

Federal Direct Parent PLUS Form 2010 - 2011

Parent Borrower: If you wish to borrow a Parent PLUS Loan for your dependent student, you must complete this form and return it to the Financial Aid Office. This form will be returned if any item is incomplete or not legible.

Student Section: (Type or print in black ink)

Student Name <input style="width: 90%;" type="text"/>	SSN <input style="width: 80%;" type="text"/>	Gustavs ID <input style="width: 90%;" type="text"/>
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Parent Section: (Parent/Step-parent who will borrow the loan must complete this section)

The borrower may be the student's mother, father or step-parent whose information is reported on the 2010-2011 FAFSA.

Last Name <input style="width: 90%;" type="text"/> First Name <input style="width: 90%;" type="text"/> Initial <input style="width: 90%;" type="text"/> Address <input style="width: 90%;" type="text"/> City <input style="width: 20%;" type="text"/> State <input style="width: 10%;" type="text"/> Zip Code <input style="width: 20%;" type="text"/> Loan Period <input type="radio"/> Fall/Spring 2010-2011 <input type="radio"/> Fall 2010 <input type="radio"/> Spring 2011	SSN <input style="width: 80%;" type="text"/> <input type="radio"/> Yes <input type="radio"/> No US Citizen Parent Birthdate <input style="width: 80%;" type="text"/> Home Phone <input style="width: 80%;" type="text"/> Loan Amount Requested <input style="width: 90%;" type="text"/> (If left blank, the maximum amount will be processed)
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Credit Decision:

Note: You must select one option below even if you know your loan will be approved. If this section is left blank, this application will be returned.

- Should my Parent PLUS Loan be denied due to credit reasons, I want to cancel the Parent PLUS Loan and allow my student to borrow Direct Stafford Loan Unsubsidized funds (\$4,000 or \$5,000).
- Should my Parent PLUS Loan be denied due to credit reasons, I will complete the required documents that Direct Loans will send me, either to obtain a co-signer OR provide documentation to Direct Loans indicating that my adverse credit has been resolved.

Signature

PLUS Loan funds will be applied to the student's account by the Student Accounts Office after the PLUS Loan has been approved and a signed promissory note is received by Direct Loans. My signature below authorizes the Secretary of the U.S. Department of Education or Gustavus Adolphus College to investigate my credit record.

Signed By _____	Date <input style="width: 90%;" type="text"/>
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Complete MPN

Note: You must also complete a PLUS Master Promissory Note (MPN) at www.dlnote.ed.gov in order for your funds to be disbursed.

Mail or fax this completed form to:

Financial Aid Office
Gustavus Adolphus College
800 West College Avenue
St. Peter, MN 56082

507.933.7527 Office
507.933.7727 Fax

finaid@gustavus.edu

Federal Direct Parent PLUS Loans

FREQUENTLY ASKED QUESTIONS

Please keep this information sheet with your other important financial aid papers.

How to obtain a Federal PLUS Loan

- Complete a Federal Direct Parent PLUS Form and return it to the Gustavus Financial Aid Office. This form can be downloaded at <http://gustavus.edu/financialaid/forms.php>. We will use the information on this form to notify the federal government of your interest in obtaining a loan and certify the student's planned enrollment and maximum Federal PLUS Loan eligibility.
- If you have not already done so, complete a Federal Direct PLUS Loan Master Promissory Note (MPN). This may be electronically completed at <https://dlenote.ed.gov> by accessing the link to complete new MPN for Parent PLUS Loans. You will need a federal PIN to complete the MPN. If you electronically signed the FAFSA you should already have a PIN. If you have forgotten your PIN, visit www.pin.ed.gov to retrieve it.
- After the federal government has received your MPN, they will deliver loan proceeds electronically to the student's Gustavus account.

What is a Master Promissory Note (MPN)?

A promissory note is a binding legal document that lists the conditions of your loan and the terms of repayment. Instead of completing a promissory note every year, a Master Promissory Note (MPN) is a multi-year promissory note that only has to be completed once while your student is attending Gustavus. The MPN will simplify the processing of your loan(s).

How will I know if I am eligible?

After the Gustavus Direct Parent PLUS Form is processed, you will be notified by the Direct Loan Servicer of your loan eligibility. Generally, you are eligible if:

- You filed the Free Application for Federal Student Aid (FAFSA) for this academic year
- You do not have an adverse credit history (a credit review will be completed)
- You are not in default on a federal student loan (including Federal Direct PLUS Loan)
- You meet the other eligibility requirements outlined on your loan application

When will repayment begin?

Payments will begin 60 days after disbursement of the full amount borrowed for an academic year. Interest accrues as soon as the first disbursement is made. There is no grace period for this loan; you begin repaying both principal and interest while your student is in school. You will have from 10 to 30 years to repay depending upon the repayment plan you select. Because of the Ensuring Continued Access to Student Loans Act of 2008, parents will now have the option to defer payments on the PLUS Loan.

Federal PLUS Loan Terms

- Maximum loan amount = cost of education minus financial aid received.
- Loan fee = 2.5% of principal. Loan fee is 4% of loan amount minus a 1.5% rebate in anticipation of 12 on-time payments when the repayment begins. The 1.5% rebate will be revoked if, when the repayment period begins, the first 12 payments are not made on schedule.
- Fixed interest rate = 7.9%
- Repayment begins within 60 days of loan disbursement though it may be possible for borrowers to arrange to pay interest only while the student is in school.
- Standard repayment period is ten years.
- Loan funds are provided by and repaid to the federal government.
- Visit www.dl.ed.gov for more information on repaying your PLUS Loan. You may choose to use this website to repay your PLUS loan electronically.

When will the PLUS Loan disburse?

In accordance with federal loan regulations and Gustavus's disbursement schedule, the loan will be applied to your student's account once all requirements are met. If enrolled in both fall and spring semesters, one-half of the loan will be disbursed at the beginning of the fall semester and the remaining half will be disbursed at the beginning of spring semester. If enrolled in one semester only, the total amount of your loan will disburse at the beginning of that semester.

What if additional financial aid is received and I want to reduce or cancel my PLUS Loan?

You have the right to cancel or reduce your Federal Plus Loan at any time during the loan period. Contact the Gustavus Financial Aid Office for information on how to initiate a reduction or cancellation.

What if I want to apply for additional PLUS Loan funds?

You may apply for additional PLUS Loan funds by completing another Gustavus Federal Direct Parent PLUS Loan Form. The total amount of a PLUS Loan may not exceed the cost of attendance minus all other financial aid. Please note that your credit history may be reviewed again to determine your eligibility.

What am I consenting to by signing the credit authorization?

Your consent verifies that you have read the privacy act disclosure as follows and give Gustavus Adolphus College permission to authorize the Department of Education to review your credit report.

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you. 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. The information on this form will be used to determine your eligibility for a Direct PLUS. 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 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.

What if my credit is denied?

If your credit is denied, you will receive notification from the Direct Loan Servicer. You may choose from the following options:

- You may try to have a credit status override completed by the servicer. Please contact the Direct Loan Servicer at 1-800-557-7394 or Equifax (their credit bureau) at 1-800-685-5000.
- You may provide documentation to the Direct Loan Servicer if you have extenuating circumstances. Your request for a PLUS Loan will be reviewed again by the servicer.
- You may have a third party endorser co-sign the PLUS Loan application with you. In this case, please contact the Direct Loan Servicer at 1-800-557-7394.
- You may choose not to pursue the denied PLUS Loan and your student may be able to borrow additional funds for the current academic year through the Unsubsidized Federal Direct Loan Stafford Program. Please contact the Financial Aid Office to discuss this option.