



OFFICE OF FINANCIAL AID

Federal Direct Parent PLUS Loan – Instructions

The PLUS is a federally-funded education loan available to biological parents, step-parents, and adoptive parents of dependent, undergraduate students who are enrolled at least half-time (6 credit hours). Repayment of the loan is the responsibility of the parent. The current interest rate is fixed at 7.08% through June 30, 2020. Rates are set by the Department of Education and are subject to change after July 1, 2020.

Repayment begins within sixty days of the final loan disbursement (usually in the spring semester). However, you can defer repayment while your student is enrolled in school by requesting deferment when you complete the online application. You can defer the loan for all four years as long as the student is enrolled at least half time. Interest will accrue during the deferment period.

First-time borrowers

If you (the parent) are planning to borrow a Federal Direct PLUS Loan for the first time, please review your student's financial aid award letter to help determine the amount you need to request. Please note, there is a 4.24% origination fee that is deducted from the loan. To calculate the fee, take the amount you need to borrow and divide by .96. This is the total amount you will need to request. We recommend that **you request enough to cover both semesters**.

Please follow these instructions:

1.) Complete the **Federal Direct PLUS Loan Request/Application** at www.studentaid.gov **AFTER MAY 1ST**

- Sign in using FSA ID issued by the Department of Education
- Hover your cursor over "Apply for Aid"
- Select "Apply for a Parent PLUS Loan" and select the blue "START" button
- Provide student and parent information as requested
- Select the award year **2020-2021**.
- If you plan to defer payment, check the box to select "defer payments" while student is enrolled
- Provide the term information: **August 2020 through May 2021** for the academic year
- Indicate the Loan Amount Requested or if you would like the maximum amount allowed
- Review your application and submit for an instant credit check
 - **If you are approved** and you are a first time borrower, be sure to complete the Master Promissory Note (MPN) before you exit the website (instructions below).
 - **If you are denied**, you can have someone other than the student endorse (cosign) your loan. You can also file an appeal if you have extenuating circumstances that led to adverse credit. Please contact the Department of Education at 1-800-433-3243 for further information.
 - **If you accept the denial**, your student may qualify for additional unsubsidized Direct loan funds.

2.) Complete the **Federal Direct PLUS Master Promissory Note** at www.studentaid.gov

- If you haven't already done so, sign in using your FSA ID from the Department of Education
- Hover your cursor over "Complete Aid Process"
- Select "Complete Master Promissory Note"
- Select "**PLUS MPN for Parents**" as the loan type
- Provide personal, and student information (citizenship, driver's license, address, telephone number, etc.)
- Provide reference information
- Review Terms and Conditions, electronically **sign and submit MPN**

Renewal borrowers

If you (the parent) previously borrowed a Federal Direct PLUS Loan at Wittenberg University and plan to borrow for the upcoming academic year, you are required to complete a new Federal Direct PLUS Loan application. Please follow step 1 to complete this process. However, you **do not** have to complete another Federal Direct PLUS Master Promissory Note.

Questions? Please contact the Office of Financial Aid at 937-327-7321 or financial-aid@wittenberg.edu