



## ***Parent PLUS Loan Request Instructions (2015-16)***

The Federal Direct Parent PLUS Loan provides loans to parents of dependent students attending post-secondary schools. All loan funds received under the program must be used to pay for the cost of attending a post-secondary school.

### **LOAN INFORMATION**

1. Current interest rate is fixed at 6.84%.
2. A minimum of a 4.272% origination fee is deducted, by the federal government, from the gross amount of the loan.
3. Payments begin 60 days after the latest disbursement or a request can be made to the U.S. Department of Education to defer payments until six months after the date the student ceases to be enrolled at least half-time. Interest during postponement can be paid monthly, quarterly, or capitalized (quarterly).
4. The parent is required to undergo a credit evaluation based on criteria set by the U.S. Department of Education.

### **INSTANT PRE-APPROVAL\***

Parents can apply for instant pre-approval for the PLUS loan online. It is suggested to apply for the PLUS loan after April 1, 2015, as the credit check is only valid for 180 days. The Financial Aid Office will be notified of the credit decision. If the application is approved, the Financial Aid Office will certify the PLUS Loan. If a parent is denied a PLUS loan due to credit, a parent can appeal the decision, apply for the loan with an endorser or if the PLUS loan is left as denied, the student will be eligible for an additional Federal Direct Unsubsidized Loan (Maximum: \$4000-Freshman/Sophomore; \$5000 Junior/Senior). A revised award will be completed.

### **ONLINE PRE-APPROVAL PROCESS**

1. Go to [www.studentloans.gov](http://www.studentloans.gov).
2. Click on the green "Log In" button.
3. Fill in the requested information.
  - a. FSA Username
  - b. FSA Password

*If you do not have an FSA ID, click on the "here" link (located near the green "Log In" button) to create your FSA ID.*
4. Click on "Request a Direct PLUS Loan" link.
5. Select the loan type "Parent PLUS" to start the pre-approval process.
6. If you are approved, you will need to complete a Master Promissory Note (MPN) specific to the Parent PLUS loan. You will find the link in the left column on the page (first-time Federal Direct PLUS Loan borrowers only).

*\*If you do not have online access, please contact the financial aid office.*

*(Rev.10/5/2015)*

## Compare Federal PLUS Loan and Alternative Loan Options

	<b>Federal PLUS Loan</b>	<b>Alternative Loans</b> ( <i>private lenders</i> )
<b>Borrower</b>	<ul style="list-style-type: none"> <li>Parent (of dependent child)</li> </ul>	<ul style="list-style-type: none"> <li>Student and cosigner (if required)</li> <li><i>Dependent students are likely to need a credit-qualified cosigner. Cosigner can be a parent, relative or willing sponsor</i></li> </ul>
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>At least half-time and degree seeking</li> </ul>	<ul style="list-style-type: none"> <li>Full-time, half-time, less than half-time options; (depending on lender requirements)</li> </ul>
<b>Credit requirements</b>	<ul style="list-style-type: none"> <li>Credit check required; approval is based on federal criteria, not credit score</li> <li><i>If a parent is denied the PLUS loan due to credit, parents can</i> <ul style="list-style-type: none"> <li><i>appeal decision,</i></li> <li><i>apply with an endorse, or</i></li> <li><i>the student may be eligible for an additional unsubsidized loan.</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Credit check required based on private lenders criteria; approval is based on credit score, credit history and debt-to-income ratio.</li> </ul>
<b>Annual loan limit</b>	<ul style="list-style-type: none"> <li>Cost of Attendance less other financial aid received</li> </ul>	<ul style="list-style-type: none"> <li>Cost of Attendance less other financial aid received <b>OR</b></li> <li>Private lenders may also have maximum annual limits</li> </ul>
<b>Aggregate loan limit</b>	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Aggregate loan limits will vary by lenders</li> </ul>
<b>Interest rate</b>	<ul style="list-style-type: none"> <li>6.84% fixed interest rate</li> </ul>	<ul style="list-style-type: none"> <li>Fixed and/or variable interest rates available depending on the lender and credit evaluation</li> </ul>
<b>Fees</b>	<ul style="list-style-type: none"> <li>4.272% origination fee</li> </ul>	<ul style="list-style-type: none"> <li>Fees may or may not apply (depending on the lender)</li> </ul>
<b>Repayment terms</b>	<ul style="list-style-type: none"> <li>10 year repayment or minimum \$50 payment</li> <li>May request deferment while student in school and 6-month grace period</li> </ul>	<ul style="list-style-type: none"> <li>Typically 15-25 years and typically no payments are required while in school (depending on lender)</li> </ul>
<b>Grace period</b>	<ul style="list-style-type: none"> <li>See “Repayment Terms”</li> </ul>	<ul style="list-style-type: none"> <li>6-to 9-month grace period after enrollment ends (depending on lender)</li> </ul>
<b>Loan consolidation</b>	<ul style="list-style-type: none"> <li>Can be consolidated with parent’s other federal loans (i.e. Perkins and Stafford) through the Federal Direct Loan Consolidation program</li> </ul>	<ul style="list-style-type: none"> <li>Private loan consolidation may be available; check with lender for availability</li> <li><i>Student’s alternative loans and federal loans can never be consolidated together.</i></li> </ul>
<b>Loan forgiveness options</b>	<ul style="list-style-type: none"> <li>Loan forgiveness in the event of permanent disability or death of student</li> </ul>	<ul style="list-style-type: none"> <li>Loan may be forgiven in the event of permanent disability or death of student (depending on lender)</li> </ul>
<b>Repayment options</b>	<ul style="list-style-type: none"> <li>Various repayment options available, including standard, graduated and extended</li> <li>Deferment and forbearance options available</li> </ul>	<ul style="list-style-type: none"> <li>Standard and interest-only options may be available (check with lender)</li> <li>Forbearance options may be available (check with lender)</li> </ul>