

Announcing the new Federal Direct Grad Plus Loan for Graduate and Professional Students

The Federal Direct Grad Plus is a new federal student loan program recently authorized by Congress. This loan is available for 2006-2007 academic year loans. The following is a brief overview of the Federal Grad Plus Loan based on information available to date.

Borrower Eligibility

- You must be a Graduate or Professional student enrolled at least half-time in a degree-seeking program to qualify for the Federal Grad Plus Loan.
- You must complete a 2006-2007 Free Application for Federal Student Aid (FAFSA) and meet all federal eligibility requirements, including:
 - You need to be a U.S. citizen or eligible non-citizen.
 - You need to be in good academic standing and you will need to make continuous academic progress in your course of study.
 - You must not be in default on any federal loan or owe a repayment on any federal grant.
 - You will need to be in compliance with all federal regulations governing selective service registration and the use of federal funds for educational purposes.
- You must first apply for your maximum loan eligibility in Direct Subsidized and Direct Unsubsidized loan before the Grad Plus Loan can be awarded.
- You will need to pass a basic credit check. (A cosigner option may be available later in the academic year)

Loan Terms

- You may borrow up to the amount of the cost of education minus other financial aid received, including any other educational loans.
- The interest rate for the 2006-2007 is currently announced at 7.9%.
- An origination fee of 4% will be deducted from the loan proceeds prior to disbursement.
- Interest will accrue on the loan while you are in school and until the loan is paid in full.

Repayment Information

- Repayment begins within 60 days after the final disbursement. However, you may be eligible to defer your payments as long as you are enrolled at least half-time in a degree-seeking program.
- There is no grace period following the completion of your academic program. Repayment begins immediately after graduation or if you withdraw or drop below half-time enrollment.

Advantages to the Federal Grad Plus Loan

- The interest rate will generally be more competitive than alternative student loans.
- The credit review is less rigorous than alternative student loans.
- Grad Plus loans are eligible for consolidation with your other federal loans (e.g. Stafford, Perkins and Direct Loans).
- Flexible repayment options are available.
- Grad Plus loans do not have aggregate loan limits.

To apply for the Federal Grad Plus Loan:

1. Complete a FAFSA application online at <http://www.fafsa.ed.gov> for the 2006-2007 year and meet all federal eligibility requirements;
2. Complete the Grad Plus Loan Supplement Form and return to our office.
3. Complete an electronic Federal Direct Grad Plus Loan Master Promissory Note (EMPN). **The Grad Plus Loan EMPN is a specific promissory note for the new Federal Grad Plus Loan program and it is separate from other student loan promissory notes you may have previously signed.**

If you wish to borrow a Federal Grad Plus Loan for the 2006-2007 academic year, you will need to complete this supplement form, which will initiate a credit check with the Department of Education. Once approved, you will also need to submit a Grad Plus Loan Electronic Master Promissory Note (EMPN), which will become available July 1, 2006 for the 2006-2007 academic year. Please complete and submit this form to our office to initiate the Federal Grad Plus Loan application process.

Section 1: Borrower Information and Loan Amount Request

Last Name

First Name

M.I.

Social Security Number

Date of Birth (MM/DD/YYYY)

Address

Phone Number

Loan Amount Requested: \$ _____

(Please note: this figure can not exceed your annual cost of attendance minus your other financial aid.)

Is this an additional Grad Plus Loan request for the 2006-07 academic year? _____ YES _____ NO

Section 2: Authorization for credit check/Consent to obtain credit report

I consent to the U.S. Department of Education and its agents obtaining a report of my credit record and using the information from that report in determining whether to make a Federal Direct PLUS Loan to me. I understand that I will be notified in writing of the results of the credit check with respect to my loan application.

Borrower Signature

Date

Privacy Act Disclosure Notice

The Privacy Act of 1974 (5 U.S.C.552a) requires that the following notice be provided to you. The authority for collecting the information requested on this form is §451 *et seq.* of the Higher Education Act of 1965, as amended. Your disclosure of this information is voluntary. However, if you do not provide this information, you cannot be considered for the Direct Plus Loan. The information on this form will be used to determine your eligibility for a Direct Plus Loan. The information in your file may be disclosed to third parties as authorized, under routine uses in the Privacy Act notices called "Title IV Program Files" (originally published on April 12, 1994, Federal Register, Vol. 59 p. 17351) and "National Student Loan Data System" (originally published on December 20, 1994, Federal Register, Vol. 59 p. 65532). Thus, this information may be disclosed to federal and state agencies, private parties such as relatives, present and former employers and creditors, and contractors of the Department of Education for purpose of administration of the student financial assistance program, for enforcement purposes, for litigation where such disclosure is compatible with the purposes for which the records were collected, for use by federal, state, local, or foreign agencies in connection with employment matters or the issuance of a license, grant, or other benefit, for use in any employee grievance or discipline proceeding in which the Federal Government is a party, for use in connection with audits or other investigation, for research purposes, for purposes of determining whether particular records are required to be disclosed under the Freedom of Information Act, and to a Member of Congress in response to an inquiry from the congressional office made at your written request.

Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 U.S.C 1091(a)(4)) provides that, in order to receive any grant, loan, or work assistance under Title IV of the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so that data may be recorded accurately.