

Parent PLUS Loan Information and Application Form

Information about the Federal Direct Parent PLUS Loan:

The Federal Direct Parent PLUS Loan is a low-interest, credit based 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. A parent can borrow up to the cost of attendance minus other financial aid received. Before applying for a Parent PLUS Loan you must file the 2023-2024 Student FAFSA

Interest Rate, Fees and Credit Requirements:

- ♦ The interest rate is currently fixed at 8.05%*, with an origination fee of 4.228%*, deducted from the loan before disbursement.
 * Interest rate and origination fee are subject to change.
- ♦ The parent borrower is required to pass a credit check.
- ♦ If credit is approved, the borrower must complete a Loan Agreement for PLUS Loan (MPN) at studentaid.gov, which is valid for 10 years and for all future approved PLUS loans for the same borrower.
- ♦ If credit is denied, the loan can be approved with an Endorser**, or student can receive a limited amount of additional unsubsidized loan funds.

Note: **Loan Agreement (MPN) for loans approved with an Endorser are only valid for that single loan.

Repayment and Deferments:

- ♦ Repayment of Parent PLUS loans begins 60 days after the loan is fully disbursed.
- ♦ The Parent PLUS loans offer a variety of repayment options:
 - ♦ **The Standard Repayment Plan** allows repayment of your loans in 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.
- ♦ A deferment may be requested with the loan servicer, while the student is enrolled at least half-time in an eligible program.
- ♦ You will be assigned to one of the Federal Loan Services to repay your PLUS loan.

Examples of each plan are given below:

Initial debt when you enter repayment	Standard Repayment Plan		Graduated Repayment Plan		Extended Repayment Plan	
	Monthly Payment	Total Repaid	Monthly Payment	Total Repaid	Monthly Payment	Total Repaid
\$10,000	\$119	\$14,307	\$69-\$208	\$15,529	Not Available	Not Available
\$50,000	\$596	\$71,535	\$347-\$1,041	\$77,656	\$373	\$111,826
\$70,000	\$835	\$100,148	\$486-\$1,457	\$108,703	\$522	\$156,557

For additional information on repayment plans or to request a deferment, please contact your assigned loan servicer or visit studentaid.gov.

RESULTS OF CREDIT CHECK:

If credit is approved, and you have not previously signed a Master Promissory Note for a Parent PLUS Loan for this student, use your FSA ID to complete the promissory note on online at studentaid.gov:

- ♦ Click on the "Parent" tab and choose "**Complete a Master Promissory Note for a Parent PLUS Loan**".
- ♦ Login with your FSA ID and password- if you do not have one, you will be instructed how to create one on the site.
- ♦ Make sure to use the correct Parent borrower and student information.
- ♦ Once the Parent Borrower successfully completes the promissory note and it is accepted, an electronic notification is sent to the school.
- ♦ After the school receives the electronic notification of acceptance for the Master Promissory Note, the semester loan amount minus the origination fee is disbursed to the student's University account, at the scheduled time.

If credit is denied, the Parent Borrower receives notification from Direct Loan Servicing Center, with the loan denial reason and the reporting credit bureau. This notification includes information on how to:

- ♦ Appeal the credit decision and/or provide an Endorser to get the loan approved at studentaid.gov.
- ♦ Borrower also receives notification of credit denial from UMass Financial Aid Services, including a **PLUS Denial Follow-Up Form**, with the option for the student to receive an additional unsubsidized loan, or to let us know if you will be appealing the credit decision or using an Endorser.
- ♦ To receive the additional unsubsidized loan, please submit the completed **PLUS Denial Follow-up Form** to Financial Aid Services. The student may be eligible to receive additional unsubsidized loans 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.

TO APPLY FOR A FEDERAL DIRECT PARENT PLUS LOAN:

Complete the Application form below and fax it to (413) 545-1700. Remember to include the origination fees in the requested amount.

For detailed information on the Parent PLUS loan, please visit studentaid.gov.

