



Graduate PLUS Loans 101

Graduate PLUS loans are federally guaranteed unsubsidized loans for graduate students who have additional financial need beyond what federal Stafford loans cover. Borrowers are encouraged to use federal loans before turning to unregulated private loans to fund their education costs.

What is a Graduate PLUS Loan?

Graduate 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 Graduate PLUS loan. Graduate students may borrow up to the individual medical school's cost of attendance minus other estimated financial assistance. Like Stafford loans, these loans are relatively low cost, and are available through the federal government's [Direct Loan Program](#) or through the [Federal Family Education Loan Program](#) (FFELP) (from private lenders, banks, or credit unions). Your medical school will participate in one of these two programs, which will determine from which loan program you will be able to borrow.

How is Eligibility Determined?

To apply for a Graduate PLUS loan, you must complete the [FAFSA](#) and have applied for the annual maximum in federal subsidized and

unsubsidized Stafford loans. You also must 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 loan application, the financial aid office must certify your eligibility before the application can be processed by the lender. To certify your eligibility for the Graduate PLUS loan, the financial aid office will subtract your other estimated financial assistance from the cost of attendance. To review how cost of attendance is determined, see the [Stafford Loans 101](#) FIRST Fact Sheet.

Benefits of Graduate PLUS Loans

Graduate PLUS loans are federally guaranteed loans and, as such, share some of the same program regulatory protections as those of the Stafford subsidized and unsubsidized loans in both the FFEL and Direct Loan programs. Because the Graduate PLUS loan is a federally guaranteed loan, it can be included in a consolidation loan. This is particularly helpful if you choose to participate in the Loan

Forgiveness for Public Service repayment program. For more information, see the [Doing Well by Doing Good: Loan Forgiveness for Public Service](#) FIRST Fact Sheet. Graduate PLUS loans currently have a 8.5% interest rate in the FFEL program and a 7.9% interest rate in the Direct Loan program. With lower interest rates than private loans, the Graduate PLUS loan will cost less in the long run when you enter repayment.

Graduate PLUS Loan Benefits

- Can fill the gap between cost of attendance and the annual maximum of Stafford loans
- Can be included in a federal consolidation loan
- Low interest rates:
 - Direct Loan Program – 7.9%
 - FFEL program – 8.5%