



## Federal Direct PLUS Loan Information

**Dependent students:** Your child is considered to be a dependent student based on his/her FAFSA application. In order to determine your dependent student's maximum financial aid package, we must first determine if the parent is eligible to borrow a Direct PLUS loan. Direct PLUS loan approval decisions are credit based. The approval of a Direct PLUS loan does not require the parent to borrow. This is ONLY a pre-approval process.

**Graduate/Professional students:** If you wish to borrow the Direct PLUS loan, a credit review must be initiated to determine eligibility. Direct PLUS loan approval decisions are credit based. This is ONLY a pre-approval process.

### What is the Federal Direct PLUS Loan?

Federal Direct PLUS Loans are available to parents of dependent students, graduate or professional students who are attending at least Halftime (6 units). The parent or graduate student who meets the Direct PLUS Loan credit check may borrow up to the total annual cost of attendance less any other aid or scholarships received by the student.

Only a parent of a dependent student may borrow the PARENT PLUS loan program. A "parent" is defined as the biological parent (custodial or non-custodial) or stepparent for the purposes of borrowing a Federal Direct PLUS Loan. A "parent" is not defined as a legal guardian, grandparent or another relative.

### What are the fees and interest rate for this loan?

Direct PLUS loan interest rates ranges from 7.9% to 8.5 %. Current information is available at [www.ed.gov/offices/OSFAP/DirectLoan/calc.html](http://www.ed.gov/offices/OSFAP/DirectLoan/calc.html). Direct PLUS borrowers may be charged as much as 4 percent of the loan amount in up-front fees. These fees are used to offset a portion of the taxpayer costs of administering the federal student loan program, to support loan default prevention efforts and to help cover the costs of loan defaults.

### Flexible Repayment Options

Direct PLUS borrowers have several repayment options. Standard terms are equal monthly installments of at least \$50 per month over a period of up to 10 years. Borrowers also may choose graduated repayment, under which the monthly installment gradually rises over the repayment period, or income-sensitive repayment, which ties the monthly loan payment to borrower income levels. Direct PLUS borrowers with more than \$30,000 in debt may qualify for an extended repayment term of up to 25 years. In addition, Direct PLUS loans may be bundled into a Federal Consolidation loan, allowing a borrower with multiple loans to make a single monthly payment, and in some cases, permitting reduced monthly loan payments by extending the repayment period up to 30 years.

### How do I apply for a Direct PLUS Loan?

After the student and/or parent have completed the FAFSA the student/parent can apply for a Direct PLUS loan by completing the Federal Direct Parent/Grad PLUS Credit Consent form attached. The completed form must be submitted to the Financial Aid Department. The information will be forwarded electronically to the Direct Loan Servicer for the approval process which includes passing a credit check.

### What are my options if I am denied a Direct PLUS Loan?

If a Direct PLUS Loan application is denied there are a few options available:

<p>The student/parent may contact Federal Direct Loan Applicant Service at (800) 557-7394 and either:</p> <ul style="list-style-type: none"> <li>• Request a review of credit check due to inaccurate information on the credit report.</li> <li>• Explain extenuating circumstances affecting the credit report.</li> <li>• Obtain an endorser. The endorser must pass a credit check.</li> </ul>	<p>or</p>	<p>The student may qualify for additional unsubsidized Federal Direct Stafford Loan.</p>
--	-----------	--

### When will repayment begin on the Direct PLUS Loan?

Repayment begins 60 days after the final disbursement. Parents may choose to defer payments until six months after the date the student for whom the loan is borrowed ceases to carry at least halftime enrollment (6 units). The parent must request this deferment by contacting the Direct Loan Servicer at (800)848-0979.

### How will my Direct PLUS Loan be disbursed?

The PLUS Loan will be disbursed in three equal installments, usually at the beginning of each quarter. Funds will disburse to the student's account. Any PLUS funds remaining after tuition, fees, etc. are paid will be given to the student or parent depending on whom you have specified on your Federal Direct Parent/Grad PLUS Loan Request Form.



## Federal Direct Parent / Graduate PLUS Loan Credit Review Consent Form

FAA Use: _____	Award Year: ____/____/____
Loan Period: 1. ____/____/____ - ____/____/____	Decision _____
Run by: _____	Date: ____/____/____
2. ____/____/____ - ____/____/____	_____
Run by: _____	Date: ____/____/____

Student Type:

- Dependent students       Graduate/Professional students

### Student Information

1. Social Security Number:    -   -

2. Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_

3. Last Name: \_\_\_\_\_ First Name: \_\_\_\_\_ Middle: \_\_\_\_\_

### Borrower/Parent Information

1. Social Security Number:    -   -

2. Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_

3. Last Name: \_\_\_\_\_ First Name: \_\_\_\_\_ Middle: \_\_\_\_\_

4. Permanent Address: \_\_\_\_\_  
Number and Street City/State/Zip Code

5. Home Phone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Cell Phone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

6. Citizenship Status:  U.S. Citizen     Permanent Resident - Alien #: \_\_\_\_\_  
 None - You must provide proof of your residency when submitting this form to the Financial Aid Department.

7. Relationship to Student (dependent student only):  Biological Father     Biological Mother     Step-Father     Step-Mother

### Authorization

\_\_\_\_ **Option 1 - I DECLINE** Humphreys University to initiate a credit review for the PLUS Loan. My dependent undergraduate student is limited to an additional **\$2,000 in the Unsubsidized** loan each award year, not exceeding the aggregate total of \$8,000.

\_\_\_\_ **Option 2 - I AUTHORIZE** Humphreys University to initiate my credit review for the PLUS Loan.

If approved, I **DO NOT** wish to be offered a PLUS Loan **OR**  If approved, I **WISH** to be offered a PLUS Loan

### Consent

- I understand I must complete this form annually in order for Humphreys University to document my dependent student's Unsubsidized loan eligibility.
- In the event that I choose to borrow a Federal Direct PLUS Loan I request that Humphreys University prepare a check for any excess funds from my Federal Direct PLUS Loan made payable to me.
- In the event that I am DENIED for a Federal Direct PLUS Loan my child may be considered for the Additional Federal Direct Unsubsidized Stafford Loan.
- I consent to the U.S. Department of Education and its agents obtaining a report of my credit record and using the information from that report in determining whether to make a Direct PLUS Loan to me. I understand that I will be notified in writing of the results of the credit check with the respect to my loan application by the Department.
- The Privacy Act of 1974 (5 U.S.C.552a) requires that the following notice be provided to me. The authority for collecting the information requested on this form is 451 et seq. of the Higher Education Act of 1965, as amended. Your disclosure of this information is voluntary. However, if you do not provide this information, you cannot be considered for a Direct PLUS Loan. The information on this form will be used to determine your eligibility for a Direct PLUS Loan. The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called "Title IV Program Files" (originally published on April 12, 1994, Federal Register, Vol. 59 p. 17351) and "National Student Loan Data System" (originally published on December 20, 1994, Federal Register, Vol. 59 p. 65532). Thus, this information may be disclosed to federal and state agencies, private parties such as relatives, present and former employers and creditors, and contractors of the Department of Education for purposes of administration of the student financial assistance program, for enforcement purposes, for litigation where such disclosure is compatible with the purposes for which the records were collected, for use by federal, state, local, or foreign agencies in connection with employment matters or the issuance of a license, grant, or other benefit, for use in any employee grievance or discipline proceeding in which the Federal Government is a party, for use in connection with audits or other investigations, for research purposes, for purposes of determining whether particular records are required to be disclosed under the Freedom of Information Act, and to a Member of Congress in response to an inquiry from the congressional office made at your written request.

Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 U.S.C. 1091(a)(4) provides that, in order to receive any grant, loan, or work assistance under the Title IV of the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so that data may be recorded accurately.

Borrower/Parent Signature: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_