

## Direct PLUS Loans for Graduate/Professional Students

*Direct PLUS Loans are federally guaranteed unsubsidized loans for graduate students who have additional financial need beyond what Direct Unsubsidized Loans cover. In most cases, borrowers are encouraged to use federal loans before turning to private loans to fund educational costs.*

### What is a Direct PLUS Loan?

Direct PLUS Loans are federally guaranteed unsubsidized loans for graduate and professional students. The same terms and conditions of the parent PLUS Loan apply to the Direct PLUS Loan. Medical school students may borrow up to the individual medical school's cost of attendance, minus other estimated financial assistance. Like Direct Unsubsidized Loans, PLUS Loans are relatively low cost, and are available through the federal government's Direct Loan program.

### How is Eligibility Determined?

To apply for a Direct PLUS Loan, you must first complete the [FAFSA](#) and apply for the annual maximum in Direct Unsubsidized Loans. You must also be enrolled at least half-time in a program leading to a professional or graduate degree. Whether you apply electronically or complete a hard copy of the loan application, the financial aid office must certify your eligibility before the application can be processed.

To determine eligibility for the Direct PLUS Loan, the financial aid office will first subtract your other estimated financial assistance (loans, grants, scholarships, and other aid) from the cost of attendance set by the school. The remaining amount is what could then be covered through a Direct PLUS Loan.

### Benefits of Direct PLUS Loans

Since Direct PLUS Loans are federally guaranteed loans, they share some of the same program regulatory protections as those of Direct Unsubsidized Loans. They offer deferment and forbearance options, various repayment plans, and in the event of death or disability, the loan may be forgiven.

The borrower has the option to consolidate the Direct PLUS Loan into a Direct Consolidation Loan. Consolidation can help simplify repayment by combining all federal loans into one new loan, extending the term of the loan, and thereby possibly lowering the monthly payment amount. However, remember that the longer it takes to pay off your loan(s), the more it will cost overall.

Direct PLUS Loans are eligible for Public Service Loan Forgiveness (PSLF), either when consolidated or in their original form. Review the [Public Service Loan Forgiveness Fact Sheet](#) for more information.

Direct PLUS Loan rates are set by the federal government. The law currently dictates that loans disbursed after July 1, 2013 will have a variable/fixed interest rate. This means that interest rates on Direct PLUS Loans will be adjusted annually on July 1st and when the loan is disbursed, the rate will become a fixed rate, and the rate will remain fixed for the life of the loan.

Depending on when the PLUS Loan is disbursed, borrowers may have multiple PLUS Loans with different interest rates. To view current and historical PLUS Loan interest rates, visit the [Federal Student Aid](#) website.

### Deferring Repayment

The Direct PLUS Loan actually goes into repayment after the full loan is disbursed. However, an automatic in-school deferment is applied if the borrower is enrolled at least half-time. Included with the in-school deferment is a six-month post-enrollment deferment, which can be helpful when aligning repayment dates with a borrower's Direct Unsubsidized Loans.

### Direct PLUS Loan Benefits

- Can help fill the gap between a medical school's financial aid cost of attendance and the borrower's Direct Unsubsidized Loan eligibility.
- Can be included in a Direct Consolidation Loan.
- Is eligible for PSLF.
- Offers deferment of payment while in-school, and an automatic six-month post-enrollment deferment after graduation.