

## **2011-2012 Direct PLUS Loan For Graduate Student/Professional Students**

The Sage Colleges participates in the William D. Ford Direct Loan program for all Federal education loans. A Federal GradPLUS Loan is a Federal loan that is available to graduate and professional students only. A credit check is required for a GradPLUS Loan. The interest rate on a GradPLUS loan is usually better than many of the alternative student loans. The fixed interest rate for the PLUS loan is 7.9% set by the Federal government. PLUS Loans are subject to a 4% origination fee. However, an up-front rebate of 1.5% is offered for borrowers as a repayment incentive. In order to keep the up-front rebate, a borrower must make their first twelve monthly payments on time.

### **Instructions**

Graduate students wishing to borrow a PLUS loan for the 2011-2012 academic year must take the following steps.

- Complete the 2011-12 Free Application for Federal Student Aid (FAFSA).
- Complete the Direct Loan Master Promissory Note (MPN) online. You will select the option for "Complete New MPN for Student Loans". Consent for a credit check will be involved in the application process.
- Complete the Direct Loan Entrance Counseling online. Entrance counseling is a federal requirement and must be completed before a loan can be disbursed.

***\*\*Please note that a separate entrance interview is required for Stafford and PLUS loans.***

The Department of Education will notify the Financial Aid Office once the MPN has been completed and the credit check has been approved. Sage will then certify the loan. Loan funds will be disbursed directly to the school.

*Please note: If you would like to borrow a PLUS Loan but an offer was not included on your award letter, you must first complete the Free Application for Federal Student Aid (FAFSA) and notify the Financial Aid Office of your intent to borrow the loan.*