

Loan Guide for Graduate Students

I am new to the grad program. What do I need to know?

Methodist University participates in the William D. Ford Federal Direct Student Loan Program (Federal Direct Loans) for the processing of the Federal Direct Subsidized and Unsubsidized loans. These are low-interest loans for eligible students to help cover the cost of higher education. As a graduate student, you only qualify for loans from federal government. Once you complete your FAFSA, your unsubsidized loan and your grad plus loan will be put on as pending on your financial aid package at MU. You must complete the steps below or the loans will be removed from your financial aid.

What is the difference between the unsubsidized loan and the grad plus loan?

The unsub loan has a lower interest rate than the grad plus loan. Both loans accrue interest as soon as they are dispersed. You do not have to start paying back on either loan until six months after you graduate or if you fall below half time (6 semester hours) or stop attending.

What do I need to do to ensure I get both loans?

1. Complete the FAFSA.
2. For the unsub loan, you must complete:
 - a. Master Promissory Note
 - b. Loan Entrance Counseling
 - c. Both of these can be found at www.studentaid.gov
3. For the grad plus loan, you must complete:
 - a. Grad Plus Application (must be done each year and opens May 1st each year)
 - b. Plus Master Promissory Note
 - c. All of these can be found at www.studentaid.gov

Loan limits

Each academic year: \$20,500 unsub

Entire Academic Career: \$138,500 unsub (maximum \$65,500 sub)

Grad plus each academic year. Cost of attendance/budget-all other aid (to include unsub)=grad plus max loan amount

Additional Information on Interest Rates/Loan Fees

Your loan will be assigned a Loan Servicer on behalf of the Department of Education when the loans are processed. Here are three ways you can find out more information about your federal loans:

- A complete listing of Loan Servicers is online at <https://www.studentaid.gov>
- Call the Federal Student Aid Information Center (FSAIC) at 1-800-433-3243
- Track your federal loan history at <https://www.studentaid.gov>

Alternative Loans for Students

What does the student need to know?

- These loans are offered by banks or lending institutions to help students bridge the gap between cost of attendance and the amount of financial aid received.
- They are credit based.
- They are not guaranteed by the federal government.
- Terms and conditions vary for each lender.
- MU does not endorse any lender or their products.
- As a borrower, you may choose any alternative loan lender you prefer even if they are not listed on the Methodist University website. If you choose to borrow through a lender that is not listed, contact the lender for complete details

Applying for an alternative loan

1. The student needs to select a lender. (See our list of possible lenders below)
2. Apply online through the selected lender. The Lender will notify the student of additional documentation needed for approval of the Alternative loan.
3. Once all documentation is received by the lender and the loan is approved the lender will send a certification request to the Office of Financial Aid for authorization of the Alternative loan.
4. Check the status of their loan by contacting their lender.

Courtesy List of Loan Lenders

- Go to: <https://www.methodist.edu/admissions-aid/financial-aid/aid-types/alternative-student-loans/>
- Scroll halfway down and click on "FASTChoice."
- Fill in the required information and follow the prompts.