

GRADUATE PLUS LOANS

FREQUENTLY ASKED QUESTIONS

WHAT IS A GRADUATE PLUS LOAN?

A Graduate PLUS loan is a low-interest, unsubsidized loan available to qualifying graduate students. The interest rate on a Federal Direct Graduate PLUS loan is fixed at 7.9%. Graduate PLUS loans at KU are processed through the Direct Loan Servicing Center (DLSC), a division of the U.S. Department of Education. There is a 4.0% loan origination fee on Federal Direct Graduate PLUS loans. There is also an up-front 1.5% rebate, which means 2.5% of the total amount of the loan is automatically deducted upon disbursement by the U.S. Department of Education. To retain the up-front rebate, borrowers who are in loan repayment must make the initial 12 consecutive monthly payments on time. For more information about retaining the loan rebate, contact the DLSC at (800) 848-0979. If you would like to select a different lender, please contact the Office of Student Financial Aid (OSFA).

ARE ALL GRADUATE/PROFESSIONAL/LAW STUDENTS AUTOMATICALLY ELIGIBLE FOR THE GRADUATE PLUS LOAN?

No, the DLSC conducts a credit check on each Graduate PLUS application, which usually takes 7-10 days to complete. Generally, you will be approved for a Graduate PLUS loan as long as you do not have an adverse credit history and you are not in default on a federal student loan.

HOW DO I APPLY FOR A GRADUATE PLUS LOAN?

Once you have been awarded all eligible subsidized and unsubsidized loans, you may apply for a Graduate PLUS loan by completing the Graduate PLUS Loan Request Form. You may obtain the request form online at www.financialaid.ku.edu.

I HAVE ALREADY BORROWED A SUBSIDIZED AND/OR UNSUBSIDIZED DIRECT LOAN, DO I NEED TO COMPLETE ANOTHER MASTER PROMISSORY NOTE (MPN)?

Yes. If you are receiving a Graduate PLUS loan for the first time, you must complete a valid MPN. You may complete an electronic MPN at <http://dlnote.ed.gov>. A valid MPN must be processed before funds will be available.

DO I NEED TO COMPLETE A GRADUATE PLUS MPN EACH YEAR?

No, a Graduate PLUS MPN remains active unless you do not borrow Graduate PLUS funds through the DLSC for a period of 12 months or longer or if any subsequent Graduate PLUS loan request is denied by the DLSC.

HOW MUCH CAN I REQUEST TO BORROW AND HOW LONG WILL IT TAKE TO PROCESS MY APPLICATION?

You may request to borrow up to your Cost of Attendance minus any other financial assistance. If you have questions regarding your eligibility, please contact the OSFA. Typically, the application process takes 7-10 days.

WHEN WILL I RECEIVE MY FUNDS?

Approved loan funds will be applied directly to your student account once the credit approval and an electronic MPN acknowledgement are received.

WHEN DOES REPAYMENT BEGIN AND WHAT TYPES OF REPAYMENT PLANS ARE AVAILABLE?

Repayment begins 60 days after you graduate or drop below 6 credit hours (during the academic year). There are three repayment options offered through the DLSC:

The **Standard Repayment Plan** requires monthly payments of at least \$50 (payment amount varies depending on the amount borrowed) over a fixed period of time (maximum of 10 years). Compared to other plans, the Standard Repayment plan generally results in lower total interest paid since it has a shorter repayment period and a higher monthly payment requirement.

The **Extended Repayment Plan** requires monthly payments of at least \$50 over a period of 12-30 years, depending on the amount borrowed.

The **Graduated Repayment Plan** enables a borrower to start out with low payments. An increase in monthly payments is required every two years.

To estimate your payment for any repayment plan, you may access a repayment calculator at www.finaid.org/calculators.

I HAVE NOT RECEIVED MY FUNDS AND I HAVE QUESTIONS ABOUT THE LOAN, WHO SHOULD I CONTACT?

Please contact the OSFA at (785) 864-4700, financialaid@ku.edu, or check the items on your 'To Do List' at <https://sa.ku.edu> (*Enroll & Pay > Student Center > To Do List*).

I HAVE QUESTIONS ABOUT LOAN REPAYMENT, WHO SHOULD I CONTACT?

Please contact the DLSC at (800) 557-7394. You will also receive correspondence from the DLSC regarding interest accrual and repayment.