

## **FEDERAL DIRECT PARENT LOAN FOR UNDERGRADUATE STUDENTS (PLUS LOAN)**

### **1) What is the Federal Direct PLUS Loan and how much can I borrow?**

The Federal Direct PLUS Loan is a federal government loan for creditworthy parents of dependent undergraduate students. Parents may apply for up to the estimated cost of attendance, as indicated on the student's financial aid award letter, minus other financial aid. For Federal Direct PLUS Loans disbursed after July 1, 2006, the interest rate is fixed at 7.9%, and interest is charged on the PLUS Loan from the date of the first disbursement until the loan is paid in full.

The Federal Direct PLUS Loan origination fee is 4%. The up-front interest rebate is 1.5%. This means that a fee of 2.5% will be deducted proportionately from each loan disbursement. To retain the rebate, parents must make the first 12 monthly payments on time once they enter repayment.

### **2) How do I qualify for a Federal Direct PLUS Loan?**

To be eligible to borrow a Federal Direct PLUS Loan, the parent must meet the general eligibility requirements for federal student aid. For example, the Federal Direct PLUS Loan applicant must be a U.S. Citizen or eligible non-citizen, must not be in default on a federal student loan, and must not owe a refund on a federal education grant, etc. The student must be enrolled at least half time in an eligible degree program and must be making satisfactory academic progress for financial aid. A credit check will be conducted, and a parent borrower must not have an adverse credit history. Parents who do not pass the credit check may still be able to obtain a Federal Direct PLUS Loan if they are able to obtain an endorser who does not have an adverse credit history.

### **3) How do I apply for a Federal Direct PLUS Loan?**

#### **Step 1**

Complete the **PLUS Application Process** at [www.studentloans.gov](http://www.studentloans.gov).

- Click on the green Sign-In button and enter your information.
- Select "Request a PLUS Loan".
- Select "Parent PLUS", enter your information, and follow the prompts until you have completed the process.

If pre-approved for a PLUS Loan, complete Step 2 and Step 3. If not pre-approved, contact the M Center for information regarding additional student loan options.

#### **Step 2**

Complete the **Federal Direct PLUS Loan Master Promissory Note** at [www.studentloans.gov](http://www.studentloans.gov).

#### **Step 3**

Complete the enclosed **Federal Direct PLUS Loan Request Statement** and submit it to the M Center at Mills. Please note:

- You may apply for a maximum of the estimated cost of attendance, as indicated on your daughter's/son's financial aid award letter, minus other financial aid she/he will be receiving for the 2011-2012 academic year.
- Return the Federal Direct PLUS Loan Request Statement to the M Center at Mills. Do not mail this form to the Department of Education.

### **4) What happens next?**

Your Federal Direct PLUS Loan will be certified by Mills in July if Mills has received your 2011-2012 Federal Direct PLUS Loan Request Statement, you have passed the credit check initiated through the application process, and you have completed the Federal Direct PLUS Loan Master Promissory Note. The certification process can take three to six weeks depending on the time of year. If you will be using the proceeds of the loan to assist with payment of your daughter's/son's college bill, all requirements should be completed no later than July 15, 2011. If approved for the academic year, the loan will be disbursed electronically to your daughter's student account at Mills in two separate payments. The second disbursement typically is scheduled to arrive in January for the spring semester.

*If you have questions or need assistance, please contact the M Center at 510.430.2000 or by email at [finaid@mills.edu](mailto:finaid@mills.edu).*

# FEDERAL DIRECT PLUS LOAN REQUEST STATEMENT 2011-2012

Student Information		
Last Name	First Name	Social Security Number -   -
Loan Term (check one):		
<input type="checkbox"/> Academic Year 2011-2012	<input type="checkbox"/> Fall 2011 only	<input type="checkbox"/> Spring 2012 only

Parent Borrower Information			
Last Name	First Name	Social Security Number -   -	
Street Address	City	State	Zip Code
Phone Number	Parent Borrower's Email Address		

Requested Loan Amount
List the amount you wish to borrow for the period specified above:    \$ <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> , <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> . <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/>
(Parents may apply for a maximum of the estimated cost of attendance, as indicated on the student's financial aid award letter, minus other aid the student will be receiving for the 2011-2012 academic year.)

Borrower Acknowledgment / Authorization for Credit Check
<ul style="list-style-type: none"> <li>a. I understand that this loan is to be used for educational purposes while my daughter/son is attending Mills College, and I will use the proceeds from this loan accordingly. I also understand that this loan must be repaid, with interest.</li> <li>b. I understand that I must complete the PLUS Application Process and a Federal Direct PLUS Loan Master Promissory Note (MPN), that I may receive additional loans in the future using this MPN, and that all debts acquired under this MPN are fully enforceable in the court of law.</li> <li>c. I consent to the U.S. Department of Education and its agents obtaining a report of my credit record and using the information from that report in determining whether to make a Federal Direct PLUS Loan to me.</li> <li>d. I authorize Mills College to apply Federal Direct PLUS Loan proceeds to my daughter's/son's student account.</li> </ul> <p><i>My signature below constitutes my request for a Federal Direct Parent Loan for Undergraduate Students (PLUS) to assist with the educational costs of the student named above, confirms my understanding of the information provided above, and authorizes the U.S. Department of Education and its agents to obtain a report of my credit record. I agree to return any funds received for which I am not eligible.</i></p> <p><b>Parent Signature:</b> _____ <b>Date:</b> _____</p>