

Baylor College of Medicine
Health Professions and Graduate Programs
Loan Information – Non Health Professions Students

Rates below are for Disbursements made between July 1, 2020 - June 30, 2021
Congress will announce new rates in the Spring of 2020 (Updated)

Department of Education Loans

Federal Unsubsidized Stafford Loan – Non-Need Based

- **Interest of 4.30%** accrues upon disbursement
- First Payment is due 6 months after graduation (6 month grace period)
- Deferment and Forbearance options available; refer to promissory note
- Total Annual Limit for AH & Grad \$20,500
- **Origination Fee of 1.06%** applies if first disbursement is made before Oct. 1st, 2020.
- **Origination Fee of (TBD)** applies if first disbursement is made after Oct. 1st, 2020.
- Total awarded annual loan amount cannot exceed cost of attendance or cost of living.
* Total Lifetime combined Stafford aggregate limit cannot exceed more than **\$138,500**.

Federal Graduate PLUS Loan – Non-Need Based

- **Interest of 5.30%** accrues upon disbursement
- First Payment due 30 days after graduation (no grace period)
- 6 month Grace period may be granted upon request
- May be deferred or forboreed upon request
- Other deferment options available; refer to promissory note
- **Origination Fee of 4.24%** applies if first disbursement is made before Oct. 1st, 2020.
- **Origination Fee of (TBD)** applies if first disbursement is made after Oct. 1st, 2020.
- Funds available up to total budget limit (Cost of living and Cost of attendance)

Federal Direct PLUS Loan (for Graduate Students), is offered by The U.S. Department of Education. Once a Grad PLUS Loan Master Promissory Note (MPN) is completed, you will be able to request future loans, if approved, without having to sign a new note. This process is in place by the Federal Direct Student Loan Program. When a student is denied a PLUS Loan, then subsequently approved with a cosigner (endorser), the PLUS MPN will only be valid through that loan period. You would have to sign a new PLUS MPN for any additional loans. When the Consent to Obtain a Credit Report is received by the Financial Aid Office, the application will be checked for completeness and accuracy and the data entered into our system. Student information is sent to the U.S. Department of Education's Common Origination and Disbursement Center (COD). A match of all information and a credit check is performed to determine if the loan is approved. You must complete a MPN at www.studentloans.gov. You will need your federal pin number in order to complete the MPN online. Once an MPN is accepted by COD and the student is properly enrolled for the academic period for which the loan is intended, the proceeds of the loan are disbursed to the student's account according to the disbursement policy below.

GENERAL ELIGIBILITY FOR A PLUS LOAN -The student must file a Free Application for Federal Student Aid (FAFSA). -The student must be matriculated, enrolled in at least 6 credits (half-time) and making academic progress for federal aid -The student borrowing the loan must be a U.S. Citizen or eligible non- citizen -The student may seek an endorser (cosigner) if credit is denied. -The student must have applied for the annual loan maximum eligibility under the Federal Unsubsidized Stafford Loan Program before applying for a Graduate/Professional PLUS loan. - The student must be an independent graduate student. You may borrow any amount up to the cost of your education, minus any other financial aid you receive. A *4.24% loan origination fee is deducted from the amount requested. Example: The student requests a \$10,000 loan prior to October 1st, 2020; \$9,576 will be credited to the student's account. The interest rate for the Direct PLUS loan is fixed 7.08% as of July 1, 2019.

WHEN TO APPLY – You must apply for a Direct PLUS loan each academic year. Allow plenty of time for your application to be reviewed and processed by BCM and the U.S. Department of Education. Processing time varies. We recommend that you begin the application process 2 – 3 months prior to any payment date. You should apply for a PLUS loan before school begins, although requests may be initiated before 90 days before the start of any academic year for which the loan is needed.

DISBURSEMENTS - U. S. Department of Education regulations state that federal aid may be disbursed no earlier than 10 days before the start of the semester for which the aid is awarded or until the academic year begins. In addition, Fall/Spring PLUS loans must be disbursed in at least two disbursements. The second disbursement of a two-semester loan may not be disbursed earlier than 10 days before the start of the second semester.

REPAYMENT - You will begin repaying your PLUS loan 60 days after the full amount you have borrowed for a school year has been disbursed. While you are enrolled in school on at least a half-time basis, you are eligible for an in-school deferment that allows you to postpone payments on your Direct-Plus Loan until you graduate or drop below half-time status. You must contact Borrower Services at 1-800-848-0979 for information.

ADDITIONAL INFORMATION Extensive information is available on the Direct Loan web site. www.ed.gov/directloan .

Seek a Credit Appeal

The Department of Education allows borrowers whose credit was denied the opportunity to document either of the following situations.

- Information showing that credit reporting used in the credit denial is incorrect and/or has been corrected.
- Extenuating circumstances exist relating to the adverse credit history of the primary PLUS borrower.
- Complete an on-line Financial Awareness Counseling at studentloans.gov for all students whose were initially denied credit.

Borrowers make a credit appeal through one of these means.

- Log in to studentloans.gov and select "Document Extenuating Circumstances" on the left navigation bar. Follow the directions and a representative from the Department of Education's Applicant Services will contact the borrower with further instructions.
- Contact DOE Applicant Services at 1-800-557-7394 between 8a to 8p, Monday through Friday.

Whenever a borrower is appealing credit, contact the Office of Student Financial Aid at finaid@bcm.edu so the PLUS Loan is not canceled during the appeal process.

Utilize an Endorser

An endorser is someone who will pass the credit check and who agrees, similar to a co-signer, to repay the PLUS Loan if the student borrower is unable to do so. Almost anyone can serve as an endorser.

If you choose to obtain an endorser, the endorser should complete the endorser addendum at studentloans.gov. The endorser will need the **PLUS Endorser Code** (if a Direct PLUS Loan Request was completed) or Loan Identification Number to connect the endorsement to the denied Grad PLUS Loan. Completing the endorsement online also requires a Federal Student Aid personal identification number (FSA PIN).

- If the borrower completed the Direct PLUS Loan Request at studentloans.gov, the PLUS Endorser Code is found in the confirmation email received in the denial notice or by logging into studentloans.gov and selecting "Direct PLUS Loan Requests."
- More often, the Federal Direct Graduate PLUS Loan was initiated by accepting the loan as part of a financial aid offer. In this case, the Loan/Award Identification Number will be needed and can be obtained by contacting the Financial Aid office at finaid@bcm.edu.
- If the endorser does not already have an FSA PIN, they may obtain one at www.pin.ed.gov.

All summarized loan notes terms above are subject to change. The signed loan promissory notes take precedence over these terms. Department of Education will change interest rates annually, late June, and will change origination fees every October 1st. Rates listed are subject to change.