

Federal Direct PLUS Loans for Undergraduate Students

Direct Loans are low-interest loans for parents to help pay for the costs of student's education after high school. The lender is the US Department of Education rather than a bank or other financial institution. PLUS Loans allow parents with good credit histories to borrow funds which must be paid back. These funds are designated to help pay the educational expenses of students enrolled at least half-time (6 semester hours). The yearly limit on a PLUS loan is equal to the student's cost of attendance minus any other financial aid the student is receiving.

In order to receive the PLUS loan, the student must have a completed a FAFSA or Free Application for Federal Student Aid at www.studentaid.gov and have a completed financial aid file with the GC Financial Aid Office. After financial aid eligibility has been determined, a parent can then apply for a parent PLUS loan at www.studentaid.gov. The parent will also need to complete an electronic master promissory note (MPN).

If a parent borrower is unable to secure a PLUS loan due to a credit denial, there are two options.

- 1) A parent can get an endorser to co-sign with them on the parent PLUS Loan OR
- 2) The undergraduate dependent student may be eligible for additional unsubsidized loans to help pay for his or her education. Freshman and Sophomores may request up to an additional \$4,000 for the year. Juniors and Seniors may request up to an additional \$5,000. With this option, the student will need to complete the Stafford

Loan Application for additional funds. Please note that if the additional Stafford loan funds are borrowed, this will prevent our office from being able to later award a Parent PLUS loan due to an approved appeal or an endorser being obtained.

If parent request a deferment, parents will not need to make payments while the student is enrolled at least half-time and for an additional six months after student graduates, leave school, or drops below half-time enrollment. If the parent does not request a deferment, parent will expect to begin making payments after the loan is fully disbursed or paid out.

Grad PLUS loans

Graduate or Professional Students can apply for a Grad Plus loan when funding is needed in addition to Direct Loans or when the student has borrowed the annual or aggregate loan limit for graduate students. These students can apply for these low-interest loans to help pay the cost of their education. These students will have to apply for the loan at www.studentaid.gov to complete an application and complete and electronic master promissory note. The application must be approved in order for this loan to be administered. Students with adverse credit can obtain an endorser to co-sign with them on this loan for approval when denied.

Students who are approved for these loans will need to be enrolled at least half-time as a graduate student. Payments will begin six months after the student graduates, leaves school, or drops below half-time enrollment. Any time during any period when the student is not required to make payments, interest will usually accrue on this loan. Students

may choose to pay the accrued interest or allow the interest to be capitalized or added to the loan's [principal](#) balance when they have to start making payments. The student's [loan servicer](#) will notify students when the first payment is due.

Graduate Student please note: All graduate students who apply for a Grad PLUS loan will be reviewed on a case-by-case bases to determine if Graduate PLUS loan will be approved. Situations where students have large Grad PLUS loan debt plus the aggregate direct loan debt of \$138,500, may have the Grad PLUS loan not processed by GC Financial Aid Office. Our institutional policy is to review loan debt prior to approvals is to ensure that a student's loan debt will not require large unaffordable monthly payments when a student enters their repayment period.

Undergraduate and Graduate Students

The deadline to apply for a Direct Loan (PLUS) is three weeks prior to the last day of class.

Disbursement of Loan Funds

For all loan funds, students must be enrolled at least half-time in courses required for their degree program which is 6 or more hours for undergraduate students and 5 or more hours for graduate students in most degree programs.