

Clafin University

Office of Student Financial Aid

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Federal Direct Graduate PLUS Loan

The Direct Graduate PLUS Loan for Graduate Students (PLUS) is designed to assist graduate students enrolled at least half-time in meeting educational expenses. The Federal Direct Graduate PLUS Loan is a non-need-based program and the lender is the U.S. Department of Education. However, the borrower must pass a credit check. A completed current year Free Application for Federal Student Aid (FAFSA) must be on file for the student before a Graduate PLUS loan can be processed. A graduate student may borrow up to the full cost of attendance for educational expenses including tuition and fees, room and board, books and supplies, transportation and living allowance, less any other financial aid the student receives.

Graduate PLUS Loans have a fixed interest rate of 7.9 percent. Interest is charged on the loan from the date the first disbursement is made until the loan is paid in full. Accruing interest can either be paid monthly or quarterly, or be capitalized quarterly. Graduate PLUS borrowers will receive a deferment while enrolled at least half-time. Upon graduation or dropping to less than half-time enrollment status, the borrower is not entitled to a grace period on PLUS loans and repayment will begin within 45 days.

The Federal PLUS Loan has a 4.0 percent origination fee. However, Federal Direct Loan borrowers will receive an upfront rebate of 1.5 percent at the time of origination, based on the assumption that the first 12 monthly payments will be paid on time. Therefore, the actual amount deducted from the gross amount of the loan borrowed is 2.5 percent. This fee reduces the amount that disburses to the student's account, so the student needs to take that into consideration when determining the amount to borrow. Please note: If the borrower fails to make 12 on-time monthly payments, the upfront rebate will be removed and the principle balance owed will be recalculated with the original 4.0 percent origination fee.

Graduate PLUS Loan Instructions

Students must complete the Graduate PLUS Application online each time they borrow through the PLUS program. The Office of Financial Aid can retrieve the decision results through our online system. PLUS borrowers approved must complete a Master Promissory Note (MPN).

To complete the MPN:

- Go to www.studentloans.gov.

- Click the green “Sign In” button on the left. Enter your social security number, first two characters of your last name, date of birth and federal PIN.
 - Click “Complete Master Promissory Note” at the center OR lower left of the page.
 - Select Graduate PLUS for the type of loan you would like to receive.
 - Follow the instructions and read the information carefully to sign your MPN.
- If you have any questions, contact the Office of Financial Aid at 803.535.5334.