

## Applying for the Direct Parent Plus Loan

What is the Direct Parent Plus Loan? The Direct PLUS Loan Program is a long-term, low interest federal loan program designed to allow eligible parents of dependent undergraduate students to borrow money to pay for the cost of education. The lender is the U.S. Department of Education (the Department) rather than a bank or other financial institution. Eligible parents may borrow annually up to the cost of attendance per student minus other financial aid. Financial need is not an eligibility requirement for this loan.

### Requirements:

The student must be enrolled as a degree seeking student, at least half-time (six credit hours) per semester.

- The borrower must be a parent of a dependent undergraduate student.
- The student must maintain Satisfactory Academic Progress as defined in the institution's catalog.
- PLUS Applicant must be the parent (biological, step-parent, or legal adoptive parent) of a dependent undergraduate student. PLUS applicant may be the custodial or non-custodial parent.
- Student and parent must both be either U.S. Citizens or eligible non-citizens.
- Neither student nor parent may be in default on a Federal loan or owe a repayment on a federal grant.
- A mandatory credit check is completed on the parent borrower.

### What happens after the application is completed?

- The information you provided on your application is forwarded electronically to the U.S. Department of Education Direct Loans Servicing Center for approval. Borrowers are subject to a credit check to determine credit-worthiness. **Parents with an adverse credit history, including being 90 days or more past due in the repayment of a debt, or those who defaulted or foreclosed on a loan, or filed bankruptcy in the past may be denied a PLUS loan.**
- If your loan is denied, you will be notified in writing by Direct Loans with the reason for the denial, and the name of the credit bureau from which the denial was obtained.
- If your loan is approved, you will be notified in writing by Direct Loans. **IMPORTANT:** you may have to complete the electronic Master Promissory Note (MPN) online. **Please note that the loan funds will not be disbursed to the student's school account until the MPN is completed.**

### When does the borrower begins to repay the Direct Parent Plus Loan?

You may choose to defer payments on your PLUS loan until six months after the date the student ceases to be enrolled at least half-time (6 credits). The Direct Loan Servicer will provide you with the option to pay the interest that accrues on the loan prior to the start of repayment, either monthly or quarterly, or capitalized quarterly.

Alternately, you may choose to begin repayment 60 days after the loan is fully disbursed; however, the interest that accrues from the first disbursement to the start of repayment will be capitalized.

### What are your options if the borrower is denied for the Direct Parent Plus Loan?

If your loan is denied due to adverse credit, the Direct Loan Servicing Center will send you documents for you to add an Endorser to your loan. If you choose not to use an Endorser, your student may be eligible to receive additional funds as a Federal Stafford Unsubsidized Loan. The additional Unsubsidized Loan amount available each year is \$4000 maximum for first and second year students (up to **56** credits earned) and \$5000 maximum for third and fourth year students (**87** or more credits earned). Promptly notify the Financial Aid office in writing informing us about your decision to use an endorser, or to request that the student be awarded the provisional unsubsidized loan.

You may also file an appeal with the Direct Loan Servicing Center if you are confident there is no basis for you to be denied the loan. They will explain to you what steps you need to take to get an override to the credit decision.

By signing below, I authorize the initiation of the mandatory credit review required for the Direct PLUS Loan. **I understand credit decisions are valid for 180 days.** I understand the disclosure of this information is voluntary; however, if not provided I cannot be considered for a Direct PLUS loan. I understand that this Pre-approval request is NOT A LOAN APPLICATION. In order to receive a PLUS Loan, I must complete the promissory note with my information and electronically sign the note. If I am approved for a Direct PLUS Loan, I will sign the note with my uniquely assigned PIN (this is the same PIN used to sign the FAFSA).

Parent/Borrower's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## Parent Plus Loan Consent to Obtain Credit Report

I consent to the U.S. Department of Education and its agents obtaining a report of my credit and using the information from that report in determining whether to make a Direct PLUS Loan to me. I understand that I will be notified in writing of the results of the credit check with respect to my loan application. The information below determines who will be the borrower of the loan. **This form must be completed in its entirety by the borrower.**

### Borrower's Information:

Parent/Borrower Full Name: \_\_\_\_\_  
Last Name First Name MI

Relationship to student: \_\_\_\_ Father \_\_\_\_ Mother \_\_\_\_ Stepfather \_\_\_\_ Stepmother \_\_\_\_ Endorser

Parent/Borrower SSN: \_\_\_\_\_ Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_

Parent/Borrower Address: \_\_\_\_\_  
Street City State Zip Code

Parent/Borrower Home Phone No: \_\_\_\_\_ Work Phone No: \_\_\_\_\_

Parent/Borrower Citizenship Status:  U.S. Citizen/National  Eligible Non-Citizen Alien #: \_\_\_\_\_

Parent/Borrower Driver License No: \_\_\_\_\_  
State Number

Parent/Borrower Employer: \_\_\_\_\_ No. of years: \_\_\_\_\_

Address: \_\_\_\_\_

### Loan Information:

Amount: \$ \_\_\_\_\_ Loan Period: from \_\_\_\_\_ to \_\_\_\_\_

### Student's Information:

Student's Full Name: \_\_\_\_\_  
Last Name: First Name MI

Student's SSN: \_\_\_\_\_ Student's DOB: \_\_\_\_/\_\_\_\_/\_\_\_\_

### Parent Plus Loan Credit Status Notification:

Please check one of the following options in the event that your credit is denied due to the result of the credit check

\_\_\_\_ Use Endorser \_\_\_\_ Appeal the decision (extenuating circumstances) \_\_\_\_ I will not pursue Plus Loan

By signing below, I authorize the initiation of the mandatory credit review required for the Parent PLUS Loan. I understand the disclosure of this information is voluntary; however, if not provided I cannot be considered for a Parent PLUS. I understand that this Pre-approval request is NOT A LOAN APPLICATION. In order to receive a PLUS Loan, I must complete the promissory note with my information and electronically sign the note. If I am approved for a Direct PLUS Loan, I will sign the note with my uniquely assigned PIN (this is the same PIN used to sign the FAFSA). If I am approved for a Direct PLUS Loan, I will sign the note electronically via the lender's website.

Parent/Borrower's Signature: \_\_\_\_\_ Date: \_\_\_\_\_