



## **FEDERAL DIRECT PLUS LOAN BASICS FOR PARENTS**

### **What are the eligibility requirements for a parent to get a Direct PLUS Loan?**

- You must be the biological or adoptive parent (or, in some cases, the stepparent) of the student for whom you are borrowing. Grandparents, aunts or uncles, legal guardians and other relatives are not eligible to apply.
- Your student must be a dependent undergraduate student who is enrolled at least half-time at Converse. Generally, a student is considered dependent if he/she is under 24 years of age, has no dependents, and is not married, a veteran, a graduate or professional degree student, or a ward of the court. Learn about dependency status at [studentaid.gov](http://studentaid.gov)
- You cannot have an adverse credit history (a credit check is required).
- The parent and student must meet all general eligibility requirements. General eligibility requirements can be found [here](#).
- Complete information about the Parent PLUS Loan Program can be found [here](#).

### **How do I request a Direct PLUS Loan?**

Your student must complete the Free Application for Federal Student Aid (FAFSA®). The fastest and easiest way to complete the FAFSA is online at [studentaid.gov](http://studentaid.gov).

The Parent must log to the [Parent PLUS Application](#) using the PARENT FSA USER ID. If a parent applicant does not have an FSA USER ID, the parent applicant can apply for one [here](#).

If approved, the parent applicant must complete the PLUS Master Promissory Note (MPN). The MPN explains the terms and conditions of your loan and is your legal agreement to repay your loan to the U.S. Department of Education. In most cases, a single MPN can be used for loans that you receive over multiple academic years.

### **How much can I borrow?**

Maximum loan amounts are determined on an individual basis based on the student's cost of attendance (residential vs. commuter student) and other financial aid received. If parent applicants have questions about the maximum loan amount for which they qualify, we encourage the parent applicant to contact the Financial Planning Office.

### **What is the interest rate?**

The interest rate for a Direct PLUS Loan is determined annually for new loans that are made between July 1 of one year and June 30 of the following year. Each loan will have a fixed interest rate for the life of the loan. View the latest interest rate information [here](#).

### **What if the parent applicant is denied?**

If the parent applicant is denied, the applicant can choose one of the following options:

- Appeal the decision to the U.S. Department of Education
- Obtain a credit-worthy co-signer
- Take no action. If a parent applicant is denied and chooses to take no further action, the student will be eligible for an additional unsubsidized loan of \$4,000 (freshmen and sophomores) or \$5,000 (juniors and seniors). Class standing is determined by number of credits earned.

### **Is there a charge for a Direct PLUS Loan?**

Yes. In addition to interest, you pay a loan fee that is a percentage of the principal amount of the loan. The U.S. Department of Education deducts the fee before you receive any loan money, so the loan amount you actually receive will be less than the amount you have to repay. Please click here: [current loan fees](#) for more information.

### **When do I have to begin repaying my loan?**

The repayment period for a Direct PLUS Loan begins immediately after you've received the last disbursement of the loan, while the student is still in school. However, you may be able to defer making payments while the student is enrolled at least half-time, and for an additional six months after the student graduates or drops below half-time enrollment status. To learn more about deferment and forbearance options, please [click here](#).

When it's time for you to begin repaying your Direct PLUS Loan, you'll make payments to your loan servicer, an organization that handles billing and other customer service functions related to your Direct PLUS Loan. The servicer will contact you after you receive your first Direct PLUS Loan to provide you with information about repayment options, and the servicer also will communicate with you throughout the repayment period of your loan.

### **How much time will I have to repay my loan, and how much will I have to pay each month?**

You can find more information about repayment plans and estimated payments by [clicking here](#).

For additional information or assistance, please contact the Financial Planning Office at [financial.planning@converse.edu](mailto:financial.planning@converse.edu) or by calling 864-596-9019.