Federal Graduate PLUS vs. Alternative Student Loans, 2017-2018

What is a Federal Graduate PLUS Loan?
Federal Graduate PLUS Loans are loans for graduate student borrowers. Parents cannot borrow under this loan program. The Federal Graduate PLUS Loan is not asset-based; approval is based on creditworthiness. It allows graduate students to borrow up to the total cost of educational expenses minus other financial aid received.

What is an alternative student loan?
Alternative student loans are private loans offered by lenders specifically targeted to address educational costs that exceed other financial aid received. Most lenders require students with limited credit history to have a co-signer. The most common reasons some families apply for alternative student loans instead of PLUS Loans are:
1. Some alternative student loans require the student to enroll in as few as 3 credits per semester, whereas PLUS loans require at least half-time enrollment (4.5 credits per semester at Hofstra); and
2. Some alternative loans can be borrowed retroactively to cover outstanding bills.

Federal Graduate PLUS Loan

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<tr>
<th>Loan Borrower</th>
<th>Federal Graduate PLUS Loan</th>
<th>Alternative Student Loan</th>
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<tr>
<td>Student</td>
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</tr>
<tr>
<td>Co-signer</td>
<td>An endorser may be used if the student is unable to satisfy credit requirements.</td>
<td>Usually required due to lack of student income/credit</td>
</tr>
<tr>
<td>FAFSA Required</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Interest Rate and Rate Caps</td>
<td>Fixed 6.31 percent, subject to congressional approval.</td>
<td>Variable rate, many higher than PLUS Loans; usually no cap</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>Accrued interest capitalizes once at final repayment.</td>
<td>Accrued interest may be capitalized monthly, quarterly or once at repayment</td>
</tr>
<tr>
<td>Loan Payment and Terms</td>
<td>10-year repayment term may mean higher monthly payments but lower finance charges.</td>
<td>Longer repayment term may mean lower monthly payments but higher finance charges</td>
</tr>
<tr>
<td>Approval Criteria</td>
<td>Credit check based on federal standards. No debt-to-income ratio or credit scoring.</td>
<td>Based on student's or co-signer's credit history and debt-to-income ratio.</td>
</tr>
<tr>
<td>Borrowing Limits</td>
<td>Up to the cost of education less other financial aid received.</td>
<td>Depends on program, either up to the cost of education less other financial aid received or aggregate limits.</td>
</tr>
<tr>
<td>Repayment</td>
<td>Deferred until after leaving school or the student drops below half-time status (4.5 credits per semester at Hofstra).</td>
<td>Varies by program; usually deferred until six months after leaving school</td>
</tr>
<tr>
<td>Payment Flexibility</td>
<td>Income-based, income-contingent, graduated and extended repayment options are available.</td>
<td>Varies by program</td>
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<td>Payment Deferral Situations</td>
<td>Widener deferment and forbearance options are available.</td>
<td>Varies by program; limited deferment and forbearance options.</td>
</tr>
<tr>
<td>Payment Insurance</td>
<td>Federally insured in the event of death or disability.</td>
<td>Not federally insured and may not offer discharge in the event of death or disability.</td>
</tr>
<tr>
<td>Prepayment Penalty</td>
<td>None</td>
<td>Usually none</td>
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<tr>
<td>Consolidation</td>
<td>Federal Consolidation Loan Program available.</td>
<td>Cannot be consolidated with other federal loan programs</td>
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To learn more about these and other education loans, visit hofstra.edu/learnaboutloans.

Office of Student Financial Services
Roosevelt Memorial Hall, 126 Hofstra University Hempstead, NY 11549-1260
Office Hours: Monday-Friday, 9 a.m.-5 p.m.
(4:30 p.m. on Fridays during the summer)
Phone: 516-463-7266, 7267, 7268, 7270, 7271, 21145, 21146, 21147
Fax: 516-463-2333
Email: financialaid@hofstra.edu
For step-by-step procedures for navigating the Hofstra PORTAL, visit hofstra.edu/financialaid

Financial Aid Programs and Procedures for Graduate Students 2017-2018

HOW DO I APPLY FOR AND RECEIVE AID?

Free Application for Federal Student Aid
Graduate and professional students must complete the Free Application for Federal Student Aid (FAFSA) at fafsa.gov to be considered for federal aid. The toll-free telephone number for FAFSA is 1-800-4-FEDAI. Hofstra's federal school code is 002732. Students may be required to submit copies of income tax transcripts and other information in support of their federal aid applications. The Hofstra University Office of Financial Aid will notify students if any additional information is needed. We encourage continuing students to file the FAFSA every year by February 15 to be considered for federal aid. For more information regarding the FAFSA or federal student aid programs, call 1-800-4-FEDAI or visit fafsa.gov or studentaid.ed.gov.

Application and Reaplication Procedures
Requests for financial assistance will not influence a candidate’s consideration for admission in any way. Financial aid decisions are made after the student has been accepted. Students are notified of their financial aid award package via an email to their Hofstra Pride account and can accept or decline their awards online via the Hofstra portal at my.hofstra.edu.

Satisfactory Academic Progress for Federal Aid
The academic standing of all graduate students is reviewed each year. Please visit hofstra.edu/federallap for the criteria.

FEDERAL GRANT

TEACH Grant
The Teacher Education Assistance for College and Higher Education (TEACH) Grant provides grants of up to $3,760 per year to undergraduate and graduate students who intend to teach in a high-needs field in a public or private elementary or secondary school that serves students from low-income families (for awards received October 1, 2017-September 30, 2018). A service (work) obligation is required, or the grant converts to an Unsubsidized Stafford Loan. Students apply for this grant by filing the FAFSA (at fafsa.gov) and completing TEACH Grant Counseling and an Agreement to Serve at teach-ats.ed.gov.
STUDENT LOANS

Loans are available to assist students in meeting the cost of their education. To allow adequate processing time for bill payment and avoid late fees, students beginning classes in fall 2017 should apply for loans by June 1, 2017. Students beginning classes in spring 2018 should apply by December 1, 2017. Please note: If you are attending in both fall and spring and you are applying for loans, please apply for the amount you need for the full academic year, not just one semester.

Direct Loan (DL) Program
The federal government guarantees low-cost Unsubsidized Stafford and Graduate PLUS Loans to qualified students through the Direct Loan Program. The loans are originated by Hofstra to the federal government. Students must complete the Free Application for Federal Student Aid (FAFSA) annually to determine their DL eligibility. Direct Loans must be certified prior to the end of the student’s enrollment period.

Federal Unsubsidized Stafford Loans
Federal Unsubsidized Stafford Loans are available for graduate students. Graduate students may borrow up to $20,500 per year (not to exceed the student’s cost of attendance). A 1.069 percent loan fee is withheld from disbursement. The interest rate is fixed at 5.31 percent. Interest begins accruing on this loan during the in-school period. If a student chooses not to pay the interest while in school, the interest is capitalized and added to the outstanding principal on an annual basis. Repayment of principal and accrued interest begins six months after the student graduates, leaves school, or becomes enrolled less than half-time (4.5 credits per semester at Hofstra). The aggregate limit for all Stafford Loans borrowed is $138,500.

Federal Graduate PLUS Loans
Federal Graduate PLUS Loans are available to graduate students to assist with educational expenses. These loans require a credit check, and the Direct Loan Program has final discretion on approval. Students must be enrolled at least half-time (4.5 credits per semester at Hofstra) and meet all the other federal eligibility criteria. The interest rate of the Federal Graduate PLUS Loan is fixed at 6.31 percent. A 4.276 percent loan fee is withheld from disbursement. The annual limit is the student’s cost of attendance minus any other type of financial aid received. No aggregate limit exists. Repayment of principal and accrued interest begins six months after the graduate student graduates, leaves school, or becomes enrolled less than half-time (4.5 credits per semester at Hofstra), unless deferment is not selected on the application. A FAFSA must be filed and the Federal Unsubsidized Stafford Loan annual limit must be exhausted to enable the student to apply for the Federal Graduate PLUS Loan.

Complete the following steps to apply:

- File the FAFSA after October 1 (every year) using tax information from two years prior (e.g., 1718 FAFSA requires 2015 tax information).
- Accept offered loans at my.hofstra.edu (every year).
- Complete the Direct Loan requirements for Graduate/Professional Students at www.studentloans.gov.
  - Entrance Counseling (one-time requirement)
  - Loan Agreement for an Unsubsidized Loan (MPN, one-time requirement)
- Apply for a PLUS Loan (every year)
- Loan Agreement for a PLUS Loan (MPN, one-time requirement)

Please note that Hofstra University is required to submit loan information to the National Student Loan Data System (NSLDS). This information is accessible to guaranty agencies, lenders and institutions determined to be authorized users of the data system as well as borrowers.

Alternative Student Loans
Alternative student loans are private loans offered by lenders to help meet educational costs. These loans usually have variable interest rates, which, unlike loans from the Direct Loan (DL) Program, are not set by the federal government. Most lenders require students with limited credit history to have a co-signer. Some alternative loans can be borrowed retroactively to cover outstanding bills. For help in choosing a lender and evaluating loan benefits, visit hofstra.edu/learnaboutloans.

For a list of alternative student loan lenders, please visit finaid.org/loans/privates studentloans.phtml
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VERIFICATION PROCESS
A percentage of FAFSAs are selected for verification each year. This is done to make certain that the information reported is accurate. The federal processor uses a system of edits (or flags) that produces a selection of certain applications for verification. If a student’s application is selected for verification, this may mean that a data element in the application does not fit generally recognized patterns (not necessarily that the element is incorrect; it merely must be verified), or that the student was selected at random. The University’s Office of Financial Aid may also select files for verification if there appears to be a conflict of information. If a student’s application is selected for verification, the student is notified on the Student Aid Report (SAR). For more information, please visit the verification section of our Frequently Asked Questions webpage at hofstra.edu/fsfisfaq.

OFFICE OF STUDENT EMPLOYMENT
The Office of Student Employment offers on-campus employment opportunities for graduate students while enrolled at the University. The office, located in the Human Resources Center on North Campus, provides services on a walk-in basis.

Employment Opportunities
Graduate student positions include graduate assistants, resident directors and tutors. Federal Work-Study positions may also be available for eligible students who have completed a FAFSA. For all on-campus graduate student positions, applicants must hold a baccalaureate degree and be enrolled in graduate-level classes at Hofstra University. For a list of current employment opportunities, please visit hofstra.edu/jobs and click on “Student Jobs.” Job listings are also posted on bulletin boards located on the second floor of the Sondra and David S. Mack Student Center, North Campus. For more information, please call the Office of Student Employment at 516-463-6782.

Private Agencies
Private agencies such as religious organizations, unions, foundations, and social, civic and cultural groups may offer scholarships to students. Please contact any organizations in which you participate to see if they offer scholarships. Please also visit fastweb.com or finaid.org for additional outside scholarship information.

Veterans GI Bill Benefits
Funds for educational purposes are available to veterans of the armed forces. Please call the veterans representative at Hofstra at 516-463-8000 for information.

ADDITIONAL SOURCES OF AID
Office of Vocational Rehabilitation or the Commission for the Blind and Visually Impaired
Funds for educational purposes may be available to individuals who have physical or mental disabilities or visual impairments that are handicaps to employment. Please contact an office near your home for further information. Contact information may be found in your telephone directory under “State Agencies.”

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Graduate Assistantships
Graduate assistantships are part-time positions within a campus administrative office or student services area. Some assistantships offer a compensation package that includes a tuition waiver, while others offer a stipend or hourly wage. For all graduate assistantship positions, the applicant must hold a baccalaureate degree and be accepted as a matriculated student in a graduate or professional degree program at Hofstra University.

ADDITIONAL SOURCES OF AID
Office of Vocational Rehabilitation or the Commission for the Blind and Visually Impaired
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