

# Parent PLUS Loan

Federal Direct Parent PLUS Loans are offered through the U.S. Department of Education to assist the parents of a dependent student in supporting educational expenses. To be eligible, the parent borrower must not be in default on any federal education loans and must be a U.S. citizen or eligible non-citizen.

## **What happens if the Parent PLUS loan is accepted?**

If the loan is approved, you will need to let us know if you want the loan. If you do want the loan, you will need to let your student's financial counselor know the amount you want to receive (cannot exceed PUC's cost of attendance minus the student's financial aid) and we will add it to the student's financial package.

## **What happens if the Parent PLUS loan is denied?**

If the loan is denied, the student is eligible to receive an additional Federal Direct Unsubsidized loan. Freshman and Sophomore students are eligible to receive an additional \$4,000. Junior and Senior students are eligible to receive an additional \$5,000. The fixed annual interest rate is 6.8%.

## **How much can a parent borrow?**

The annual limit on a PLUS Loan is equal to the student's cost of attendance minus any other financial aid the student receives.

## **What's the interest rate?**

The interest is fixed at 7.9%. Interest is charged from the date of the first disbursement until the loan is paid in full.

## **How is the loan money paid?**

ED will send the loan funds to PUC. We will use the loan money first to pay the student's tuition, fees, room and board, and other school charges. If any loan funds remain, the parent will receive the amount as a check unless we are authorized to give the money to the student or keep it in the student's account.

## **When does the parent begin repaying the loan?**

The repayment period for a Direct PLUS Loan begins at the time the PLUS loan is fully disbursed, and the first payment is due within 60 days after the final disbursement. You may defer repayment while your student is enrolled at least half-time, and for six months after the student ceases to be enrolled at least half-time. A parent borrower who is also a student may defer repayment while he/she is enrolled at least half-time.

## **Instructions**

- 1. Request your Department of Education Parent PIN**, if you do not have one. Please note that the Parent PIN is not the same as the Student PIN. The Parent PIN acts as the electronic signature for the FAFSA and the Electronic Master Promissory Note. You may obtain your PIN at <http://www.pin.ed.gov> or by calling (1-800-433-3243).
- 2. Apply for a Parent PLUS loan.**
  - Go to [www.studentloans.gov](http://www.studentloans.gov) and click on the green "Sign In" button.
  - Enter the **parent's** social security number, first two characters of the **parent's** last name, **parent's** date of birth, and **Parent** PIN (see #1).
  - Once you are signed in to the site, click on the option that says "Request Direct PLUS Loan" and then select the Parent PLUS loan type.
  - Fill out all of the parent, student and loan information requested in the application.
  - You will be asked to review all information and verify that it is correct and then you will be asked to certify that the information you provided is accurate and that you authorize the Department of Education to check your credit history.
- 3. Check to see whether your PLUS application was accepted or denied.** As soon as you have submitted your application, the website will indicate whether your application was approved or denied. You will also be notified of the credit check decision via e-mail. If your application was accepted and you want to pursue a Parent PLUS loan, please complete the Direct Parent PLUS Master Promissory Note (MPN) on [www.studentloans.gov](http://www.studentloans.gov). If your application was accepted and you were looking to have it denied, please contact your child's financial counselor.