General Information About Parent PLUS Loans

The parents of a dependent student may borrow funds from the U.S. Federal Direct Parent PLUS Loan Program to finance some or all of the cost of their child’s education. The maximum loan amount is the difference between the cost of attendance and the total amount of financial aid and scholarships awarded to the student. The interest rate is determined each May for new loans that will be borrowed in the coming school year. Rates are fixed for the life of the loan. The 2015-16 interest rate was 6.84 percent and there is an origination fee of 4.272 percent.

Eligibility requirements for parents include:

1. Borrower is a natural or adoptive parent of a dependent student. A stepparent is also eligible to borrow a PLUS Loan if his/her income and assets were required on the student’s FAFSA.
2. Borrower is a U.S. citizen, permanent resident or eligible non-citizen.
3. Borrower does not have an adverse credit history.

For more information about the Direct PLUS Loan Program, visit www.studentloans.gov. Click on “Learn More,” then “Direct Loan Overview,” then “Parents.”

How to Apply for a PLUS Loan

Step One: File a FAFSA
If your child hasn’t done so already, he/she must complete a Free Application for Federal Student Aid (FAFSA) before you (the parent) can apply for a Federal Direct PLUS Loan. This can be done at www.fafsa.gov.

Step Two: Complete the Federal Direct Parent PLUS Master Promissory Note (MPN) on-line
Go to the Direct Loan website, www.studentloans.gov, sign in, then click on “Complete Master Promissory Note,” then click on “Parent PLUS.” Fill in and submit the necessary information. The MPN must only be completed once during the student’s time at Thomas Aquinas College.

To Complete Your PLUS Loan Master Promissory Note, you will need:

a) Your Federal Student Aid ID (FSA ID) (the same FSA ID you used to sign your child’s FAFSA) to complete and electronically sign your new Master Promissory Note (MPN) for the Direct Loan Program. (The FSA ID replaced the PIN method in May 2015.) If you need to create an FSA ID or have forgotten your FSA ID, go to http://fsaid.ed.gov.

b) Your Social Security Number, date of birth, and driver’s license number;

c) The name, address and phone numbers of two personal references who have a U.S. address that is not the same as your address, and the references cannot reside at the same address.

Step Three: Complete the PLUS Request Process on-line
This step is repeated each year to request a specific loan amount and to have a current credit check performed.

Go to the Direct Loan website, www.studentloans.gov, sign in, then click on “Request a Direct PLUS Loan” and select “Parent PLUS” as the type of loan you want. Enter the information requested on the following screens.

You will be asked to specify whether you want to borrow the maximum Direct PLUS Loan amount for which you are eligible or a specific amount. If you choose a specific amount, bear in mind that a 4.272% origination fee will be retained by the lender. So if you request $10,000, you will actually receive 95.728% of that amount, or $9,572.80.

A credit review is made by the Department of Education to confirm that you meet the credit criteria for the PLUS Loan amount requested. An approval or denial will be issued to you and to the school(s) you indicated.

If your PLUS Loan is approved, funds will be disbursed to the College, half in the fall and half in the spring. The College will apply the funds to any outstanding charges owed to the College for the current academic year. Any remainder will be given to the parent or student by paper check.

If your PLUS Loan is denied, the student becomes eligible to borrow additional unsubsidized Stafford Student Loan funds on top of his/her normal Stafford Loan limits: $4,000 more for students in the first two years of undergraduate study and $5,000 more for students in subsequent years.

Step Four: Sign the revised Payment Plan & Promissory Note that will be sent to you
Since the PLUS Loan changes the parents’ schedule of payments to the College for the current year, a revised Payment Plan & Promissory Note will be sent to the family for signature after the PLUS Loan is approved. The revised Payment Plan & Promissory Note will need to be signed and returned to the College.

You will be able to track your PLUS Loan information through the National Student Loan Data System (NSLDS), the U.S. Department of Education’s central database for financial aid records. You can access NSLDS through www.nslds.ed.gov. Your loan information will also be accessible by guaranty agencies, lenders and institutions determined to be authorized users of the data system.

If you have any questions, please feel free to contact the Financial Aid Office at Thomas Aquinas College by phone at (805) 525-4417, extension 5936 or by e-mail at FinAid@ThomasAquinas.edu.

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