

Information regarding Grad PLUS

Beginning fall 2006 graduate students will be able to apply for a Federal Grad PLUS loan in addition to the Federal Subsidized and Unsubsidized loans if additional funds are needed to cover educational expenses. The Grad PLUS is similar to a Federal Unsubsidized Stafford loan except that it is a credit based loan. Alternative loans have been the common credit based loan that students have used in the past. (Please see comparison chart below).

Grad PLUS will be offered in your financial aid package. Sign on to SOLAR to accept/decline your Grad PLUS offer. We will transmit the file electronically to HESC for a credit approval. Once approved, you will have to complete a promissory note through HESC (similar to the process used when signing for the Stafford loan). The money will pay any balance on your account and the refund processed after.

Maximum amount you can borrow is Cost of Attendance (tuition, living expenses) less any other aid received.

Please contact our office if you have any additional questions at 631-444-2111 option 5 or email us at hscstudentservices@stonybrook.edu

How does the Federal Graduate PLUS Loan Program Compare to typical Alternative Loans?

Federal GRAD PLUS Loan

1. Interest rate fixed at 8.5%
2. Accrued interest capitalizes only once at final repayment
3. Credit check based upon federal standards (easier to qualify); no debt-to-ratios or credit scoring
4. Federally insured against death and disability
5. Ability to easily consolidate PLUS loans with other FFELP loans
6. In school deferment through graduation

Alternative Loan

1. Interest rate usually will not exceed 21%
2. Accrued interest may be capitalized monthly, quarterly, or once at repayment
3. Borrowers must pass comprehensive credit check
4. NOT federally insured against death and disability
5. Limited forbearance and consolidation options available
6. Payments may be deferred while student is enrolled at least half time