



Office of Student Financial Services
Parent PLUS Loan Fact Sheet for 2011-2012

What are PLUS Loans?

PLUS Loans (Parent Loan for Undergraduate Students) are low cost federally insured loans to parents of dependent undergraduate students. As a parent, you may borrow through a **PLUS** loan to meet your child's educational cost, less all other financial aid that your student may have been awarded at LIM College.

Eligibility is not based on need or income, but the parent must not have adverse credit history. Repayment begins within 60 days after the second disbursement. However, you are eligible to defer repayment while your child is enrolled at least half-time and during the 6-month period after your child graduates or is no longer enrolled at least half-time. Even if you defer repayment on the loan, you may choose to pay the interest as it accrues.

Who is eligible for a PLUS Loan?

You must be a:

- Parent, adoptive parent, or stepparent considered in the Expected Family Contribution (EFC) calculation of a dependent undergraduate student and
- U.S. Citizen, U.S. National, or eligible Non-Citizen and
- Each child for whom you borrow must be enrolled at least half-time and accepted in a program at LIM College.
- Your student must also be in good academic standing meeting the minimum cumulative GPA and earned credit requirements for academic progress at LIM.

How Much Can I Borrow?

Parents can apply for the entire cost of attendance (Tuition & Fees, Room & Board, Books & Supplies, Transportation, and Personal Expenses) less all other financial aid awards your student receives.

What is the Interest Rate?

Federal Direct PLUS Loan

Loan Origination Fee: 2.50%
Fixed Loan Interest Rate: 7.9% * (loans made after 07/01/06)
Earned Savings: 0.25% interest rate reduction when signing up for auto debit. For borrowers who have their PLUS loan payment automatically deducted from their bank accounts and only receive their statements electronically.
*This rate may be subject to change by the Federal government on July 1, 2011.



What are the Basic Features and Benefits of a Federal PLUS Loan?

- Used to supplement your student's Federal Stafford loan funding by providing the amount you choose up to the full cost of tuition, fee, housing and other educationally-related expenses (less all other financial aid).
- It is not dependent on family income or assets. However, credit checks are required.
- Does not require collateral or co-signers.
- Payments may be postponed up to 3 years in case of hardship.
- Prepayment can be made at any time without penalty.
- The standard repayment period is 10 years.
- Interest-paid is tax deductible up to certain income limits.

Once I am credit-approved, what is the next step?

- You must complete your PLUS Loan Master Promissory Note (please follow the instructions for electronic completion on the 2011-2012 New Student and Parent Financial Aid Checklist)
- LIM will complete the loan origination and certification process.
- Your loan proceeds will be listed as a pending credit on your student's account and then disbursed to LIM in equal amounts for fall and spring on the dates determined by the Student Financial Services Office (you will receive a Disbursement & Disclosure notice from Direct Loans to verify).

What if I am Denied a PLUS Loan?

- Another parent may apply to see if they meet the minimum credit requirements.
- You can choose to have your application reviewed with an Endorser addendum. The endorser can be another parent or anyone else you know who meets the minimum credit criteria and is willing to co-sign your loan.
- If you are ultimately unable to obtain a PLUS credit approval your student will have the option of borrowing an additional Unsubsidized Stafford Loan of \$4,000 - \$5,000 annually (depending on their year in college).

Request for Federal Direct Parent Loan (PLUS)

(Eligibility restricted to **Dependent** Undergraduate students only)

In order to receive a Federal PLUS, the parent must pass a mandatory credit check performed by the Direct Loan Servicing Center. Please review the Direct Loan Basics for Parents prior to completing this form. For further information about PLUS, please contact the Office of Student Financial Services.

The information below determines the borrower of the loan. The borrower must complete the promissory note with his/her information. Only the borrower's information can be accepted on this form and on the promissory note. Providing any other person's information other than the borrower's, will not be acceptable and will cause processing delays.

Academic year _____

Fall/Spring Fall Only Spring Only Summer Only

1. **Parent Applicant** Full Name _____
Last First MI

2. **Parent Applicant** Social Security Number _____

3. **Parent Applicant** Driver's License State and Number _____
State Number

4. **Parent Applicant** Birth Date **Parent Applicant** Phone Number **Parent Applicant** E-Mail Address

Month Day Year (Area Code) Number

5. **Parent Applicant** U.S. Citizenship Status (check the one box that applies):

A. U.S. citizen or national B. Permanent resident or other eligible alien C. Neither A. or B

Alien Registration Number _____

6. **Parent Applicant** Home Address _____
Street City State Zip

7. **Student** Full Name _____
Last First MI

8. **Student** Social Security Number _____

9. **Total** amount of PLUS you wish to borrow for the academic year \$ _____

10. Check below the **ONE** option you would choose in the event your PLUS is denied due to the results of the credit check.

Use Endorser (credit worthy co- signer)

Allow the student to be considered for the Additional Federal Direct Unsubsidized Stafford Loan.

Take no further action

11. **Parent Consent to obtain Credit Report:** Your signature below certifies that you give permission to allow Federal Direct PLUS proceeds to be credited to cover all of the student's college charges (tuition and other charges) collected by the Office of Student Accounts. In addition, you agree that after all the college charges collected by the Office of Student Accounts are paid, any excess PLUS funds shall be issued to you the borrower, unless you authorize release of funds to the student. In addition, the Privacy Act of 1974 (5U.S.C.552a) requires that the following notice be provided to you. The authority for collecting the information requested on this form is §451 et seq. Of the Higher Education Act of 1965, as amended. Your disclosure of this information is voluntary. However, if you do not provide this information, you cannot be considered for Direct PLUS. The information on this form will be used to determine your eligibility for a Direct PLUS.

Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)4) of the HEA (20U.S.C.1091(a)4) provides that , in order to receive any grant, loan, or work assistance under Title IV of the HEA, student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan (s) so that data may be recorded accurately.

Parent Applicant Signature

Date