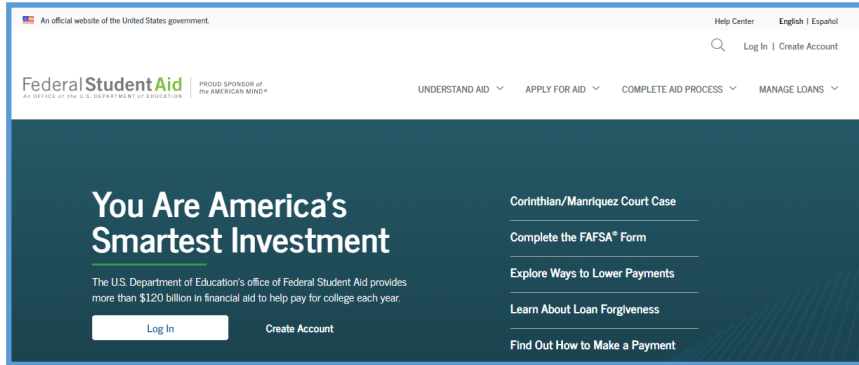


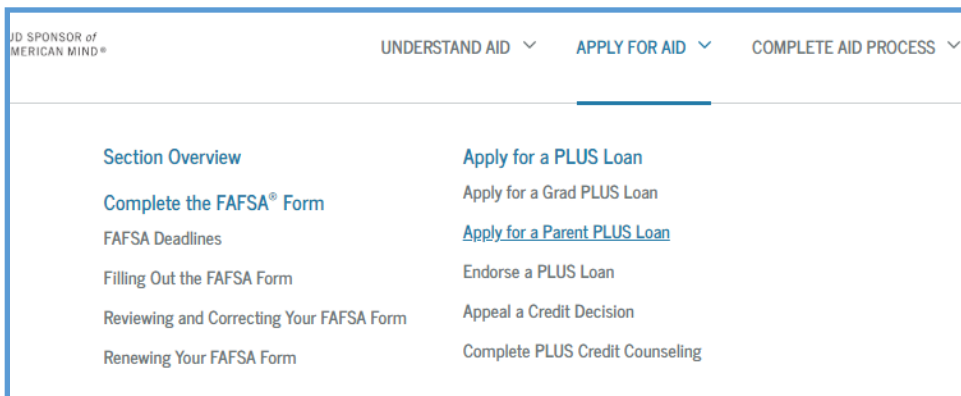


# Applying for a Federal Parent PLUS Loan



To begin, go to the U.S. Department of Education's federal aid website: [www.studentaid.gov](http://www.studentaid.gov).

The parent borrower must log into the site using the parent FSA ID and password that was used to sign the student's FAFSA. Read the warning and accept the terms of the site.



On the "Apply for Aid" menu, go to the second column "Apply for a PLUS Loan" and select the correct loan type.

- Parents of undergraduate students select Parent PLUS Loan.
- Graduate students select Grad PLUS Loan.

Once you complete the online application, you should receive immediate results of your credit check. If your PLUS is approved, you will be required to complete a PLUS Master Promissory Note (MPN), also available on this website. You will be notified if you are also required to complete PLUS counseling (see reverse side). If your PLUS loan application is declined, your student is eligible for additional unsubsidized Direct loan funds in the amount of \$4000 for the year (for a freshman or sophomore) or \$5000 for the year (for a junior or senior.)

# Direct PLUS Loan Process

A Direct PLUS Loan is a fixed-interest loan for parents to help pay for the cost of a dependent student's education. The lender is the U.S. Department of Education.

With Direct PLUS Loans:

- Parents borrow directly from the federal government and have a single contact—your loan servicer—for everything related to the repayment of your loan(s), even if you receive PLUS loans at different schools.
- Parents have online access to your Direct Loan account information via your servicer's website.

## Parent Eligibility Requirements For a Direct PLUS Loan

You must be the student's biological or adoptive parent or the student's stepparent, if the biological or adoptive parent has remarried at the time of application. Your child must be a dependent student who is enrolled at least half-time at a school that participates in the Direct Loan Program. For financial aid purposes, a student is considered "dependent" if he or she is under 24, unmarried, and has no legal dependents at the time the FAFSA is submitted. (Also considered "independent" are students who are veterans, wards of court, and other special circumstances.) If a student is considered dependent, then the income and the assets of the parent must be reported on the FAFSA.

## Additional Requirements to Receive a PLUS Loan

Parent PLUS loan borrowers cannot have an adverse credit history (a credit check is part of the application process). In addition, parents and their dependent child must be U.S. citizens or eligible noncitizens, must not be in default on any federal education loans or owe an overpayment on a federal education grant, and must meet other general eligibility requirements for the Federal Student Aid programs. You can find more information about these requirements in *Funding Education Beyond High School: The Guide to Federal Student Aid* available at: [www.studentaid.ed.gov](http://www.studentaid.ed.gov).

## Applying for a PLUS Loan and Completing a Master Promissory Note (MPN)

The application for the federal PLUS Loan is available online at [www.studentloans.gov](http://www.studentloans.gov). First-time borrowers of the PLUS loan must complete a Master Promissory Note (MPN), also available at [www.studentloans.gov](http://www.studentloans.gov). The MPN is the legal document in which you promise to repay your loan(s) and any accrued interest and fees to the Department of Education. It also explains the terms and conditions of your loan(s). If you are borrowing Direct PLUS Loans for more than one student, you'll need to complete a separate MPN for each loan. You will receive a federal loan disclosure statement that gives you specific information about any loan that the school plans to disburse under your MPN, including the loan amount and loan fees, and the expected loan disbursement dates and amounts.

## Credit Check and Endorser Alternative

To be eligible for a PLUS Loan, you must not have an adverse credit history. If you are found to have an adverse credit history, you may still borrow a PLUS Loan if you secure an endorser who does not have an adverse credit history. An endorser is someone who agrees to repay the Direct PLUS Loan if you do not repay the loan. The endorser may not be the student on whose behalf a parent obtains a Direct PLUS Loan. In some cases, you may also be able to obtain a Direct PLUS Loan if you document that there are extenuating circumstances related to your adverse credit history. Dependent students whose parents have applied for, but were unable to get a PLUS Loan, are eligible to receive additional Direct Unsubsidized Loan funds.

## PLUS Counseling

PLUS loan counseling can be completed at any time to help PLUS borrowers understand the costs and obligations that come with borrowing a PLUS loan. PLUS counseling is REQUIRED for parent borrowers who secure an endorser for their federal PLUS loan or who have been approved after making an appeal for extenuating circumstances related to adverse credit history.

## Loan Limits, Interest Rate, and Loan Charges

There are no set limits for Direct PLUS Loans, but you may not borrow more than the cost of your child's education minus any other financial aid received, such as a Direct Subsidized or Unsubsidized Loan.

For information on interest rates for Direct PLUS Loans, contact the Direct Loan Servicing Center.

In addition to interest, you pay a loan origination fee that is a percentage of the principal amount of each Direct PLUS Loan that you receive. This fee helps reduce the cost of making these low-interest loans. The fee is deducted before you receive any loan money, so the loan amount you actually receive will be less than the amount you have to repay.