

FEDERAL FINANCIAL AID ISSUES FOR GRADUATE STUDENTS

125% Rule: *Graduate Students are only eligible for financial aid for 125% of the MINIMUM number of units needed to complete a graduate degree.*

- For a 30 unit masters degree, students lose financial aid after taking 38 units.
- Students taking several prerequisite courses in addition to officially required courses will run out of financial aid before they can complete their degree.
- Programs “unofficially” requiring coursework in addition to officially required courses disadvantage students on financial aid.
- Some programs have a comprehensive exam course for 3 units but do not count those 3 units towards the degree. This disadvantages students on financial aid (cuts into the “extra” 25%).

4 unit minimum: *Graduate students enrolled in less than 4 units receive no financial aid.*

- Students must start paying off their student loans 6 months after taking less than 4 units. Thus, students working only on their culminating experience, lose most, if not all, of the 6-month grace period after degree completion before they must start paying off their loan.

Late admission disadvantages graduate students on financial aid.

- It can take 3 months for Federal financial aid to be approved for new students.
- To ensure that incoming students receive financial aid BEFORE their first term bill is due, applicants should receive Fall acceptance letters by early May.

Graduate Student receiving a Stipend or Fee Waiver: Notification must be sent to Financial Aid ASAP. If notification does not occur well before students receive their financial aid, federal law requires our Financial Aid Office to retroactively bill those students for over payment.

Satisfactory Academic Progress must be met annually to keep financial aid. Graduate students who fail to meet any of the criteria below automatically lose their financial aid:

- GPA less than 3.0 (probation or disqualification)
- Attempt more than 125% of the minimum number of units needed for the degree.
- Fall below 80% pass rate (# course units passed at CSUN/# course units attempted at CSUN)

Graduate student decisions that send them down a financial hole:

- While full time graduate tuition/fees cost less than \$10,000/year, graduate students can borrow up to \$20,500/year (cost of attendance). Many CSUN graduate students fail to realize the crippling long-term consequences of borrowing an extra \$10.5k/year at 5-8% interest.
- Some students never quit graduate school to avoid paying back their loans.
- While CSUN allows students in good standing to stop out for 1 year, these students must start paying back their student loans after 6 months off.

Other Facts:

- **More than half** of CSUN graduate students receive some kind of financial aid.
- Unlike undergraduates, graduate students are **ineligible for Pell grants**.
- Unlike undergraduates, graduate students can **only receive unsubsidized loans**.
- Graduate students can borrow Graduate PLUS Loans. These have **higher interest rates** than undergraduate financial aid, **accrue immediately**, and **depend upon a student’s credit rating**.