



**PLUS PROCESS**

To assist you in paying the costs of your child’s college experience, you have the option of applying for a Parent Loan for Undergraduate Students (PLUS). This is a Federal Direct, government-sponsored loan for parents of dependent undergraduate students. Parents must complete the pre-approval online **EACH YEAR** to receive the PLUS and may apply for any amount up to the cost of attendance minus the student’s financial aid. Each applicant is subject to a credit check in order to qualify for the loan. If your credit is denied the PLUS amount listed on the award letter will automatically turn into a Federal Direct Unsubsidized Stafford Loan for the student, which can be accepted or declined by the student.

- Interest Rate:** This is a fixed rate loan up to 6.41%. There is a .25% interest rate reduction for borrowers who elect automatic debit of monthly payments.
- Fees:** PLUS loans are subject to a fee of 4.292%. Fees are deducted from the loan proceeds at the time funds are disbursed.
- Disbursement:** PLUS loans are sent directly to the school in two equal disbursements. Disbursements are normally made at the beginning of each term.
- Repayment:** Repayment of your PLUS loan begins no later than 60 days after your loan has been fully disbursed. Most parents borrow for two terms and repayment begins after the second disbursement. The maximum repayment period is 10 years. The minimum monthly payment on principal and interest is \$50. There is no penalty for early repayment.
- Forbearance:** You may defer payment of your PLUS loan while your child is in school. This enables you to postpone payments. Forbearance is available upon request. Contact the Direct Loan Servicing Center at 800.848.0979 or download forms at [studentloans.gov](http://studentloans.gov).
- Credit Check:** A credit check is required for the PLUS loan. To complete this process go to [studentloans.gov](http://studentloans.gov), log in, click on ‘Request a Direct PLUS Loan’, and then choose “Parent PLUS.”

**To Start the Loan Process:**

1. Go to [studentloans.gov](http://studentloans.gov).
2. Click on green ‘Sign In’ button.
3. Sign in with your information as the parent, not the student’s information.
4. Click on ‘Request Direct PLUS Loan’ link.
5. Select ‘Parent PLUS’ at the bottom of the screen, complete the application.

To determine the amount needed follow the steps below.

- To estimate your costs, you may use the average yearly cost of \$28,510 OR refer to the cost worksheet to calculate a more personalized estimate.
  - Subtract the total amount listed on the Award Letter. (Note: exclude the Direct PLUS loan amount.)
  - Subtract additional resources that you are aware of not listed on the Award Letter, i.e. high school scholarships, etc.
  - Add in the cost of books estimated at \$350 a semester if you want them covered by your loan.
  - Multiply this number by 104.49% (4.292% loan fees) = This is the Amount Requested
6. **Submit.** *If the credit decision is approved and you wish to continue with the loan process, complete a PLUS MPN from the first menu.*

If you are applying for a PLUS loan for more than one student, an online pre-approval and amount request form must be completed for each student, each year.