



## IMPORTANT INFORMATION ABOUT THE PARENT LOAN PROCESS

The Federal Direct Parent Loan for Undergraduate Students (PLUS) is offered by The U.S. Department of Education. When this request for a PLUS Loan and Consent to Obtain a Credit Report is received by the Financial Aid Office, the application will be checked for completeness and accuracy and the data entered into our system. Parent and student information is sent to the U.S. Department of Education's Common Origination and Disbursement Center (COD) where a match of all parent information and a credit check are performed to determine if the loan is approved.

If the credit is not approved you may choose to seek a cosigner or to cancel the loan and request a Federal Direct Unsubsidized Stafford Loan for the student. The maximum amount of the Unsubsidized Stafford loan is \$4000.

If a credit balance is generated as the result of a parent loan, the refund is sent to the parent. If the parent prefers that the refund go to the student, the parent must make this request to the Office of Student Financial Assistance in writing.

### GENERAL ELIGIBILITY FOR A PLUS LOAN

- The student must be matriculated, enrolled at least half-time and making academic progress for federal aid
- The loan may be in the name of either parent or a stepparent. The parent borrowing the loan must be a U.S. Citizen or eligible non-citizen
- The parent or stepparent may seek an endorser (cosigner) if their credit is denied.
- The student must be a dependent undergraduate and a U.S. Citizen or eligible non-citizen

You may borrow any amount up to the cost of your child's education, minus any other financial aid he or she may receive. A loan origination fee is added to the amount requested.

The interest rate is fixed and is adjusted each year on July 1<sup>st</sup>. It will never be higher than 9%. The rate as of July 1, 2016 is 6.31%.

### WHEN TO APPLY

You apply for a Direct PLUS loan each academic year. Allow plenty of time for your application to be reviewed and processed by Meredith Manor and the U.S. Department of Education. Processing time varies. We recommend that you begin the application process 4 – 6 weeks prior to any payment date. You can apply for a PLUS loan after school begins, but requests must be initiated 30 days prior to the close of the academic year for which the loan is requested.

### DISBURSMENTS

U. S. Department of Education regulations state that federal aid may be disbursed no earlier than 10 days before the start of the academic year for which the aid is awarded. In addition, PLUS loans must be disbursed in at least two disbursements. The second disbursement may not be earlier than half way through the academic year.

### REPAYMENT

You will begin repaying your PLUS loan 60 days after the full amount you have borrowed for a school year has been disbursed. In some circumstances you can postpone repaying the loan. You must contact Borrower Services at 1-800 848 0979 for information.

### ADDITIONAL INFORMATION

Extensive information about the PLUS loan program is available on the Federal Student Aid web site at <http://studentaid.ed.gov>. On the menu select "Federal Student Aid Programs" then "Plus Loans (Parent Loans)".