

Need a Parent PLUS Loan?

Review the following steps to understand the process:

ELIGIBILITY

To qualify for a Federal PLUS, you must:

- ▶ Be a U.S. citizen or eligible non-citizen
- ▶ Submit the 2009-2010 Free Application for Federal Student Aid (FAFSA).
- ▶ Not be in default on any type of a federal loan.
- ▶ Pass a credit check conducted by the loan servicing agency. A PLUS applicant who is determined to have an adverse credit history may receive the loan if he or she obtains an endorser (co-signer) for the loan who passes the credit check.
- ▶ Calculate your PLUS loan eligibility:

$$\begin{array}{r} \text{Total budget (cost of attendance on MyUCSC)} \\ - \text{Total student aid (loans, grants, scholarships, etc.)} \\ \hline = \text{PLUS eligibility for the academic year.} \end{array}$$

APPLICATION PROCESS

- ▶ Complete application: "2009-2010 Parent Loan for Undergraduate Students (PLUS)"
Note: If question #7 on the second page of this form is left blank, the loan will be processed for the maximum amount. This loan is for all three quarters of the 2009-2010 academic year.
- ▶ Submit this (PLUS) application to the UCSC Financial Aid & Scholarship Office at 205 Hahn Student Services Building, 1156 High Street, Santa Cruz, CA, 95064. Allow a minimum of 30 days for processing.
- ▶ Submit this application by August 1, 2009 to receive funds in time for Fall Quarter.
- ▶ The parent (PLUS) loan request form will be processed by UCSC and transmitted to the Department of Education for credit check and approval.
- ▶ The Department of Education will send notification to UCSC and parent regarding loan approval/denial.

LOAN PROMISSORY NOTE

- ▶ **PARENT MUST COMPLETE A MASTER PROMISSORY NOTE (MPN) AT THE FOLLOWING WEB SITE IN ORDER FOR PLUS FUNDS TO BE DISBURSED: <http://dlenote.ed.gov>.**
- ▶ The Department of Education will send notification to UCSC that the electronic Master Promissory Note (MPN) has been completed and accepted.
- ▶ If denied, the parent may pursue a co-signer. Please contact the Department of Education for details at 1-800-433-3243 or see [http://www.ed.gov/Direct Loan/](http://www.ed.gov/DirectLoan/) for assistance.
- ▶ Only one MPN is needed if the same parent applies for the loan year after year.
- ▶ If parent has a co-signer, a new MPN must be done each year.

LOAN PAYMENT

- ▶ Funds will disburse to the student's billing account. Any PLUS funds remaining after tuition, fees, housing, etc. are paid will be given to the student or parent depending on which box is checked in question #8. Changes to refund disbursements cannot be made after the loan has been processed. If the student is on EAP, the funds always go to the parent.
- ▶ PLUS repayment options: 60 days after the loan is fully disbursed or six months after the dependent student ceases to be enrolled on at least a half-time basis. The interest rate for this loan is currently 7.9% with an origination fee of 2.5%. The interest rate is adjusted July 1 of each year. For repayment information, see the following web site: <http://www.ed.gov/DirectLoan/> or call 1-800-848-0979. For more information, visit the following web site: <http://studentaid.ed.gov/PORTALSWebApp/students/english/parentloans.jsp>.