

Federal Direct Subsidized/Unsubsidized & Graduate PLUS Loans

Direct Loans are awarded as part of an "award package," which may also contain other types of aid to assist you with meeting the costs of attending UMass Global. Student borrowers are not required to make loan payments while they are attending school at least half-time; payments begin seven months after graduation, withdrawal, or enrolling in less than six units if you are an undergraduate or less than 4.5 units if you are a graduate student.

The Direct Loan Program makes available the following types of loans:

- **Subsidized:** Subsidized loans are provided to undergraduate students with demonstrated financial need, as determined by federal regulations. No interest is charged during federally approved deferment periods including periods of at least half-time attendance. The fixed interest rate for this loan is 2.75%. The origination fee is 1.059% for loans first disbursed prior to October 1, 2020. Beginning on October 1st, the origination fee is 1.057%.
- **Unsubsidized:** Unsubsidized loans are available to nearly every student; they are not based on financial need. Interest is charged from the time loan proceeds are received including the time a student is in school. The fixed interest rate for this loan is 2.75% for undergraduates and 4.30% for graduate students. The origination fee is 1.059% for loans first disbursed prior to October 1, 2019. Beginning on October 1st, the origination fee is 1.057%.
- **Graduate PLUS:** Grad PLUS loans are available to most graduate students. Grad PLUS Loans help pay for education expenses up to the cost of attendance minus all other financial assistance including unsubsidized loans. Interest is charged throughout the life of the loan including periods of enrollment. The fixed interest rate for this loan is 5.30%. The origination fee is 4.236% for loans first disbursed prior to October 1, 2019. Beginning on October 1st, the origination fee is 4.228%. To be eligible for a Grad PLUS Loan, borrowers cannot have an adverse credit history.

Accepting/Declining a Loan and Receiving Funds

You should evaluate your financial aid offer carefully. In the case of loans, keep in mind that whatever amount you borrow must be repaid with interest. You have the right to decline the loan or to request a lower loan amount. If you want to decline or reduce the size of your loan, please make the change by logging into your Student Portal (*My Borrowing*), or notify the One Stop Office at your campus as soon as possible.

Financial aid will be posted to student accounts during the first week before the start of classes provided students are registered for classes and have met all eligibility requirements at least one month before the start of the session they are attending. Students who become eligible soon before or any time after classes begin will have their assistance disbursed after their attendance in classes is verified, usually within the first four weeks of the session.

Annual Loan limits

The maximum amount you can borrow each year in Direct Subsidized and Unsubsidized Loans depends on your grade level and on whether you are classified by the federal government as a dependent or independent student. (Dependent students are required to provide parental information on the federal application form, the FAFSA.) The actual loan amount you are eligible to receive depends on your eligibility as established by the federal government.

This amount may be less than the maximum annual amount. The amount of your loan also may be less than your UMass Global tuition and fee charges. The following table shows the annual borrowing limit for each grade level:

| Grade Level | Dependent Student | Independent Student* |
|-----------------------|------------------------------------|-------------------------------------|
| Freshman | \$5,500 (up to \$3,500 subsidized) | \$9,500 (up to \$3,500 subsidized) |
| Sophomore | \$6,500 (up to \$4,500 subsidized) | \$10,500 (up to \$4,500 subsidized) |
| Junior & Senior | \$7,500 (up to \$5,500 subsidized) | \$12,500 (up to \$5,500 subsidized) |
| Teaching Credential | \$5,500 (up to \$5,500 subsidized) | \$12,500 (up to \$5,500 subsidized) |
| Graduate/Professional | N/A | \$20,500 (unsubsidized) |

*These limits also apply to dependent students whose parents are denied eligibility for a Direct Parent PLUS loan.

Aggregate (Lifetime) Borrowing Limits:

| | |
|---|---|
| Dependent undergraduate and credential students. | \$31,000 (no more than \$23,000 may be subsidized) |
| Independent undergraduates and credential students. Also, dependent undergraduates whose parents are unable to borrow a Direct PLUS Loan. | \$57,500 (no more than \$23,000 may be subsidized) |
| Graduate/Professional students. | \$138,500 (includes loans received as an undergraduate) |

Entrance Counseling

If you have not previously received a loan, federal law requires that you complete loan entrance counseling before UMass Global can begin disbursing your loan funds. Loan counseling explains the terms and conditions of your loans. For your convenience, you may complete this counseling online. It will take about 30 minutes. You will need your Federal Student Aid ID that you used when you completed your FAFSA. Once you have completed the Entrance Counseling for your Direct Loan, please print or download your completed Counseling Verification Page to keep for your records.

1. Go to www.studentloans.gov and sign in with your Federal Student ID.
2. Click on "Entrance Counseling."
3. Indicate if you are an undergraduate or graduate student.
4. Select **UMass Global**, DLID (Direct Loan ID) **G41618**.

Master Promissory Note

To borrow a Direct Loan for the first time, you must complete a Master Promissory Note (MPN). The MPN is provided by the U.S.

Department of Education and can be completed online at the same web site where loan entrance counseling is available (www.studentloans.gov and click on "Sign Master Promissory Note"). The MPN is a legal document in which you promise to repay your loan along with any accrued interest and fees. It also explains the terms and conditions of your loan. To complete an MPN online, you will be required to use your Federal Student Aid ID. You will need two personal references. Your references must have different addresses and telephone numbers from

each other and they must have addresses within the U.S. Once you have submitted your MPN, please download and retain the PDF version for your records.

If you are a graduate student who has been awarded a Graduate PLUS Loan and wish to borrow funds from this program for the first time –OR– if you applied with an endorser last year, you will need to complete a Grad PLUS Master Promissory Note. The Grad PLUS MPN is separate from the one that you use for your Direct Subsidized and Unsubsidized Loans.

In most cases, once you have submitted the MPN and it has been accepted, you will not be required to complete a new MPN for future loans you receive. UMass Global allows students to borrow additional Direct Loans on a single MPN for up to 10 years. You will periodically receive disclosure statements that give you specific information about any federal loan that UMass Global plans to disburse, including the loan amount, fees, and the expected disbursement dates and amounts.

PLUS Loan Application Process for Graduate Students

If you are a graduate student, have been awarded a Grad PLUS loan, and wish to receive it, you must submit an application each year to the government:

1. Go to www.studentloans.gov. Follow the steps to complete the Direct PLUS application for the appropriate award year.
2. When you apply for a Grad PLUS loan, you authorize the U.S. Department of Education to check your credit. You will be immediately approved or denied for your Graduate PLUS Loan based on your credit check. If you are approved, you are done with the Grad PLUS application. UMass Global will be notified and will process your loan.
3. If the government denies your loan, you will have three options:
 - a. Apply with an eligible endorser (co-signer) – Note: If you apply with an eligible endorser, your MPN will only be good for this academic year.
 - b. Appeal the credit decision - You may be able to obtain a Direct Graduate PLUS Loan if you document that there are extenuating circumstances related to your adverse credit history.
 - c. Reject the loan and attend school without Grad PLUS assistance

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