MERCYHURST UNIVERSITY

Student Financial Services (SFS)

Federal Direct GRAD PLUS Loan
Application Instructions

Graduate students: the process for applying for a GRAD PLUS Loan has just gotten easier! Log onto one site to apply for the GRAD PLUS application, complete the GRAD PLUS Master Promissory Note (MPN), and required Entrance Counseling, all in one location!

Mercyhurst University participates in the Federal Direct GRAD PLUS Loan Program. The GRAD PLUS Loan Program is offered by the US Department of Education and it provides graduate students with additional funding with the benefit of having a fixed interest rate.

The GRAD PLUS Loan is a federal direct loan available to graduate students enrolled at least half time in a graduate program. It is a non-need based loan GRAD PLUS Loans are available regardless of income or assets, and no collateral is required. While the grad student borrower does not have to prove financial need, a credit check is required.

Application Instructions:

1. Log on to the U.S. Department of Education's Direct Loan website: www.studentloans.gov to complete the GRAD PLUS Loan Request (including credit check.) You will need your federal PIN to log in. It is the same PIN used to sign the FAFSA.
2. The GRAD PLUS Loan Request record will automatically be sent to Mercyhurst University.
3. Complete the Master Promissory Note (GRAD PLUS MPN) on the same site. This only has to be done the first time around.
4. You will receive the results of the credit check immediately. Depending on the results of the credit check, you will be provided information about the next steps you need to take.
    - If credit is approved, you will be asked to complete a Direct PLUS Loan MPN (unless one is already on file).
    - If credit is not approved, you will be given options on how to proceed, such as not pursuing a GRAD PLUS Loan, obtaining an endorser to complete the online Endorser Addendum, or appealing the credit decision. (Regardless of the borrower's choice, a paper Endorser package will always be sent to the borrower.)

The GRAD PLUS Loan cannot be awarded until all the steps have been completed.

Eligibility:

- Eligibility is not based on financial need; however, creditworthiness is used for eligibility
- A cosigner with good credit history can be used by a student with adverse credit history to secure a Grad PLUS loan

Terms & Conditions:

- Fixed interest rate of 7.9% for loans
- Interest accrues on the unpaid balance from the date of disbursement

- Loan Fees - The PLUS loan has a 4% origination fee
- Disbursements are made electronically to the student's account at the beginning of each term as long as the student is enrolled at least half-time and meets all other eligibility requirements.
- Credit balances created by excess loan funds are refunded to the student.
- Repayment of principal and interest begins 60 days after the loan is fully disbursed during the academic period with up to 10 years to repay
- Grad PLUS loans first disbursed after July 1, 2008 may choose to defer payments until six months after the date the student ceases to be enrolled at least half time. Borrower is encouraged to pay accruing interest monthly or quarterly, but the interest can be capitalized quarterly.

Borrowing Limits:

The maximum that can be borrowed is the cost of attendance less any other financial aid for a given academic period. The cost of attendance is determined by Mercyhurst and includes tuition, fees, and estimated room, board, travel, books, and personal expenses. The student's SFS Advisor can provide the cost of attendance figure used as the basis for awarding your student.