

HOLY APOSTLES COLLEGE & SEMINARY

FEDERAL DIRECT PARENT PLUS LOAN

The federally sponsored Direct Parent PLUS loan is *an option* for parents of a dependent student who is enrolled at least half time in an undergraduate program. The lender is the U.S. Department of Education rather than a bank or other financial institution. A student and one of their parents (including natural, adopted, or step-parent) may choose the PLUS loan to assist in covering the cost of the student's education.

The interest rate for the Direct Parent PLUS loan is fixed at 7.9%. There is a 4% origination fee deducted from each disbursement. Repayment on a PLUS loan begins 60 days after the final loan disbursement for the academic year ***unless the parent borrower makes deferred payment arrangements***. Deferred payment on a PLUS loan begins six months after the student graduates or drops below six credits (half-time) in a semester.

We recommend the student or parent contact the Financial Aid Office at 860-632-3020 to get an *estimate* of the balance due before applying. Funding will be equally disbursed for the fall and spring semester. Loans borrowed for a single semester will be issued in two disbursements.

To qualify for a Direct PLUS loan for the academic year

1. The parent and student must complete the PLUS loan application and return it to the Financial Aid Office. The Application must be completed by the parent borrower in whose name the loan will be made. Once the application is received and approved by the Office of Financial Aid, the parent borrower can apply for a Parent PLUS loan at www.studentloans.gov, at which time a mandatory credit check will be performed. The parent borrower must pass the credit check to be eligible for the PLUS loan.
2. The same parent borrower who completed the PLUS loan application must complete an electronic Master Promissory Note (MPN) on www.studentloans.gov and click on the SIGN IN button in the "Manage My Direct Loan" box. (*The parent will need to use their FAFSA PIN to complete the MPN. Should the parent have misplaced their PIN, they may log onto www.pin.ed.gov to request a "duplicate PIN".*)

Disbursement of funds will not occur until notification of the successfully completed credit check **AND** the signed MPN is received by the Office of Financial Aid from the U.S. Department of Education.

PLUS Loan – Additional Information Sheet

The Federal Parent PLUS Loan enables the parent to pay the education expenses of their dependent student who is enrolled at least half time. The PLUS loan can help bridge the gap between the financial aid the student receives and other expenses.

- The parent may borrow the total cost of the undergraduate student's education including tuition, room, and board, and additional fees, minus any other aid received. The total amount borrowed cannot exceed the student's total cost of attendance - the total amount of *direct and indirect costs* you may need to cover for school. *Direct costs* include tuition, room & board, and fees. *Indirect costs* include books, supplies, loan fees, transportation, and housing/food allowance. Borrow wisely.
- To be eligible to borrow a PLUS loan, the parent must not have adverse credit. If the PLUS loan is denied, the parent has the option to apply with an endorser who does not have adverse credit. The endorser is someone who agrees to repay the PLUS loan if the parent cannot. Should the parent choose not to apply with an endorser, the student may be eligible for additional unsubsidized federal Stafford loan funds. Maximum unsubsidized federal loan eligibility is determined by the grade level as follows (*per academic year*): Freshman/Sophomore \$4,000, Junior/Senior \$5,000.
- Holy Apostles College requires all students who plan to receive any type of financial assistance to file a FAFSA. The FAFSA can be completed online at www.fafsa.ed.gov. The student will complete the FAFSA in their name, using both student and parent federal tax information from the previous year.