

**PEPPERDINE UNIVERSITY**  
School of Public Policy

OFFICE OF FINANCIAL AID

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*Dear Student:*

*Welcome to Pepperdine School of Public Policy.*

*My staff and I are here to assist you with financing your graduate school education. This brochure provides instructions for completing the loan application process and outlines resources available to you to make this process as efficient as possible.*

*The decisions that you make today will affect your finances in the future, that is why you should understand your rights and responsibilities as a student loan borrower. An education loan is a serious financial and legal obligation that must be managed responsibly and repaid. Borrow only what you need to cover your educational costs.*

*Financial aid comes in a variety of forms, including grants or scholarships, Federal Work-Study, and loans. This brochure describes loans available through the Federal Family Education Loan Program (FFELP). Education loans do require repayment, and fit into two main categories: federal and private. Federal loans are guaranteed against default by the federal government. Because the lender assumes less risk, interest rates are lower on federal loans than on private loans.*

*Please review this brochure carefully and follow the instructions. You should keep a file of your education loan documents and other financial aid information. If you have any questions about financial aid, please contact the Office of Financial Aid at 310.506.7493 or via e-mail to [melinda.vanhemert@pepperdine.edu](mailto:melinda.vanhemert@pepperdine.edu).*

*I look forward to seeing you in Malibu.*

*Thank you,*

*Melinda van Hemert  
Assistant Dean of Financial Aid*

***P.S. - New borrowers frequently ask for help in selecting a reliable lender. You will find a list of lenders on the web, but you are not obligated to make your selection from this list. This list is for research purposes only.***

## Application Checklist

- Apply for the Free Application for Federal Student Aid (FAFSA)
- Check deadlines and respond promptly.
- Apply via Wavenet for Federal Stafford, Federal Graduate PLUS loans.
- You will be notified when your loan funds arrive at the OFA. *Please note: Student loans are for a one-year period only. Therefore you must reapply each year.*
- When budgeting for your education, please note that student loans will usually be disbursed in two equal installments and will be scheduled for the beginning of each semester unless you have completed all of your requirements to graduate, then your disbursement will be split into two equal installments your final semester.
- Complete online Entrance Counseling at <http://publicpolicy.pepperdine.edu/admission/financialassistance>. It is listed under the quick links.

## Your Guide to Borrowing Money for Graduate School

### Federal Stafford Loans

If you demonstrate sufficient financial need, you can qualify for a Subsidized Federal Stafford Loan – which means the federal government will pay the interest that accrues while you are in school, during a six-month, post-school grace period or in any authorized period of deferment. If you fail to show sufficient need, you can still qualify for an Unsubsidized Federal Stafford Loan. With an unsubsidized loan, you will be responsible for paying the interest that accrues during school, grace and deferment periods. If you choose not to make interest payments while in school, the interest will be “capitalized,” which means that the lender will add the accrued interest to the principal balance of the loan. Future payments will be based on both the principal (original amount borrowed) plus any capitalized interest.

You may borrow up to \$20,500 annually between the subsidized and unsubsidized programs. The aggregate maximum for both programs is \$138,500 (including your entire undergraduate guaranteed student loans). [See Federal Stafford Loan Comparison Chart.](#)

**This information will help you understand and complete the forms necessary to secure funding from the Subsidized and Unsubsidized Federal Stafford Loan Program.**

### The Federal Stafford Master Promissory Note (MPN)

- The MPN is a legal document. By signing it, you promise to repay your Federal Stafford Loans.
- Students who use an MPN are notified each academic year of their loan eligibility by the school.
- You may choose to reduce or cancel your loan amount once you are notified.
- Be conservative – borrow only what you need.

### Disbursement of Funds

- Funds are disbursed directly to school.
- You must complete loan Entrance and Exit Counseling as determined by your school’s Office of Financial Aid.

### Applying for a Federal Stafford Loan

- You should complete and sign your MPN online.

### Eligibility and Borrowing Limits

- Your school determines your eligibility by conducting a needs analysis based on the information you provided on your FAFSA.
- The FAFSA is used to apply for federal student financial aid, including grants and loans.
- Completing the FAFSA is the first step in the financial aid process. You should submit your application as soon after January 1, 2009 as possible.
- Completing the FAFSA on the Web at [www.fafsa.ed.gov](http://www.fafsa.ed.gov) is the fastest way to apply for financial aid.
- [Pepperdine University’s Federal School Code is 001264.](#)

- You must be an undergraduate, graduate or professional student, a U.S. citizen or eligible non-citizen, enrolled at least half-time with no unresolved defaults or overpayments owed on Title IV educational loans or grants.
- Your estimated eligibility notification will provide you with eligibility details and the maximum amount you can borrow.

### Interest Rates and Fees

- For Federal Stafford Loans disbursed before 7/1/06, the rate is variable and adjusted annually on July 1. The interest rate cap is 8.25%.
- For Federal Stafford Loans first disbursed on or after July 1, 2006 the interest rate is fixed at 6.80%.
- Federal Stafford Loan fees may be deducted at the time of disbursement and may consist of an origination fee up to 1.50% and a federal default fee of up to 1.00%, depending on the lender that you choose.

### Repayment

- Federal Stafford Loan repayment begins six months after you graduate or leave school.
- The Federal Stafford Loan repayment term is up to 10 years. You can pre-pay the loan in whole or part without penalty.

### Choosing a Lender

- Students who have previously borrowed a Federal Stafford Loan are encouraged to use the same lender.
- We recommend that you research your lender.

# Helpful Tips for Choosing a Graduate Federal PLUS Loan

## What are Graduate Federal PLUS Loans?

The Graduate Federal PLUS Loan is a federal loan designed to assist graduate and professional students who are U.S. citizens or eligible non-citizens. Students may borrow the amount equal to the cost of attendance less all other financial aid. The Graduate Federal PLUS Loan has a fixed interest rate of 8.50%, with repayment beginning 60 days after the loan is fully disbursed. Once in repayment, students who are enrolled at least half-time are eligible for an in-school deferment on the principal balance of the loan. The Graduate Federal PLUS Loan is credit based, but the government does not factor debt-to-income ratio; therefore, more students may be approved for the Graduate Federal PLUS Loan as opposed to private loans. The Graduate Federal PLUS Loan has the same repayment, deferment, forbearance, and cancellation provisions as the Federal Stafford Loan program. The Graduate Federal PLUS Loan may be consolidated with other federal loans.

## Facts and Requirements

### Eligibility

- You must be a graduate/professional student enrolled at least half-time in a matriculated program.
- You must complete a 2009-2010 FAFSA.
- You must first apply for your maximum loan eligibility in Subsidized and Unsubsidized Federal Stafford Loans before the PLUS can be awarded.
- Parents of graduate students will not be eligible to borrow the loan.
- Must be a U.S. citizen or eligible resident non-citizen.
- School certification required.

### Value of Award

- Cost of attendance less any other financial aid received.
- There are no aggregate loan limits.

### Renewal

- You need to apply on an annual basis as needed.

### Comments

- Federal origination fee of up to 3.00% and federal default fee of up to 1.00% may be charged. Interest rate is fixed at 8.50%.
- There is a minimal credit check.

### Repayment

- 10-25 years based on repayment option and balance owed.

## Give Yourself Credit!

Lenders use credit scores to make fast and objective decisions on which applicants are likely to repay their loans on time. Credit scoring is calculated using many pieces of your past bill payment history (number and types of accounts, late payments, outstanding debt and the age of your accounts). The way you have handled credit in the past is often a good indication of how you will manage credit in the future. Therefore, your credit score is like a snapshot of your level of credit risk at a particular point in time: when your credit information changes, so does your credit score. Give yourself the credit you deserve. Pay your bills on time, pay down any outstanding debt and avoid taking on new debt or applying for too many new credit cards.

Try to review your credit report from each credit reporting agency at least once a year, especially before making a large purchase like a house or a car. You should make sure that the information in your credit report is correct and you should also verify that the accounts on your credit report are accounts that you own. Below is a listing of the credit reporting agencies:

Equifax	(800) 685-1111	<a href="http://www.equifax.com">www.equifax.com</a>
Experian	(888) 397-3742	<a href="http://www.experian.com">www.experian.com</a>
Trans Union	(800) 916-8800	<a href="http://www.transunion.com">www.transunion.com</a>

For more information about FICO (credit) scores, please visit [www.myFICO.com](http://www.myFICO.com) and go to "Understanding FICO Scores" and "Frequently Asked Questions (FAQ)" sections.

## AnnualCreditReport.com

AnnualCreditReport.com is a centralized service for consumers to request annual credit reports. It was created by the three nationwide consumer credit reporting agencies listed above.

AnnualCreditReport.com processes requests for free credit file disclosures (commonly called credit reports). Under the Fair and Accurate Credit Transactions Act (FACT Act) consumers can request and obtain a free credit report once every 12 months from each of the three nationwide consumer credit reporting companies. AnnualCreditReport.com provides consumers with the secure means to do so.

# Your Guide to Financial Aid Packaging

## What is a Financial Aid Package?

Cost of Attendance (COA)  
Less Expected Family Contribution (EFC)  
Equals Need  
Less Estimated Financial Assistance  
Equals Remaining Need

## What is Estimated Financial Assistance or Resources?

- A variety of educational loans
- Veteran's Administration educational loans
- All grants, scholarships
- Tuition/fee waivers
- Fellowships, assistantships

## Estimated 2009-2010 Sample Budget

Tuition	\$ 37,516
One-time workshop fee	\$ 275
Room/Board	\$ 14,580
Books	\$ 1,000
Travel	\$ 1,800
Personal Miscellaneous	\$ 4,000
Loan Fees	\$ 555
<b>Total</b>	<b>\$ 59,726</b>

## Useful Websites

- U.S Department of Education Student Site.....[studentaid.ed.gov/students/publications/student\\_guide/index.html](http://studentaid.ed.gov/students/publications/student_guide/index.html)
- FAFSA on the Web..... [www.fafsa.ed.gov](http://www.fafsa.ed.gov)
- PIN Request and Information..... [www.pin.ed.gov](http://www.pin.ed.gov)
- The Financial Aid Information Page..... [www.finaid.org](http://www.finaid.org)

*The Financial Aid Information Page is a WWW home page by Mark Kantrowitz and is sponsored by the National Association of Student Financial Aid Administrators. This page provides a free, comprehensive, independent and objective guide to student financial aid.*