

# DIRECT PLUS LOAN

## A LOAN FOR PARENTS

- Borrowed money that must be repaid with interest.
- Loans for parents with good credit histories to pay the educational expenses of their dependent undergraduate student.
- Parents must meet citizenship requirements, not be in default on a student loan themselves, or owe a refund to any Federal Title IV program.
- **MAXIMUM AMOUNT A PARENT CAN BORROW????** Equal to the cost of attendance (tuition, fees, room & board, books & supplies, transportation & miscellaneous costs) less any other financial aid (including student loans) that the student receives.
- Repayment of a PLUS Loan begins within 60 days after the final loan disbursement for that award year, unless a deferment is requested by the parent. Note: Interest begins to accumulate at the time the first disbursement is made. Parents must begin repaying both principal and interest while you're in school.
- The student must file a FAFSA application at [www.fafsa.ed.gov](http://www.fafsa.ed.gov) for the Academic Year in which the PLUS loan is requested.

## How will parents receive these funds?

- The parent requesting the loan will need to electronically sign (E-Sign) their MPN (Master Promissory Note)\*. ESigning registers a parent's signature immediately and the approval process by the Dept. of Education can be as short as 24-48 hours.
- Go to [www.studentloans.gov](http://www.studentloans.gov) and sign-in using your FSA ID to complete your MPN. Make sure that you complete the PARENT PLUS MPN. Print off the MPN confirmation page for your records.
- (Alternative to E-Signing) IF Parents cannot E-Sign the Promissory Note, a paper Promissory Note\*\* can be sent to parents. However, please note: Signing paper Promissory Notes is a much slower process. The approval process by the Dept. of Education, using paper Promissory Notes, can add 2-3 weeks to the overall PLUS Parent Loan process.

The U.S. Dept. of Education will send these funds (minus fees) to IHCC. PLUS Loan funds, along with the student's financial aid, will be applied to the student's bill in the Business Office at Indian Hills for tuition fees, room and board (if the student is staying in an IHCC residence hall), and any other school charges (like books & supplies if charged to the student's account). If any loan money remains, the Business Office will then send the parent a check for the amount left over ("A Difference Check") - unless the parent authorizes IHCC to release these extra funds to the student. The authorization can be found on the PLUS application.

## Important

- You must remain enrolled at least half-time each term (4 credit hours).
- If the student is terminated from Financial Aid eligibility due to Satisfactory Academic Progress (SAP). \*\*\* Parent PLUS loan funds, along with the student's loan, grant and work-study funds, will be lost.
- Notify the Office of Financial Aid if the student has any changes in his or her enrollment, or if he or she receives any additional scholarships or outside aid.

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\* An MPN is a legal obligation. Signing the MPN is a parent's promise to repay the PLUS loan, according to the terms of the note

\*\* A paper Promissory Note can be sent to parents, only if requested. Parents then: Keep ONE copy, SIGN TWO copies (blue or black ink) & return both copies to the Financial Aid Office.

\*\*\* See the SAP policy online at: [http://www.indianhills.edu/payingforcollege/docs/sap\\_policy.pdf](http://www.indianhills.edu/payingforcollege/docs/sap_policy.pdf)