

# PLUS Loans

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*of the Federal Direct Loan Program*

**PLUS Loans** are part of the Federal Direct Loan Program, which also includes the Subsidized and Unsubsidized Loans.

There are two types of PLUS Loans, Parent PLUS Loans and Grad PLUS Loans:

- *Parent PLUS Loans* are loans made to eligible parents of dependent undergraduate students
- *Grad PLUS Loans* are made to students that have completed a Bachelor's Degree and now are pursuing a grad degree such as a Master's or Doctoral Degree

Riverland Community College does not offer graduate degree programs.  
Therefore, we only offer Parent PLUS Loans.



Jamie Grill/Blend Images/Getty Images

## Parent PLUS Loan Eligibility

To receive a parent PLUS loan, you must:

- be the biological or adoptive parent (or in some cases, the stepparent) of a dependent undergraduate student enrolled at least half-time at an aid eligible school;
- not have an adverse credit history (unless you meet certain additional requirements); and
- meet the general eligibility requirements for federal student aid

-from <https://studentaid.gov/understand-aid/types/loans/plus/parent>

NOTE: If you do have adverse credit history and are unable to pass the credit check, your student may be eligible for additional Federal Unsubsidized Direct Loan funds.

## Parent PLUS Loan \$\$ Limit

The maximum amount that can be borrowed on a Parent PLUS loan is the Cost of Attendance (COA) less any other financial aid (FA) that your student has received. For example:

Term COA:	\$10,535
FA received:	<u>- \$5,000</u>
PLUS Limit	\$5,535

Different amounts can be borrowed each term to meet your student's needs.

The best place to apply is at [www.studentaid.gov](http://www.studentaid.gov)

To apply online you will need a FSA ID. You may have already created one for yourself when you completed the FAFSA with your student. If you have not, you will need to create one prior to starting the application process.

We have a separate tutorial for creating a FSA ID on our webpage here,

<https://www.riverland.edu/tuition-aid/financial-aid/how-do-you-apply-for-financial-aid-fafsa/> or

<https://www.riverland.edu/tuition-aid/financial-aid/fa-how-to-videos/>

The screenshot shows the Federal Student Aid website interface. At the top, the navigation menu includes 'Federal Student Aid', 'UNDERSTAND AID', 'APPLY FOR AID', 'COMPLETE AID PROCESS', 'MANAGE LOANS', 'Log In | Create Account', and a search icon. Below the navigation, there are four main categories: 'Considering School', 'In School', 'Parent', and 'In Repayment'. The 'Parent' category is highlighted with a red circle. Below the categories, there is a section titled 'We'll share useful info and walk you through the PLUS loan process.' followed by a paragraph of text. To the right, there is a 'POPULAR TOPICS' section with a list of links. The link 'Apply for a Parent PLUS Loan' is highlighted with a red circle. Other links in the list include 'Complete a Master Promissory Note (MPN) for a Parent PLUS Loan', 'Complete the Annual Student Loan Acknowledgment', 'Complete PLUS Credit Counseling', 'Appeal a Credit Decision', 'Use Loan Simulator', and 'Find Resources for Parents'.

Information on applying by paper application is given on a future slide.



## What do I need?

To complete  
the Parent  
PLUS  
application,  
you will need:

- Your FSA ID
- The school name that your student is attending
- Your student's information:
  - First Name, Middle Initial, Last Name
  - Social Security Number
  - Date of Birth
  - Permanent Address
  - Phone Number
- Your personal information:
  - Permanent and Mailing Address
  - Phone Number
  - Email Address
- Your employer information:
  - Employer Name
  - Employer Address
  - Employer Phone Number

To begin your application, go to [www.studentaid.gov](http://www.studentaid.gov), click on the Parent tab in the middle of the page, then Apply for a Parent PLUS Loan.

The screenshot shows the top navigation bar of the Federal Student Aid website. The navigation menu includes: UNDERSTAND AID, APPLY FOR AID, COMPLETE AID PROCESS, and MANAGE LOANS. On the right, there are links for Log In and Create Account. Below the navigation bar, there are four tabs: Considering School, In School, Parent, and In Repayment. The Parent tab is circled in red. Below the tabs, there is a main content area with the text: "We'll share useful info and walk you through the PLUS loan process." To the right, under the heading "POPULAR TOPICS", there is a link "Apply for a Parent PLUS Loan" which is circled in red. Below this link is another link: "Complete a Master Promissory Note (MPN) for a Parent PLUS Loan".

Log in with your FSA ID and password to continue.

The screenshot shows the "I am a Parent of an Undergraduate Student" page. The page title is "I am a Parent of an Undergraduate Student". Below the title, it says "William D. Ford Federal Direct Loan Program: Federal Direct PLUS Loan Request for Supplemental Information". The main text reads: "The Direct PLUS Loan Application allows you to authorize the school to use your loan funds to satisfy other educational related charges after tuition and fees, and room and board (for on-campus students) have been paid. You are not required to provide this authorization." To the left of the text is an icon of two people. Below the main text, it says "As a parent borrower, the Direct PLUS Loan Application also allows you to:" followed by a bulleted list: "Designate whether the school pays any credit balance to the student or to you.", "Request a deferment while the student is in school", and "Request an additional deferment for 6 months after the student ceases to be enrolled at least half time." At the bottom left, there is a link "Preview a read-only version". On the right side of the page, there is a blue button "Log In To Start" which is circled in red, and a link "View Demo" below it. At the bottom right, there is text: "OMB No. 1845-0103 • Form Approved Exp. Date 09/30/2020".

# Direct PLUS Loan Application for Parents

1      2      3      4

Loan Information      Borrower Information      Review      Credit Check and Submit

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Borrower: ***Parent Name***      Social Security Number: ●●●-●●-

When you start your application, verify that your name is listed for the Borrower. If your student is listed as the Borrower, you have logged in with the wrong FSA ID. Log out then log back in with *your FSA ID*.



**Credit Freeze Note:** If you have placed a security freeze on your credit file, you will need to lift or remove the freeze at each credit bureau before you submit the Parent PLUS application. Your application cannot be processed if you have a security freeze.

## Direct PLUS Loan Application for Parents

1

Loan Information

2

Borrower Information

3

Review

4

Credit Check and Submit

On the 'Loan Information' page you will be given the option for deferments. Read the information carefully and thoroughly so that you have a complete understanding of how deferment works.


Click on the image on the right for more information on deferments, repayment plans and more. →

After you enter the information on the 'Loan Information' and 'Borrower Information' pages, you will be able to review and edit the information on the 'Review' page.

Review all information provided and verify that it is correct.


Award Year Information

Edit 



**FEDERAL STUDENT LOANS**

**Direct PLUS Loan Basics for Parents**



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After you have reviewed the information entered, you will need to review disclosures and consent to the credit check.

### Direct PLUS Loan Application for Parents

Progress bar with four steps: Loan Information (checked), Borrower Information (checked), Review (checked), and Credit Check and Submit (4, highlighted).

**i** Before you can continue with the Direct PLUS Loan Application, you'll be required to provide your consent for us to perform a credit check.

#### Important Notices

You must review the Important Notices before you can continue.

Gramm-Leach-Bliley Act Notice	⌵
Privacy Act Notice	⌵
Financial Privacy Act Notice	⌵
Paperwork Reduction Act Notice	⌵

#### Certifications

You must read and agree to the statements below by clicking on the boxes.




I certify that:

1. The information I have provided on this Direct PLUS Loan Request for Supplemental Information is true, complete, and correct to the best of my knowledge and belief and is made in good faith, and
2. I have read and understood the entire Direct PLUS Loan Request for Supplemental Information, including the Important Notices.

For the loan that I am requesting by completing this Direct PLUS Loan Request for Supplemental Information, I authorize the U.S. Department of Education to check my credit history for the purpose of determining my eligibility for the loan(s), and to report information about my loan eligibility to persons and organizations permitted by law to receive that information.

There are three possible credit check results that you could receive. Your next steps depend upon which one of the three you receive.

Additional information on each is given on the next three slides.

	Accepted
	Pending
	Declined

The school will receive an electronic notification of your submitted application in 1-2 business days.

## Accepted

If the credit check on your application is approved, your next step will be to complete a Master Promissory Note (MPN). The MPN is the legal document in which you promise to repay your loans, accrued interest and loan fees. Terms and conditions are also explained.



You have successfully submitted your Direct PLUS Loan Application and your credit has been approved

You will receive a confirmation email shortly. The school you selected will be notified within 24 hours.

Though your credit has been approved, all other [eligibility requirements](#) must be met before your loan can be awarded.

Your school will tell you what loans, if any, you are eligible to receive. If you have questions regarding your loan eligibility, the next steps in the processing of your loan, when the loan will be disbursed (paid out), or no longer wish to receive the loan, contact your school's financial aid office.



### Next Steps

#### Complete an MPN

##### **You don't have a Direct PLUS MPN on file for [Student Name]**

- *If you are borrowing for more than one student, you will need to complete a separate MPN for each student.*
- *Loans cannot be disbursed without an accepted Master Promissory Note on file. You may either complete the MPN(s) now or come back at a later time.*
- *Each MPN must be completed in a single session and may take up to 30 minutes to complete.*

## ***Pending***

If there is information on your application that cannot be confirmed, you will need to contact the Student Loan Support Center to resolve the issue before a final decision can be made.



**You have successfully submitted your Direct PLUS Loan Application, but we are unable to make a credit decision until you confirm the personal information you provided.**

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### **Resolve this Issue**

To resolve this issue, contact Student Loan Support Center at 1-800-557-7394 or [StudentLoanSupport@ed.gov](mailto:StudentLoanSupport@ed.gov)

If you choose to contact us via email, provide a phone number where you can be reached.

All other [eligibility requirements](#) must also be met before your loan can be awarded and your school will tell you what, if any, loans you are eligible to receive.

## Declined

If your credit check is not approved, you will be given options on how you would like to proceed. If you choose not to pursue a Direct PLUS Loan at this time, your student will be eligible for additional Unsubsidized Loan funds (as long as they meet all other eligibility requirements).



Based on the results of the credit check, we are unable to approve your request for a Direct PLUS Loan.

You may still be eligible to receive a Direct PLUS Loan.

To become eligible, you must:

- Obtain an endorser and complete PLUS Credit Counseling  
OR
- Document [extenuating circumstances](#) to the satisfaction of the U.S. Department of Education and complete PLUS Credit Counseling.

All other [eligibility requirements](#) must also be met before your loan can be awarded and your school will tell you what loans, if any, you are eligible to receive.

### How would you like to proceed?

Indicate how you want to proceed by checking the appropriate box below and then clicking "Submit". Your response will be reported to the school that you selected when completing the Direct PLUS Loan Request Application.

- I want to obtain an endorser. ⓘ
- I want to provide documentation of [extenuating circumstances](#).
- I do not want to pursue a Direct PLUS Loan at this time.
- Undecided.

Continue



Approved

If your application is approved we will contact you with the maximum amount that you can borrow and an authorization form.



Declined

If your application is declined we will contact your student as to their additional loan eligibility.

## Alternatives to applying at studentaid.gov:

We can email an authorization form that includes consent for us to conduct your credit check through the Department of Education. MPNs still need to be completed online.



### Federal PLUS Loan & Credit Check Authorization Form Fall 2020 ~ Spring 2021 ~ Summer 2021

Riverland processes PLUS loan funds through the Federal Direct Loan Program. Parents **MUST** complete this form **AND** the Federal Direct Loan Master Promissory Note online at [www.studentloans.gov](http://www.studentloans.gov).

**Student Information:**  
Student's Name: \_\_\_\_\_ Student ID: \_\_\_\_\_

**Borrower (Parent) Information:**  
Parent Borrower's Name: \_\_\_\_\_

Parent's Date of Birth: \_\_\_\_\_ Parent's Social Security Number: \_\_\_\_\_

Parent's Driver's License Number: \_\_\_\_\_ Issuing State: \_\_\_\_\_

Permanent Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone Number: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

**Loan Information:**  
Amount you wish to borrow: \$ \_\_\_\_\_ Fall Term \$ \_\_\_\_\_ Spring Term \$ \_\_\_\_\_ Summer Term

**Parent Borrower Certification:**  
 I authorize the Financial Aid Office at Riverland Community College to certify and submit my Federal PLUS Loan application. I understand that the Riverland Financial Aid Office will determine my maximum PLUS loan eligibility and will submit the loan application for the lesser of my requested amount or the maximum eligibility.

I understand that Direct PLUS Loans enter repayment on the date the final disbursement of the loan is made, and that it is my responsibility to contact the loan servicer, assigned by the Department of Education, if I would like to request a deferment while my son/daughter is enrolled in school at least half-time.

If you are only interested in having us conduct a credit check, through the Department of Education, to determine if you are approved or denied, we have a separate form we can email you.



### Federal PLUS Loan Credit Check Authorization Form Fall 2020 ~ Spring 2021 ~ Summer 2021

This form only authorizes Riverland Community College to perform a credit check on the applying parent. The credit check is processed via the Department of Education's Common Origination and Disbursement (COD) webpage. No credit history is disclosed, only acceptance or denial.

*If a parent of a dependent student is denied the PLUS Loan the student may be eligible for additional Unsubsidized Stafford loan funds. The student will be required to authorize the additional loan funds.*

**Student Information:**  
Student's Name: \_\_\_\_\_ Student ID: \_\_\_\_\_

**Borrower (Parent) Information:**  
Parent Borrower's Name: \_\_\_\_\_

Parent's Date of Birth: \_\_\_\_\_ Parent's Social Security Number: \_\_\_\_\_

Parent's Driver's License Number: \_\_\_\_\_ Issuing State: \_\_\_\_\_

## Other information:

- A new Parent PLUS application needs to be completed for each academic year
- Once a MPN has a loan attached to it, it is valid for ten years
- Declined credit checks can be re-checked after 180 days (students cannot receive additional Unsubsidized Loan funds and Parent PLUS Loan funds in the same academic year)
- The Department of Education retains a loan fee from all Federal Direct Loan disbursements
- Parent PLUS loans first disbursed on or after 10/01/2020 and before 10/01/2021 will have a 4.228% loan fee deducted from the disbursements
- Parent PLUS loans first disbursed on or after 07/01/2021 and before 07/01/2022, will have a fixed interest rate of 6.28% for the life of the loan
- The Department of Education will assign a loan servicer to your Parent PLUS loan once it is disbursed
- When your Parent PLUS Loan goes into repayment, you will make payments to the loan servicer
- If you did not choose deferment at the time of application, or applied by paper form, you will need to contact the loan servicer to ask for deferment



# *Thank you*

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*for additional questions on Parent PLUS Loans, email  
darcy.drake-tapp@riverland.edu*