DIRECT LOAN BORROWING AT THE GSD

For U.S. students and permanent residents, you have likely been awarded the Direct Unsubsidized Stafford Loan (Unsubsidized Loan). The Unsubsidized origination fee, at the time of loan disbursement, will be 1.069%. The interest rate for the Unsubsidized Loan will be fixed at 6.00%. The maximum amount you can borrow in an Unsubsidized Loan is $20,500 per academic year.

You will need to complete two requirements before we can disburse the Unsubsidized Loan funds: 1.) Entrance Counseling/Interview and 2.) Master Promissory Note for the Unsubsidized Loan. Instructions will be outlined below. If you already completed these requirements once at the GSD, you do not need to submit the Unsubsidized Loan forms again.

If you still need additional loan funding, there are alternative loan options. Alternative loans, sometimes referred to as private supplemental loans, are not awarded as part of the original aid package. Rather, they are initiated by the student in the event that the award package does not provide enough funds to cover the academic budget.

The most popular alternative loans include the Federal Direct GradPLUS Loan (GradPLUS) and the Harvard University Employee Credit Union Loan (CU). If you wish to compare the two loans, please review the attached loan comparison chart. Please see the separate file for CU Loan application instructions.

With the GradPLUS Loan, you can borrow up to the academic budget, less other aid you have already received. Students can apply for this loan anytime during the year, depending on the timing of their need. The GradPLUS Loan is similar to the Unsubsidized Loan in that interest begins at disbursement, and they both provide a six-month deferment period (similar to a grace period) after your enrollment at the GSD ends. However, the GradPLUS Loan has a higher loan fee and interest rate than the Unsubsidized Loan. The GradPLUS origination fee, at the time of loan disbursement, will be 4.276%. The interest rate for the GradPLUS Loan will be fixed at 7.00%.

To qualify for the GradPLUS Loan, applicants must not have an adverse credit history. Individuals who don’t pass the credit check are given the option to either resolve their credit problem or add an endorser/co-signer to the loan. Instructions to apply for the GradPLUS Loan are outlined in the last section of this handout.

Entrance Counseling/Interview Instructions

An Entrance Interview, or Entrance Counseling, is an information session that reviews the rights and responsibilities of loan borrowers. All students who are borrowing Direct Federal Loans at the GSD for the first time must fulfill the Entrance Counseling/Interview requirement even if it has been completed at other schools in the past.

1. Go to: https://studentloans.gov/
2. Click the “Log In” button.
3. Enter your FSA ID and other personal information.
4. You will then have to complete an Entrance Counseling session for both the Unsubsidized Loan and GradPLUS Loan. 
   a. Keep in mind completing the combination option does not automatically qualify you for a GradPLUS Loan, additional application steps will need to be followed.
5. Select the Harvard University Graduate School of Design. Harvard has many different schools and choices, so be sure to pick the entry that includes both “Harvard” and “Design” in the title. Our school code is E00212.
6. Once you have completed the process, save a copy for your records. We will be automatically notified once you complete the Entrance Interview/Counseling within a few business days. You do not need to provide the GSD Financial Aid Office with a copy.
Information Needed for Promissory Note

As a student who has been awarded a Federal Direct Loan(s), you are required to sign a Direct Loan Master Promissory Note (MPN) for a Direct Unsubsidized, and/or a Direct GradPLUS Loan as part of the loan process. The MPN is a legal document by which you agree to borrow the loan(s). For both Direct Loans, the MPN will be completed and signed online.

Please carefully read the directions below to avoid delays in processing. No loan amounts will be shown in the MPN. All loan amounts are based on the awards you accept in the GSD online aid system. While you will need to reapply for aid each year, your MPN is valid for 10 years. You will need the following information to complete the MPN.

1. **Your FSA ID** (it is the same credential that used for the electronic FAFSA). If you do not have your FSA ID you will need to create one. Resolution may take a few days, so start the process as soon as possible. Please note: the FSA ID is not the same as your Harvard PIN.
2. **Basic information** - such as:
   a. Permanent address,
   b. Driver’s license number and state,
   c. E-mail address,
   d. Phone number
   e. School name (Harvard Design School E00212). For any online document, like the promissory note, it is important that you pick the correct school. Harvard has many different schools and choices, so be sure to pick the entry that includes both “Harvard” and “Design” in the title. If you pick the wrong school, the GSD Financial Aid Office will not receive notification that you completed the requirement.
3. **Two references** - complete with full name, address, zip code and phone number. One of these references should be a parent or legal guardian. The other reference should be a relative or a close friend that does not reside at the first reference’s address. The references you list will in no way be responsible for your loan repayment. That person may only be contacted in the event that the lender is unable to locate you.

Instructions to Complete Unsubsidized Loan Promissory Note

2. Click the “Log In” button.
3. Choose the Unsubsidized Loan option. (DO NOT choose the undergraduate Parent PLUS Loan.)
4. Once you have completed the process, save a copy for your records. We will be automatically notified once you complete MPN within a few business days. You do not need to provide the GSD Financial Aid Office with a copy.
5. You will need to complete the process a second time and choose the GradPLUS Loan option if you are borrowing both the Unsubsidized Loan and GradPLUS Loan.

Helpful Hints

- Do not begin to complete the promissory note unless you have all the required information. If you exit the website before submitting your signed MPN, and return later, you may have to start from the beginning again.
- It is important that you properly exit from the website when your work is complete.
- Using the tab buttons will help you move accurately and timely throughout the process.
- When you have finished the process, print a confirmation copy for your records.
- At the very end of the document there will be a date showing when the promissory note was completed. If there is no completion date you may have missed an important step.
GradPLUS Loan Application Instructions

1. Go to: [https://studentloans.gov/](https://studentloans.gov/).
2. Click the “Log In” button.
3. Enter your FSA ID and other personal information.
4. Complete the Entrance Counseling/Interview (if you have not done so already).
   a. Instructions for the Entrance Counseling/Interview are the same for both Unsubsidized Loan and GradPLUS Loan options.
5. Follow the rest of the application instructions online. Please note: you must select the school name that includes both “Harvard” and “Design” in the title. If you select the wrong school name, the GSD Financial Aid Office will not receive your request.
6. You will need to determine how much GradPLUS Loan funding you will want to borrow. To ensure you receive the proper amount, please read the “Helpful Hints,” box to the right of these instructions, in its entirety.
7. Complete the Master Promissory Note for the GradPLUS Loan (if you have not done so already in a prior year)
   a. Instructions for the Master Promissory Note are the same for both Unsubsidized Loan and GradPLUS Loan options.

Please contact the GSD Financial Aid Office if you have additional questions at financial_aid@gsd.harvard.edu

Helpful Hints

- To determine the remaining amount you are eligible to borrow, review your aid total in the GSD online aid system under the Accept Awards tab. You can find your budget on the Financial Aid Information tab. By subtracting your awards from your budget, you will get the remainder still available to borrow.
- There is also a max loan option. If you choose this option, the Financial Aid Office will figure out how much additional borrowing is available to you and will process the loan amount accordingly.
- Loans fees of 4.276% will be taken out of the GradPLUS amount requested. To see how the fees will affect the amount you are requesting, multiply the amount of your loan by .95724 to see the net result. A PLUS Loan request of $10,000 will net you $9,572. If you wish to add the loan fees, then you should divide the amount of your loan by .95724. A loan request for $10,446 will give you $10,000 after the fees are subtracted.