Instructions for Applying for a Direct PLUS Loan

The Direct PLUS Loan is a federal loan option available to parents to help cover a gap between their dependent student's expenses for college and financial aid. The PLUS Loan is a federal loan in the parent's (not student's) name, and therefore <u>the parent is required to apply for the loan</u> and complete all the necessary loan steps. Please note: Completing the application does not obligate the parent to take out the loan. The application can be completed as a credit check. See "What Happens Next" for more details.

What do I Need?

Before starting the application for a PLUS loan, the parent will need to gather the following information:

- Parent FSA ID
- Social Security Numbers for both student and parent
- Parent Driver's License number (or other state identification)
- Parent employer information (name and address)
- Two personal references (names and addresses; **NOTE:** references must have different addresses)

How do I Apply?

1. Parent should use the white Log **In** button to log in to www.studentaid.gov using their parent FSA ID. The FSA ID is required to apply for and sign the Parent PLUS Loan. If you previously created an FSA ID, click "Log In". If not, select "Create Account" to create an account.

2. Once logged in, Click "Parent".

3. Click "Apply for a Parent PLUS Loan"

4. Under "Direct PLUS Loan Application for Parents", Scroll to the bottom of the page and click "START"

How do I Apply, cont.

5. There are four steps for parents to complete. All steps must be completed by the parent to finalize the application.

Step 1 requires the appropriate school year and the student's information. Pay special attention to the <u>Request for Deferment</u> section. Selecting "yes" to deferment options means that you are not required to make payments on the loan until your student graduates. **NOTE:** Any refund issued because of a Parent PLUS Loan will be issued directly to the **Parent** (not student), regardless of your selection on the application.

In <u>Loan Amount Requested,</u> we recommend that parents request the dollar amount listed on their student's Award Letter, though you may request more or less. **NOTE: Borrowing the maximum will result in a significant refund, which accrues interest immediately.**

In the <u>Loan Period</u> section, we recommend that parents choose the full school year. This divides the loan amount equally between terms and ensure that balances are covered for the year. **NOTE:** Loan amounts requested **must** match the loan period. A fall balance will not cover if the loan is going to split between semesters.

Step 2 requires the borrower's (i.e. parent's) information. Be sure to fill out all information and check the appropriate box (es) related to any defaulted loans, your permanent address, and employment information.

Step 3 requires you (the parent) to review your application. To prevent delays in receiving or processing your application, the information on your application must be accurate.

Step 4 requires you to review the important notices related to your application before you can continue. You must read and agree to the notices by checking all the boxes.

What Happens Next?

After completing the PLUS application, a confirmation displays indicating that you have successfully submitted a Direct PLUS application and whether the loan was approved or denied. If the loan is approved and you want to borrow the PLUS Loan, you must complete a Master Promissory Note, which is your promise to repay the loan. Clicking "Complete a Master Promissory Note for a Parent PLUS Loan".

1. Under "PLUS MPN for Parents", Scroll to the bottom and click "START"

2. There are four sections of the MPN: the borrower's (parent's) information, references, review terms and conditions, and then review and sign your MPN. **NOTE:** References are **not** obligated to pay back your loan in case of default.

3. If the loan is denied, your student may be eligible for additional student loan funding. Please contact our office to discuss your options and request the necessary forms.