

## **Loan Guide for Grad Students (MASTERS PROGRAMS)**

Before a federal student loan can be originated/processed a student must sign for the loan and complete all required documentation prior to the end of the student's current academic year enrollment, (per federal guideline 34 CFR 668.164(g)(2)(ii)). Any missing documents can be found on the student's **myMU Portal**.

### **Federal Direct Unsubsidized Loan**

MU participates in the William D. Ford Federal Direct Student Loan Program (Federal Direct Loans) for the processing of the Federal Direct Unsubsidized loan. This is a low-interest loan for eligible students to help cover the cost of higher education. In the William D. Ford Federal Direct Loan program, loan proceeds are provided directly from the U.S. Department of Education (ED). As with all federal student aid, to become eligible you must complete the Free Application for Federal Student Aid (FAFSA), the borrower must be a U.S. citizen or eligible non-citizen as defined by the FAFSA, the student borrower must be enrolled and accepted for enrollment in a graduate degree program, enrolled in at least 3 semester hours, have not met their aggregate loan limit, must not be in default on any federal education loans or owe an overpayment on a federal education grant, and maintaining Methodist University's Satisfactory Academic Progress (SAP) for Financial Aid Eligibility. The Unsubsidized loan cannot exceed the educational cost of attendance minus other financial aid. Interest accrues (accumulates) on an unsubsidized loan from the time of the first disbursement. To complete the loan entrance counseling and master promissory note go to <https://studentaid.gov>.

#### **Graduate Borrowing Loan Limit Per Academic Year**

Unsubsidized: \$20,500.00

#### **Graduate Aggregate Loan Limit Per Academic Career:**

\$138,500 (Maximum \$65,000 in Subsidized for loans processed prior to July 1, 2012)

### **Federal Direct Graduate PLUS Loan (PA, DPT and OTD STUDENTS ONLY)**

#### **Application opens May 1 each year**

The Federal PLUS Loan for Graduate/Professional Students (Graduate PLUS) is a low-interest federally insured loan to help pay college costs. The loan can be used to cover any educational expenses not covered by other forms of financial aid. Under the Federal Direct PLUS loan program students may borrow up to the cost of attendance minus other financial aid received. To be eligible, borrowers are required to complete the Free Application for Federal Student Aid (FAFSA), the student 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, the student must be enrolled and accepted for enrollment in a degree program on at least a half-time basis (3 semester hours) as an graduate student and the student borrower must not have an adverse credit history (a credit check will be performed). If the student borrower does not pass the credit check, the borrower may still receive a loan if someone agrees to endorse (co-sign) the loan. Borrowers must have borrowed the maximum eligibility of the Federal Direct Unsubsidized Loans. To apply go to <https://studentaid.gov>

*Please note: Once the loan is processed/booked, the loan is assigned a Loan Servicer on behalf of the Department of Education. A complete listing of Loan Servicers are online at <https://studentaid.gov> **OR** call the Federal Student Aid Information Center (FSAIC) at 1-800-433-3243 (1-800-4-FED-AID).*

### **Alternative Loans**

Alternative student loans are offered by banks or lending institutions to help students bridge the gap between the cost of attendance and the amount of financial aid received. These loans are credit based supplemental loans not guaranteed by the federal government. Terms and conditions vary for each lender. Please refer the alternative loan section of the Office of Financial Aid's website at [www.methodist.edu](http://www.methodist.edu); under the menu select Admissions Financial Aid; Financial Aid and Scholarships, Aid Types, Loans, Alternative Student Loans, FAST CHOICE. MU does not endorse any lender or their products. Each lender varies in regard to terms, interest rate, and repayment options; therefore, students are encouraged to research private loan companies prior to borrowing. As a borrower, you may choose any alternative loan lender you prefer.