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​​**2020-21 Federal Direct Parent PLUS Loan Processing**

* The borrower is the **parent**; a credit-worthy endorser (or cosigner) is sometimes required
* U.S. Department of Education is the lender
* The student for whom the loan is borrowed must be enrolled in at least 6 credits and meeting Satisfactory Academic Progress to be eligible
* For PLUS loans disbursed on or after 7/1/20 and before 6/30/21, the interest is fixed at **5.3%;** this rate is fixed for the life of the loan
* For PLUS loans disbursed on or after 10/1/20 there is an origination fee of 4.228%
* Maximum amount is the cost of attendance (determined by the school) minus all other financial aid
* Credit approval expires after 180 days; there will be an inquiry on your credit each time you apply, so you are encouraged to apply once to cover the entire year (fall and spring terms)
* Repayment begins once the loan has been fully disbursed, but a deferment may be requested while your child is enrolled at least half-time (6+ credits)
* Several repayment options; generally 10-25 years depending on the plan selected

**Application Process**

* Ensure the 2019-21FAFSA has been completed via *fafsa.ed.gov*
* Parent will log in [HERE](https://studentaid.gov/app/launchPLUS.action?plusType=parentPlus) using his/her FSA ID, select Request Direct PLUS Loan🡪Parent PLUS
* If credit approved, complete the PLUS Master Promissory Note (MPN) for PLUS loans for undergraduate students [HERE](https://studentaid.gov/mpn/parentplus/landing)
* If credit denied, there are two options
	+ 1) The **student** qualifies for up to an additional $4,000 in the Federal Direct Unsubsidized Loans and should contact the Financial Aid Office
	+ 2) Parent can continue to pursue the loan by adding a credit-worthy endorser, who acts as a cosigner; that person’s credit is run for approval

**Once an approved PLUS loan application is received a PLUS loan authorization form will be mailed to the parent. This form must be returned to the college before the loan may be fully processed.**

The Student Accounts Office will notify the family **in writing** that the loan has been disbursed to the student’s account, provide an opportunity to refuse all or part of the loan, and provide a date on which a refund (if applicable) will be available. If you elect to have the borrower receive a refund, a check will be mailed to the address provided on the Parent PLUS application. Account information, including balance/credit information, can also be viewed in the Student Accounts section of the student’s Self Service Banner account.