

FEDERAL DIRECT PARENT PLUS LOAN

The Federal Direct Parent PLUS Loan is a low-interest loan program that enables parents of dependent undergraduate students to borrow directly from the Federal Government to help pay for the student's educational expenses.

Features of the Parent PLUS Loan:

- The borrowing parent is required to pass a credit check.
- The interest rate is currently fixed at 7.90%.
- Allows borrowing up to the cost of education minus other financial aid received.
- There is a 4.00% origination fee with a 1.50% direct up-front rebate. (Before estimating your payment amount, subtract a net fee of 2.50% from the loan amount for the term to estimate loan credit on bill.)
- A deferment may be requested while the student is enrolled at least half-time in an eligible program. Otherwise, repayment begins within 60 days after the loan is fully disbursed.
- If approved without an endorser, the borrower signs a Master Promissory Note (MPN) that is valid for ten years and for all future credit-approved PLUS loans for the same borrower.

Parent PLUS loan offers a variety of repayment plan options:

- The Standard Repayment Plan allows repayment of your loans within 10 years with a fixed monthly payment.
- The Graduated Repayment Plan allows you to start with lower monthly payments at first, and then gradually increases your payments until your loan is fully repaid in ten years.
- The Extended Repayment Plan allows you to repay your loan over a period not to exceed 25 years. There are eligibility requirements for the Extended Repayment Plan.

Examples of each repayment plan are given below:

Initial debt when you enter repayment	Standard Repayment Plan		Graduated Repayment Plan		Extended Repayment Plan (fixed)	
	Monthly Payment	Total Repaid	Monthly Payment	Total Repaid	Monthly Payment	Total Repaid
\$10,000	\$121	\$14,496	\$84	\$15,388	Not Available	Not Available
\$25,000	\$302	\$36,240	\$211	\$38,470	Not Available	Not Available
\$50,000	\$604	\$72,480	\$422	\$76,941	\$383	\$114,780

For additional information, visit the Federal Direct Student Loan website at: <https://studentloans.gov/>

To Apply for a Federal Direct Parent PLUS Loan:

1. In order to receive a Federal Direct Parent PLUS Loan, the student must have a completed 2011-12 Free Application for Federal Student Aid (FAFSA). If student has not already completed the FAFSA, please visit www.fafsa.ed.gov/
2. Complete the Federal Direct Parent PLUS Loan Pre-Application Form on the reverse side and mail it to the address below or fax it to (508) 999-8935. When applying for a Parent PLUS loan, you should apply for the loan for the **entire academic year** to meet the financial obligation to the University.
3. If credit check is approved and you have not previously signed a PLUS Master Promissory Note (MPN), the parent who submitted PLUS pre-application must sign a PLUS MPN at: <https://studentloans.gov/> Please select the link "Complete MPN" under Master Promissory Note and select the Parent PLUS option. Parent PLUS Loan applicant will need a Federal PIN to electronically sign the PLUS MPN. If parent does not have a PIN, parent may request one at the website listed above.
4. Once the completed PLUS MPN is received, the approved loan amount minus the origination fee is disbursed directly to the student's university account at the scheduled time.
5. If credit check is denied, you may provide an endorser to have the loan approved **OR** the student may borrow additional Federal Unsubsidized Loan up to the annual established limits: Freshmen/Sophomores up to \$4,000; Juniors/Seniors up to \$5,000. An Unsubsidized Loan accrues interest while the student is in school.

For more information on financial aid and financing options, please visit our web site at:
<http://www.umassd.edu/financialaid>

