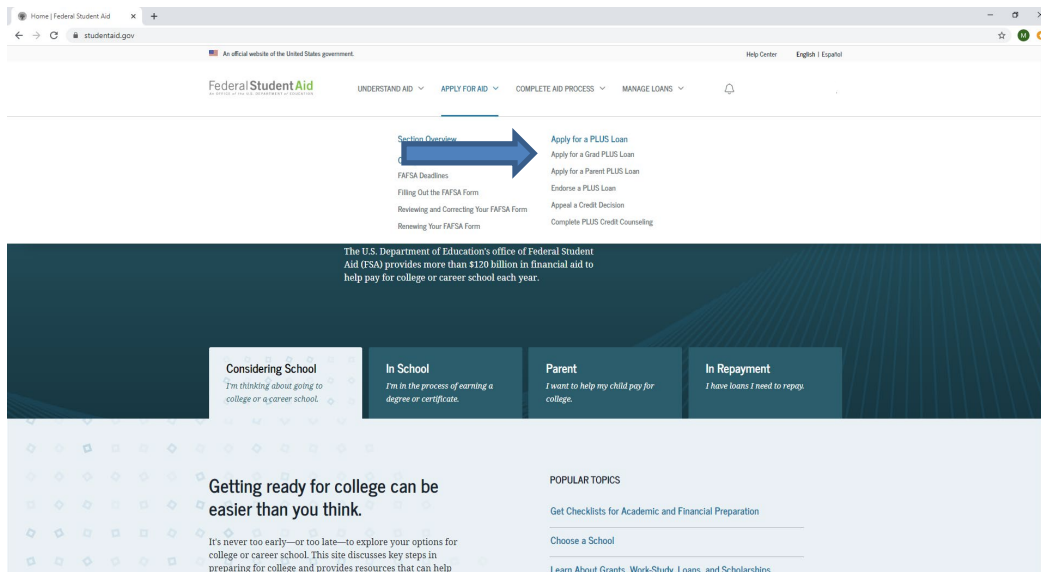
- ❖ You must have a 2021-2022 FAFSA on file with Auburn University, and any additional required documentation must be satisfied.
- ❖ You must be enrolled at least half time, which is a **MINIMUM OF 5 CREDIT HOURS**.
- ❖ You must be U.S. citizen or eligible noncitizen, must not be in default on any federal 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](http://www.auburn.edu/finaid) in the "Additional Information" section to review the requirements for SAP.
- ❖ You cannot have an adverse credit history (a credit check will be performed during the application process). Please review the credit criteria at <https://studentaid.ed.gov/sa/sites/default/files/plus-adverse-credit.pdf>. 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 within the application. These options include: Seeking approval of the loan with a credit-worthy endorser/cosigner, seeking approval of the loan through a dispute process with the U.S. Department of Education Direct Loan division, or not seeking approval of the loan, thereby withdrawing your request for the Graduate PLUS loan.

**IF DENIED, PLEASE SEE PAGE 3 OF THESE INSTRUCTIONS FOR IMPORTANT INFORMATION.**

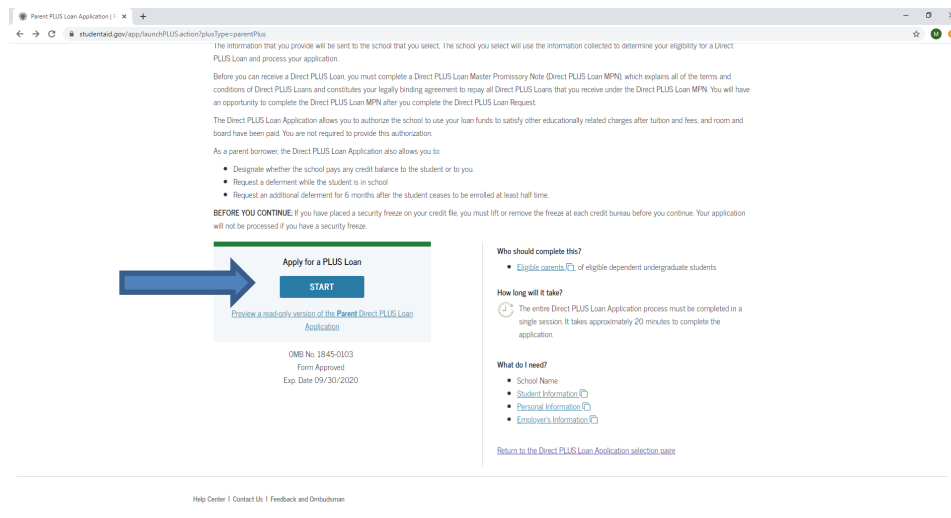


## Application Steps:

- 1) You will need your Federal Student Aid ID. If you have forgotten yours, please visit [www.fsaaid.ed.gov](http://www.fsaaid.ed.gov)
- 2) Go to [www.studentaid.gov](http://www.studentaid.gov) and log in using your FSA ID
  - a. Once you are successfully logged into [www.studentaid.gov](http://www.studentaid.gov), you will select the dropdown under “APPLY FOR AID” and then “Apply for a Grad PLUS Loan”



- b. And then **START**



- c. Select Award Year **2021-2022**



### Application steps continued:

- d. Choose Auburn University as your intended school, then choose a loan amount (**maximum** will be the Cost of Attendance minus any other aid received by the student). After your application has been processed, if you see that your requested amount is not what you expected, you may adjust your amount in the following ways: for a reduction, you may email your request to [finaid7@auburn.edu](mailto:finaid7@auburn.edu); for an increase, you will follow this application process again at [www.studentaid.gov](http://www.studentaid.gov). If you select "I do not know the amount. I will contact the school.", the loan process will be delayed until **you** send an email with your requested loan amount to [finaid7@auburn.edu](mailto:finaid7@auburn.edu).
  - e. The loan period for Fall 2021-Spring 2022 is August 2021-May 2022.
  - f. Review your request and then continue to the credit check and submission. If your application is declined for credit, please refer to page 3 of this guide for options.
- 3) 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 one under your login at [www.studentaid.gov](http://www.studentaid.gov). "

The screenshot shows the Federal Student Aid website interface. At the top, there are navigation tabs: UNDERSTAND AID, APPLY FOR AID, COMPLETE AID PROCESS, and MANAGE LOANS. The main heading is "Smartest Investment" with a sub-heading: "The U.S. Department of Education's office of Federal Student Aid (FSA) provides more than \$120 billion in financial aid to help pay for college or career school each year." Below this, there are four categories: "Considering" (I'm thinking about attending college or a career school), "In School" (I'm in the process of earning a degree or certificate), "Parent" (I want to help my child pay for college), and "In Repayment" (I have loans I need to repay). A red arrow points from "Considering" to "In School". Below the categories, there is a section titled "We're here to help you access and manage your financial aid." with a blue arrow pointing to a list of "POPULAR TOPICS": "Renew Your FAFSA® Form", "Apply for a PLUS Loan for Graduate School", "Complete a Loan Agreement (Master Promissory Note)", "Complete Loan Entrance Counseling", "Use Loan Simulator", and "Complete TEACH Grant Counseling and Agreement to Serve".

- 4) Once your application has been submitted, please allow **48 business hours** for Auburn University to receive and process your request. Transfer of information from the U.S. Dept of Ed and Auburn University is not immediate.



## PLUS Loan Denial Options:

In the event that your loan application is 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 presented to you.

- ❖ **APPEAL or DOCUMENT EXTENUATING CIRCUMSTANCES:** If you choose to appeal the credit decision, you will do so through the [www.studentaid.gov](http://www.studentaid.gov) site under “Parent Borrowers”, “Appeal a Credit Decision”. 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 Credit 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.studentaid.gov](http://www.studentaid.gov) with their information. Once logged in, they will select the dropdown “APPLY FOR AID” and then the option “Endorse a PLUS Loan”. They will use the provided “Endorser Code” where requested.
  - If your loan is approved with an endorser, you (the parent borrower) will be required to complete PLUS Credit Counseling prior to your loan being fully approved for disbursement.
  - A new PLUS Loan Agreement/MPN (Master Promissory Note) is required for each endorser-approved PLUS Loan.
  
- ❖ **UNDECIDED:** If you choose “undecided”, **NOTHING** will happen with your PLUS request, until our office hears from you. Please avoid selecting this option, if possible.

### PLUS Credit Counseling:

Required if you are originally denied, but subsequently approved with an endorser or through appeal.

The screenshot shows the Federal Student Aid website interface. The navigation bar includes 'UNDERSTAND AID', 'APPLY FOR AID', 'COMPLETE AID PROCESS', and 'MANAGE LOANS'. The 'APPLY FOR AID' section is expanded, showing options like 'Section Overview', 'Apply for a PLUS Loan', 'Apply for a Grad PLUS Loan', 'Apply for a Parent PLUS Loan', 'Endorse a PLUS Loan', 'Appeal a Credit Decision', and 'Complete PLUS Credit Counseling'. A blue arrow points to the 'Endorse a PLUS Loan' option. Below this, a banner states: 'The U.S. Department of Education's office of Federal Student Aid (FSA) provides more than \$120 billion in financial aid to help pay for college or career school each year.' The main content area features four columns: 'Considering School', 'In School', 'Parent', and 'In Repayment'. At the bottom, there are sections for 'Getting ready for college can be easier than you think.' and 'POPULAR TOPICS' including 'Get Checklists for Academic and Financial Preparation' and 'Choose a School'.