

Federal Direct Parent PLUS Loan Information & Pre-Application Form 2011-2012

Information on the Federal Direct Parent PLUS Loan:

A 2011-2012 FAFSA must be filed to apply for a 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 borrower 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 the loan credit on your 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, the borrower signs a Master Promissory Note (MPN) which is valid for ten years and for all future approved PLUS loans for the same borrower.
- If approved with an Endorser, the borrower signs a Master Promissory Note (MPN) that is only valid for that loan.

A Parent PLUS loan offers 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.

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	121	14,496	84	15,388	Not Available	Not Available
\$50,000	604	72,480	422	76,942	383	114,781
\$70,000	846	101,472	591	107,718	536	160,693

For additional information regarding repayment plans or to request a deferment, please contact the Direct Loan Servicing Center at 1-800- 848-0979 or visit their website at: www.dl.ed.gov.

To Apply for a Federal Direct Parent PLUS Loan:

Complete the Pre-Application form below and fax it to (413) 545-1700. When applying for a Parent PLUS loan, consider borrowing for the entire academic year (fall and spring term) to meet your financial obligation to the University.

Results of Credit Check:

If credit is approved, and you have not previously signed a Master Promissory Note (MPN), then you must sign one so the loan can be disbursed.

- Complete and sign the MPN online at: www.studentloans.gov. **Sign in** and choose **"Complete Master Promissory Note"**.
- Make sure to select the Parent PLUS Loan Master Promissory Note.
- You will need a Federal PIN number to sign the MPN online. You can request one at the website listed above.
- After the completed promissory note is accepted, the approved loan amount minus the origination fee is disbursed directly to the student's University account at the scheduled time.

If credit is denied, you will be sent information from Direct Loan Servicing Center to appeal and or provide an endorser to get the loan approved. If you decide not to appeal or provide an endorser the student may be eligible to borrow 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 receive the additional unsubsidized loan, the parent borrower must return an authorization form to Financial Aid Services stating he/she will not appeal the denied credit decision. For detailed Parent PLUS loan Information Please visit www.direct.ed.gov/parent.html.

Federal Direct Parent PLUS Loan Pre-Application Form 2011-2012

A. STUDENT INFORMATION: *Please make sure you have filed a 2011-2012 FAFSA before applying for this loan.*

Student's Name: _____ **SPIRE ID#** _____
Last Name First Name MI

Social Security Number: _____ - _____ - _____ Date of Birth: _____ / _____ / _____
MM DD YY

Student's Email Address: _____ Cell Phone #: () _____ - _____

Year in School: 1st Yr Freshman 2nd Yr Sophomore 3rd Yr Junior 4th Yr Senior

Citizenship Status: US Citizen or National
 Permanent Resident or Eligible Non Citizen: A _____
DHS Alien Registration Number

Statement of Student's Registration Status

I certify that I am registered with Selective Service.
 I certify that I am not registered with Selective Service because:
 I am female. I have not reached my 18th birthday. I was born before 1960.
 I am in the armed services on active reserve duty (NOTE: does not apply to members of the Reserves and National Guard who are active).
 I am a member of the Federated States of Micronesia, or the Marshall Islands, or a permanent Resident of the Trust Territory of the Pacific Islands.

B. LOAN DATA:

Loan Amount Requested: \$ _____

I am requesting this loan for:

- Summer 2011** (May 2011 - August 2011) - Loan disbursed in one payment on or after July 1, 2011.
- Academic Year** (September 2011 - May 2012) – Loan is disbursed half for fall and half for spring.
- Fall 2011 Only** (September 2011 - December 2011) – Loan disbursed in one payment.
- Spring 2012 Only** (January 2012 - May 2012) – Loan disbursed in one payment.

C. PARENT BORROWER INFORMATION:

School Use ONLY - PS ID: _____

Last Name _____ **First Name** _____ **Middle initial** _____ **Soc.Sec. #:** _____ - _____ - _____

Date of Birth _____ / _____ / _____ **Gender:** Female Male
MM DD YY **Relationship to Student:** Mother Father Stepparent/Guardian

Citizenship Status: US Citizen or National Permanent Resident or Eligible Non Citizen: A _____
DHS Alien Registration Number

Permanent Address (include apt. #): _____

City _____ **State:** _____ **Zip:** _____ **Cell Phone #:** () _____

Email Address: _____ **Telephone #:** () _____

You will be notified via email of your approval or denial.

Statement of Default Status and Education Purpose

I certify that I do not owe a refund on any grant or loan, I am not in default on any loan or have made satisfactory progress to repay any defaulted loan, and have not borrowed in excess of the loan limits under Title IV programs at any institution. In addition, I certify that I will use any funds I receive from this application solely for expenses related to my attendance at the University of Massachusetts Amherst. By my signature, I authorize any plus loan amounts to be credited to the student's account and any excess funds to be issued to the student.

Student's signature

Date

PLUS Borrower's signature (parent/stepparent/guardian)

Date

Please FAX complete application to 413-545-1700



2012FPLSAP