



2020-2021 Loan Application Instructions

Federal Loans

U.S. citizens or permanent residents may be eligible to receive federal loan funding. You are required to be enrolled at least half time each semester. This is money borrowed from the federal government that is deferred in payment until six months after you graduate or drop below half-time status. Interest will accrue during this time. There are many different repayment plans such as income driven plans, to make your payments affordable. **You must not be in default or above your aggregate loan limit to receive these funds, and other terms and conditions may apply**

Direct Unsubsidized Loan

How to request

1. [Submit your 2020-21 FAFSA](#) (Please allow 3-5 business days for SFS to receive)
2. Penn will automatically award you your eligible maximum unsubsidized Loan amount. **Please allow 7-10 business days after the FAFSA is received for this to show on the Penn Loan System**

The unsubsidized Direct Loan interest rate is 4.3% fixed for the 20-21 academic year. You must be registered for courses before we will award.

Access the Penn Loan System: <https://loans.apps.upenn.edu/>

What does the status on my loan mean?

Status	What does it mean
<i>Complete</i>	The loan is currently under review by the Penn Loan Office
<i>Processed</i>	Once the loan is reviewed by the Penn Loan Office, the status will change to "Processed" in the Penn Loan System. Please allow 5 business days for the loan status to change from "Complete" to "Processed"

Next Steps

1. When your loan is processed you will receive an e-mail (to your preferred e-mail address on Penn in Touch). This will outline any specific requirements needed.
2. Complete [entrance counseling](#) for the Unsubsidized Direct Loan. *Please allow 3-5 business days to reach SFS*
3. Complete a [Master Promissory Note](#) for the Unsubsidized Direct Loan. *Please allow 3-5 business days to reach SFS*

Please note the disbursement dates are an estimate of when SFS estimates they will receive your funding. Funds may disburse 7-10 business days after this date

Graduate Direct PLUS Loan

Graduate PLUS Loans are for students who wish to borrow federal funds over and above their unsubsidized loan eligibility. This does require a credit check. Students may borrow a specific amount or up to their cost of attendance for the academic year.

How to Apply

1. Be sure you have already requested your Unsubsidized Direct loan, as the interest rate is typically 1% lower than the Grad PLUS.
2. You can apply [here](#). (Select “Apply for aid,” then select “Apply for Grad PLUS Loan”)
3. Log in with your FSA ID (This is the same ID used for the FAFSA).
4. Complete the application and submit. It will tell you right away if you have been approved or denied the loan.

The Grad PLUS interest rate is 5.3% fixed for the 20-21 academic year.

How do I know how much to request?

- Students can request a **specific amount**. For example, if you wish to borrow \$10,000 you can request \$10,000, or if you wish to borrow \$50,000 you can request \$50,000. **The amount you request will not affect if you are approved or denied the loan**
- Students can request the **maximum amount**. If you select the maximum the loan staff will determine how much you are eligible for by using this formula:
Cost of Attendance – Scholarship or Gift Aid (including RA, GA etc) – Other Loan Funding = Your Maximum PLUS Loan.
Ex: A student with a \$90,000 cost of attendance who is receiving a \$10,000 Dean’s scholarship and their \$40,500 unsubsidized direct loan would be eligible for a maximum Grad PLUS of \$39,500. (\$90,000 - \$10,000 - \$40,500 = \$39,500).

What else should I keep in mind when deciding how much to borrow?

- Grad PLUS Loans originated before October 1, 2020 have a 4.236% origination fee removed from the loan before it will pay to your account. The origination fee is updated on October 1 of each year.

I was denied the PLUS Loan, what are my options?

- You may seek an endorser (cosigner) on the loan. Your endorser will need to create an FSA ID and complete the endorser addendum. You are required to notify the loan office at stuloans@pobox.upenn.edu if the loan is then approved.

Next Steps

1. When your loan is processed you will receive an e-mail (to your preferred e-mail address on Penn in Touch). This will outline any specific requirements needed.
2. Complete a [Master Promissory Note](#) for the Grad PLUS Loan *Please allow 3-5 business days to reach SFS.*

Please note the disbursement dates are an estimate of when SFS estimates they will receive your funding. Funds may disburse 7-10 business days after this date

Alternative Loans

Students who do not wish to borrow federal funds may apply for an alternative loan with the lender of their choice. You may view Penn's historical lender list [here](#).

1. Apply with the lender of your choice.
2. Please allow 5-7 business days to reach the Penn Loan system after all terms and conditions are signed by you and the lender. During high processing times this may be extended.
3. Your loan will list "complete" when we receive the request, and "processed" when we have processed the request.