

New Deferment Policy to Benefit Law Students with Graduate PLUS Loans

There is good news for law students who have borrowed or will be borrowing **Graduate PLUS loans**.

New Policy for Direct Graduate PLUS Loans

Recently, a new policy on **Direct Graduate PLUS Loans** has recently been put into effect by the Department of Education. This new policy will allow professional students, such as law students, and graduate students to automatically be enrolled into an in-school deferment status. Enrollment into the status is based on information that is reported by the student's school through the Enrollment Reporting Process, formerly known as the SSCR.

The new status is contingent upon eligibility of the student's institution, program and enrollment status, as students must be enrolled at least half time to be eligible. This new status will be in effect until the student has reached their Academic Completion Date as reported by their school.

Policy Before the Change

Prior to the implementation of this new status, professional and graduate students who borrowed **Direct Graduate PLUS Loans** were unable to receive an in-school deferment status unless they requested it through completing the proper paperwork. If students did not complete this paperwork, he or she would immediately be entered into the repayment status on their loan, which would require that they begin making monthly payments on their loan, while enrolled in their professional or graduate programs.

This new policy will allow students to avoid worrying about filling out paperwork, or paying on their loans; and focus on their schooling.

About Graduate PLUS Loans

Until July 1, 2006, PLUS Loans were only available to parents of undergraduate students. The government has since then made them available to graduate students and students enrolled into professional studies such as legal, medical, educational, dental, and pharmacological.

Interest Rates for Graduate PLUS Loans

The interest rates on Graduate PLUS Loans are at 7.9% for Direct Loans and 8.50% for FFEL Loans.

Loan Limits

A benefit of borrowing **Graduate PLUS Loans** is that you can borrow up to the total cost of attendance each year, less any additional financial aid that you receive. For example, if the total cost of attendance

for the first year of law school is \$50,000, and you also receive \$5,000 in grants and scholarships, you may borrow up to \$45,000 in **Graduate PLUS Loans**.

Additional Benefits of Graduate PLUS Loans

In addition to the new in-school deferment status for **Graduate PLUS Loan** borrowers, **Graduate PLUS Loans** also offer other benefits including deferment, forbearance, forgiveness and consolidation options.

Deferment and Forbearance Options

Deferment and forbearance options allow you to temporarily cease making your payments when you fall upon financial hardships or other adverse situations that hinder you from making your monthly payments.

Forgiveness Programs

Forgiveness programs will allow you to be forgiven of part or all of their student loans in exchange for service in a designated area and profession.

Consolidation

Consolidation allows you to merge your entire undergraduate and law student loans into one, easy-to-manage loan. This not only saves you time, but money too! When you consolidate your loans with an industry leader like **Law School Loans**, you can literally save thousands of dollars over the life of your loan!

More Information

To learn more about Graduate PLUS Loans, visit:

<http://studentaid.ed.gov/PORTALSWebApp/students/english/PlusLoansGradProfstudents.jsp>