There are several different loan programs designed to help graduate students meet their educational costs. This guide will provide you with information regarding the Federal and private loan options available to you as a graduate student.

UCLA
Financial Aid and Scholarships
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FEDERAL DIRECT UNSUBSIDIZED LOANS

Federal Direct Unsubsidized Loans are available to all eligible FAFSA applicants regardless of income. Interest accrues from the date of disbursement, but the extra costs of accrual can be avoided by making regular interest payments while in school. Eligible students can borrow up to $20,500 per academic year in an unsubsidized graduate loan.

Loan Eligibility

- You must complete the Free Application for Federal Student Aid (FAFSA) each academic year.
- You must be a US citizen or an eligible non-citizen.
- You must be enrolled at least half-time (4 units).
- Eligibility for Federal Direct Unsubsidized Loans is not need based.
- CA Dream Act Application filers are not eligible for the Direct Loan Program

Loan fees and Interest Rates

The Graduate Unsubsidized Loan interest rate is 5.31% for loans disbursed between July 1, 2016 and June 30, 2017.

Loan fees for Direct Loans disbursed October 1, 2015 – September 30, 2016 is 1.068%.

Loan fees for Direct Loans disbursed between October 1, 2016 – September 30, 2016 is 1.069%.

FEDERAL DIRECT GRADUATE PLUS LOAN

Federal Direct Graduate PLUS Loans are a part of the William D. Ford Federal Direct Loan Program. These loans are available to graduate students enrolled at least half time (4 units) who have borrowed the maximums from Direct Unsubsidized loans. The borrower (you) and the UCLA Financial Aid and Scholarships office work with the Department of Education (ED) to complete the loan process and deliver loan funds to you. Your Financial Aid Notification (FAN) will let you know the amount of Direct PLUS Loan that you are eligible to borrow.

Direct PLUS Loans are designed to help graduate students meet their educational costs. Graduate students may borrow up to the cost of education for the academic year, less any other financial aid received. PLUS loans are available only to borrowers who do not have adverse credit histories, although you may be able to secure a loan with an endorser if initially denied.

PLUS Loan Eligibility

- You must complete the Free Application for Federal Student Aid (FAFSA) every year.
- You must be a US citizen or an eligible non-citizen.
- A credit check will be required before ED will approve your eligibility.
- If your credit is denied you may still be able to qualify for PLUS by appealing the credit decision or applying with an endorser.
NEW THIS YEAR:
Students, who have adverse credit but are approved for a Direct Graduate PLUS Loan as a result of appealing the credit decision or applying with an endorser, are subject to a new counseling requirement. This new PLUS counseling module must be completed at www.StudentLoans.gov. This requirement is separate from and in addition to the Debt Management Session requirement.

Credit Requirements

A PLUS loan applicant is considered to have an adverse credit history if he or she:
• Is 90 or more days delinquent on any debt as of the date of the credit report, or
• Has been the subject of a default determination, bankruptcy discharge, foreclosure, repossession, tax lien, wage garnishment or write-off of debt under Title IV of Higher Education Act during the 5 years preceding the date of the credit report.
• If you are unable to qualify for PLUS based on your credit, the federal loan processor will provide you with information on how to submit an appeal or apply with an endorser.

If you are concerned about credit and your ability to qualify for a Federal Direct Graduate PLUS Loan you can apply for the loan at www.StudentLoans.gov to see if you qualify.

Loan Fees and Interest Rates

The interest rate for Federal Direct Graduate Loans Disbursed July 1, 2016 - June 30, 2017 is 6.31%

The loan fee for Federal Direct Graduate PLUS Loans disbursed October 1, 2015 - September 30, 2016 is 4.272%.

The loan fee for Federal Direct Graduate PLUS Loans disbursed October 1, 2016 - September 30, 2017 is 4.276%.

Repayment

Repayment begins 60 days after the loan is fully disbursed. Graduate students who borrow under the Federal Direct Graduate PLUS program do not enter repayment while enrolled at least half time. Federal Direct Graduate PLUS Loans are automatically deferred until 6 months after graduation or after enrollment drops below half time (4 units). Standard repayment period is 10 years but can be extended. Please go to www.StudentLoans.gov for additional information on repayment options and terms, deferments and forbearances available through the Department of Education.

Deferments and forbearances are available for federal loans to eligible borrowers who need to delay the repayment of their loan. Go to www.studentloans.gov for additional information.

Annual Loan Limits

Federal Direct Graduate PLUS can be borrowed to cover graduate student’s annual cost of education (based on the financial aid budget) less any other loans or graduate support or other assistance received for the year.
Applying for a Loan

Eligibility for federal loans is based on the information you submit on your Free Application for Federal Student Aid (FAFSA) each year. Your eligibility will be communicated via a Financial Aid Notification (FAN).

In order for a Federal Direct Graduate PLUS Loan to be disbursed, your loan must be originated by the school before the last day of the enrollment period. If you are accepting a Federal Direct Grad PLUS loan, please submit your FAN no less than 5 business days before the end of the term in which you are enrolled.

Accept the loan on your FAN – If you would like to borrow less than the loan amount offered, indicate the amount you want to borrow in the space provided on the FAN. If you do not need all of the loans offered on your FAN, borrow the maximum in Federal Direct Unsubsidized Loan that you are eligible for before accepting a Graduate PLUS Loan.

Complete a Master Promissory Note (MPN) on www.studentloans.gov; if you are a first time borrower – You must complete an MPN the first time you borrow a Federal Direct Graduate PLUS Loan. Once completed the Direct Loan MPN is valid for 10 years so continuing borrowers do not have to complete one each year. If your loan application was approved with an endorser, you will also be required to complete a loan counseling session on the same site.

Complete a Debt Management Session (DMS), if you are a first time borrower at UCLA – If you are borrowing a Federal Direct Graduate PLUS Loan for the first time at UCLA you are required to complete a Graduate PLUS Debt Management Session with the Student Loan Office. Go to www.loans.ucla.edu to complete your Grad PLUS DMS on line. If you have any questions about this requirement, please contact the Student Loan Office at 310-825-9864.

Loan Disbursements

The total loan amount you accept on your FAN will be divided equally among the terms, for which you have been awarded. If you want to accept a portion of your loan for different terms of enrollment than those reflected on your FAN, please notify Financial Aid and Scholarships.
You have the right to request a cancellation or reduction of your loan, provided that you submit a written request to Financial Aid and Scholarships with 120 days of disbursement.

Your loan will be disbursed to your BruinBill account at the beginning of each term. Any funds remaining after your BruinBill balance is paid will be refunded to you.

We recommend that you sign up for Bruin Direct with Student Account Services so that your refund can be deposited directly to your bank account via electronic fund transfer (EFT). If you do not have Bruin Direct, a refund check will be mailed to you by Student Financial Services. Paper checks are processed once a week only, on Thursdays.

You must be enrolled at least half time (4 units) in order for your loan to be disbursed. If you drop below half time or withdraw from school you may be billed for loans funds disbursed to you for the term.

PRIVATE LOANS

Private loans, also referred to as alternative loans, are available to students who have received the maximum award amounts under the Direct Loan Program and require additional funding and are available to all qualified borrowers regardless of whether they complete a Free Application for Federal Student Aid (FAFSA). However, we highly recommend that you complete the FAFSA and allow Financial Aid and Scholarships to determine your eligibility for other sources of aid, including federal loans, before you apply for a private loan. These loans are funded by banks and private lending institutions.
Students considering student loans need to be aware of the differences between federal student loans and private student loans:

- Federal student loans are required by law to provide a range of flexible repayment options including, but not limited to, income-based and income-contingent repayment plans, as well as loan forgiveness benefits that private lenders are not required to provide.
- Federal direct loans are available to most students regardless of income. Other qualification criteria do apply. For more information, please visit www.studentaid.ed.gov/eligibility.
- Private student loan lenders can offer variable interest rates that can increase or decrease over time, depending on market conditions.
- The interest rate on a private loan may depend on the borrower’s and/or co-signer’s credit rating.
- Private student loans have a range of interest rates and fees and students should determine the interest rate of, and any fees associated with, the private student loan included in their financial aid award package before accepting the loan. Students should contact the lender of the private student loan or Financial Aid and Scholarships if they have any questions about a private student loan.

Private Loan Eligibility

Graduate students admitted to and enrolled in a degree granting program at UCLA.

Most, although not all, private loans require half time enrollment (4 units). Please check with your lender if you are looking for a private loan available to students enrolled less than half time.

Students may borrow up to their full cost of education for the academic year (based on financial aid budget) less any other aid received for that year.
The borrower must be a US citizen or an eligible non-citizen or can apply with a cosigner who is a citizen or an eligible non-citizen.

To find information for loans offered by private lenders utilized by UCLA borrowers, please the private lender lists available at www.financialaid.ucla.edu
Credit Requirements

The lender will run a credit check on all applications before determining your eligibility for a private loan. Borrowers who are not approved based on their credit score will be advised to apply with a cosigner.

Interest Rates

The interest rates and repayment terms for private loans are not federally regulated and will vary. Your interest rate will vary depending on the lender and the applicant’s and the cosigner’s credit score. Applying with a qualified cosigner can substantially reduce your interest rate. Private loans are ‘unsubsidized’ and the interest starts accruing from the date of disbursement.

Loan Fees

Loan fees are set by the lender and vary. Loan fees are deducted from each disbursement prior to the disbursement of funds by the lender.

Repayment

Repayment terms also vary by lender. Most lenders do not require repayment while the student is in school and some can defer repayment for six months after graduation. However, interest on private loans accrues from the date of disbursement. Please contact the lender to find out about their repayment, deferment and forbearance options.

It is often possible to secure a lower interest rate on your private loan by applying with a cosigner with good credit history.
Cosigner Information

Most private loans require a cosigner. The cosigner is required to sign the loan documents but the student is the primary borrower. By signing, the cosigner agrees to be fully responsible for the loan if the student does not fulfill his or her obligations. The loan obligation becomes a part of the cosigner’s credit history, including any late payments the borrower makes. An adult who meets the credit and citizenship requirements can cosign on a private student loan. A cosigner does not have to be a relative; he or she can be anyone who meets the general eligibility criteria. The lender will review the cosigner’s credit history and income as part of their approval process. In some cases a cosigner can be released from their loan responsibility after the borrower makes a specified number of on time consecutive monthly payments and meets certain credit requirements. Please check with the lender to determine whether they offer a cosigner release option and, if so, under what circumstances. In addition, a cosigner may be released in the event of the student beneficiary’s death or total and permanent disability (please ask your lender for additional information).

APPLYING FOR A PRIVATE LOAN

Determine How Much You Need to Borrow

UCLA awards all financial aid applicants up to their cost of education so refer to your Financial Aid Notification (FAN) for the amount of private loan you are eligible to apply for. If you elect to apply for a private loan without completing a FAFSA, please contact the Financial Aid and Scholarships office to determine the amount you can apply for.

Apply for your Private Loan Directly with the Lender

You cannot apply for a private loan by accepting the offer on your FAN. You have to apply directly with the lender.

Selecting a Lender

You can access UCLA’s private lender lists at http://www.financialaid.ucla.edu/Forms-and-Publications. In order to assist you with the selection process we publicize the preferred lender information evaluated and compiled by UC Office of the President. We also maintain a list (Fast Choice) of all lenders with which UCLA students borrowed in the last 3 academic years. Please note that, while we do our best to gather this information for you, listing a lender on our list does not constitute an endorsement or a guarantee of the benefits offered. All benefits are subject to change without notice, at the lender’s discretion. Before you borrow, please contact the lender directly to verify all loan terms and benefits. Also, you do not need to borrow from the lenders listed on UCLA’s lender lists. If you prefer to borrow from a lender not on our list, please contact them directly to obtain loan information and application instructions.

When applying for a private loan, consider going through the pre-approval process with more than one lender to determine which one will offer you the best terms. Shopping for the best priced loan will not lower your FICO score, providing all the credit enquiries are within a 30 day window.
Loan Certification

Once you provide all information required by the lender and your application is approved, the lender will contact the Financial Aid and Scholarships office to request verification of your private loan eligibility. Financial Aid and Scholarships will verify your eligibility if your financial budget (as set by the school) exceeds all other aid available. Certification requests are received and completed within 5-10 business days for lenders with whom we work electronically and within 15-20 days if we do not have an electronic process set up. If you refer to the Fast Choice lender list for your lender selection, information on whether the lender works with UCLA electronically or not is provided on the list. If you have questions about our ability to work with a specific lender electronically, please contact us at 310-206-0400 or finaid@saonet.ucla.edu.

Disbursements

Most private lenders require that you are enrolled at least half time (4 units), in order for your loans to be disbursed.

The total loan amount you are certified to receive by the financial aid office will be divided equally among the terms for which you have been awarded. If you apply with one of UCLA’s electronic lenders, your loan will be disbursed via Electronic Funds Transfer (EFT) and applied to your BruinBill account at the beginning of each term. Any funds left after your charges are paid, will be refunded to you. If you choose to work with a lender that does not work with UCLA electronically, your loan will be disbursed via a paper check that will need to be picked up from Student Loan Services (A227 Murphy Hall) each term.

Please Note: Private loans disbursed via paper checks will not be applied to BruinBill to cover your charges. If you do not have other financial aid available to cover your fees, please make sure that your quarterly charges are paid before the payment deadline in order to prevent your classes from being dropped or being assessed a late fee.

Returning Private Loans to the Lender

If we are unable to disburse your private loan because of non-enrollment, insufficient units or holds on your account, Student Loan Office will return all undisbursed funds to the lender within 10 business days of receiving them. If your loans are returned, the Financial Aid and Scholarships office can request a reissue per the student’s written request submitted to our office. The reissue process will take 2 – 3 weeks. In certain circumstances the lender will not be able to reissue your private loan and they will ask you to reapply.

Contacts

Financial Aid and Scholarships
A-129 Murphy Hall
(310) 206-0400
www.financialaid.ucla.edu

Messaging Center
www.financialaid.ucla.edu/Contact-Us-Info

Student Loan Office
A-227 Murphy Hall
(310) 825-9864
www.loans.ucla.edu

Student Financial Services
1125 Murphy Hall
(310) 825-9194
www.sfs.finance.ucla.edu