



## Federal Direct Parent PLUS Loan Application Process

### **IMPORTANT INFORMATION ABOUT THE PARENT PLUS LOAN**

#### **Who can borrow a Federal Direct Parent PLUS Loan?**

The Federal Direct Parent PLUS Loan is a loan which can be borrowed by the biological mother or father, custodial stepparent, (if stepparent's information was reported on the FAFSA), or adoptive parent of a dependent undergraduate student.

#### **Credit Checks**

In order to borrow a Federal Direct Parent PLUS Loan, you must pass a credit check. The credit check is performed during the online application process, and Lourdes FAO will receive an electronic notification of the credit check results. If you have questions about the outcome of the credit check, contact the U.S. Department of Education at 1-800-557-7394. See **Step 7** below for information about credit checks which are denied.

#### **Interest Rates**

The Parent PLUS Loan interest rate is currently 7.08%. Interest begins to accrue at the time of each loan disbursement.

#### **Loan Fees**

There is a 4.236% origination fee charged by the U.S. Department of Education for processing the Parent PLUS Loan.

#### **Student Eligibility**

Before any Parent PLUS Loan funds can be disbursed, the student must be:

- Enrolled at least half-time (6 credit hours)
- Enrolled in a degree-seeking program
- Maintaining satisfactory academic progress

#### **Disbursements**

Funds are deposited directly to the student's account. A positive credit check and completed MPN must be received before any funds can be disbursed to the student's account. Any credit resulting from the Parent PLUS Loan will be mailed to the parent address listed on Federal Direct Parent PLUS Loan Online Application, unless parents indicate they want the credit paid to the student.

#### **Repayments**

Repayment on a Parent PLUS Loan begins 60 days after the final disbursement of the loan, (see "Deferment" below), and will continue while the student is enrolled in school. You may choose from different repayment plans, contact Borrower Services at the Federal Direct Loan Servicing Center at 1-800-848-0979 to set up your repayment plan.

#### **Deferment**

A parent can choose to defer payments on the PLUS loan if the student is attending at least half-time. Parents must request the deferment by completing the deferment form, which can be found online at <http://www.lourdes.edu/costs-financial-aid/> under 'Financial Aid - Applying for Aid' and "Forms and Links."

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### STEPS TO APPLY FOR A FEDERAL DIRECT PARENT PLUS LOAN:

You must complete:

- **The Online PLUS Application** (see details below)
- **Master Promissory Note (MPN)** – if you have not completed a PLUS MPN in a previous aid year

**\*\*The Parent PLUS loan will be available March 2020 for the 2020-2021 aid year\*\***

**If you have difficulty completing the PLUS Loan Application, please contact the Lourdes FAO.**

#### Online PLUS Application:

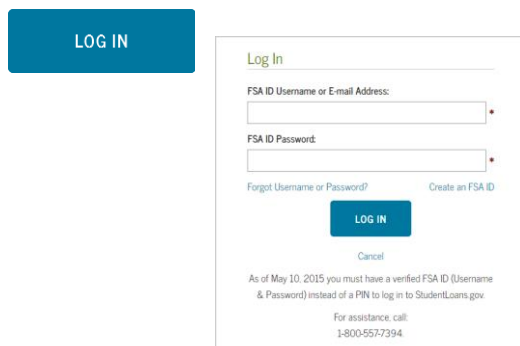
**Step 1:** Student must submit the Free Application for Federal Student Aid (FAFSA).

**Step 2:** The student must accept the Federal Direct Parent PLUS Loan on his/her award.

- **New Students:** Return your award letter to the Financial Aid Office in the postage paid envelope included. You can also accept your aid on your Web for Students account if you are registered for classes.
- **Continuing Students:** Accept the Parent PLUS Loan on your Web Self-Service account, accessible through the Lourdes portal.

**Step 3:** The parent borrower must complete the online PLUS Loan Application. Go to [www.studentloans.gov](http://www.studentloans.gov).

Click on the button.



**Step 4:** Sign into the site. Make sure the parent borrower signs in using the parent information, NOT the student's information. If the parent did not sign the student's FAFSA, he or she will need to apply for an FSA ID at [www.FSAID.ed.gov](http://www.FSAID.ed.gov).

**Step 5:** In the middle of the page, select the option to “Apply for a Direct PLUS Loan”

**Step 6:** You will need to select the loan type – “Parent PLUS.”

Direct PLUS Loan Application for Parents  
William D. Ford Federal Direct Loan Program  
Federal Direct PLUS Loan Request for Supplemental Information

Parents must be logged in using their own FSA ID.

START

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**Step 7:** Follow the steps to complete the online application and credit check. There is a menu at the top of the page to show you which step you are completing. Make sure to complete all 4 steps and submit the application.

Some helpful information as you complete the application:

- Please NOTE: **Borrower Information** – enter parent information for the parent who intends to borrow the PLUS Loan – do NOT enter the student information in the “Borrower Section.”
- You must be a U.S. Citizen, Permanent Resident, or Other Eligible Non-Citizen to apply for the Federal Direct Parent PLUS Loan.
- You must certify that you are not in default on a Direct (federal student), FFEL, or Perkins loan.
- **Select Award Year** – select 2
- **Request for Deferment While Student is in School:** You can indicate on the application whether you wish to defer (postpone) payment on the Federal Direct PLUS Loan while your child is enrolled at least 6 credit hours.
- **Credit Balance Option:** You can decide if you want a credit balance, (any amount that remains after all charges have been paid to the school), paid to you or to your student.
- **School and Loan Information:** Select “Ohio” and “**Lourdes University**”
  - You can select to borrow the maximum amount for which you are eligible, (this may be **MORE** loan money than is needed to cover your child’s balance), or
  - **Enter Loan Amount Requested:** Indicate the amount of the PLUS loan that you want to request. The amount can also cover expenses beyond tuition, such as room, board, transportation, etc. The parent can also borrow less than the offered amount.
  - **Loan Period:**
    - **Loan to cover Fall and Spring semesters:** Start Date: August 2020 and End Date: May 2021
    - **Loan to cover Summer Semester:** Start Date: May 2020 and End Date: July 2020
    - **Loan to cover Fall Semester:** Start Date: August 2020 and End Date: December 2020
    - **Loan to cover Spring Semester:** Start Date: January 2021 and End Date: May 2021

**Step 8: Credit Check & Submit** – The results of your credit check will be available immediately. Lourdes FAO will receive an electronic notification of the credit check results.



- If your credit is **approved**, you must complete the **Parent PLUS Loan Master Promissory Note**, if you have not already completed one in a previous aid year. This is also completed at [www.studentloans.gov](http://www.studentloans.gov).
- If your credit is **denied**, you will have the option to obtain an endorser, or appeal the credit decision at 1-800-557-7394. If you do not wish to appeal or obtain an endorser, your son/daughter may request additional Federal Direct Unsubsidized loan funds.