

Federal Parent Loan

PLUS

For Undergraduate Students

William D. Ford Federal Direct Loan Program

Why is there a Federal Direct Parent Loan (PLUS) on my award letter?

The first step of assembling a student's financial aid package is to determine eligibility for federal, state, and institutional funding. Once that was done, the PLUS loan was added to make you aware of additional federal loan funding for your family.

How did you determine the amount of the PLUS loan?

An estimate was made that would cover your tuition, fees, books and on campus housing for residents. If you have funds available to cover some of these costs, you may want to reduce the amount of the PLUS loan. If you need additional loan funding, there is some flexibility to increase the PLUS loan to cover education-related expenses such as uniforms, supplies, transportation, etc. Since these are **loan** funds, we recommend serious consideration be given before using or increasing the PLUS loan.

Who is the borrower on a PLUS loan?

A credit-worthy parent is the borrower. In certain instances, a stepparent can be the borrower.

How is this different from a federal student loan?

First of all, the borrower is a parent—not the student. The parent borrower has the option repayment beginning 60 days after the loan is fully disbursed OR deferring payment until the student drops below six credit hours for a period of at least six months. Interest accrues beginning with disbursement at a rate of 7.9%; the origination fee is four percent with a 1.5% up-front rebate.

Are there other ways to pay a balance not covered by my financial aid?

Yes. The least expensive way is to establish a payment plan through AccessMaryville—your online account access. There is five-month payment plan which divides fall charges minus aid into five equal payments beginning July 15. The charge is \$35 per semester. There is no

interest on the outstanding balance. Late payments may incur late fees.

Are there any other loans I can take?

There are alternative loans for students. They are in the student's name and require a favorable credit history. The federal government does not regulate them; therefore, they can charge different interest rates, different origination fees, and varying repayment terms. These loans are typically more expensive than a PLUS loan. Most defer repayment until you leave school. Interest **does** accumulate while you are in school. You apply for these loans directly with the lender. For additional information visit:

www.ELMSelect.com

What if I don't want the PLUS loan?

To decline the PLUS loan, you need to reject it online. It does not impact any of your other financial aid; however, a change in other aid can impact the amount of the PLUS loan available.

What if my parent wants to apply for the PLUS loan?

To begin the process, one parent completes the PLUS loan questionnaire. It is returned to Student Service Center once you have accepted the PLUS funding online. The PLUS loan will be originated with Department of Education (DOE). DOE will conduct a credit check and notify the Student Service Center and parent borrower if the loan is approved or denied. The PLUS loan can be divided into two loans if it is necessary for families to have a loan for each parent; however, **there cannot be joint borrowers** on a PLUS loan.

Repayment Estimates

Loan Amount	Payment Estimate*
\$ 5,000	\$ 61
\$10,000	\$121
\$12,500	\$151
\$15,000	\$182
\$17,500	\$212
\$20,000	\$242
\$25,000	\$302
\$30,000	\$363

*Estimates based on 120 on-time, monthly payments.

For additional information contact:

Student Service Center
314-529-9360

Direct Loan Borrower Services
www.dlservicer.ed.gov
800-848-0979

2009-2010
PLUS Questionnaire

Please Print all Information

Student Name: _____

Student Social Security Number: _____

Parent Borrower Information

Provide information for one parent borrower only.

Parent Borrower Name: _____

List only one borrower.

Social Security Number: _____

Address: _____

City/State/ZIP: _____

Phone Number: _____

Area Code

Parent E-mail Address: _____

Date of Birth: _____

Driver's License Number: _____

Issuing State

Number

Check One: US Citizen/National
 Permanent Resident
 Eligible Alien, Alien Number: _____
 None of the Above

Are you currently in default on a federal education loan, or do you owe a refund on federal student grant:

No
 Yes

REQUESTED LOAN AMOUNT: \$ _____

To avoid delays in processing, please make sure this amount matches the Parent Direct Loan amount on the Notice of Financial Aid Award.

PARENT SIGNATURE: _____

STUDENT SIGNATURE: _____