

Federal Direct Parent PLUS Loans

A Parent PLUS Loan is a federal loan that parents of dependent undergraduate students may borrow for educational expenses. It is a non-need-based loan with a current variable interest rate of 7.079% for loans disbursed after July 1, 2019, and a cap of no higher than 10.5%. Interest accrues on this loan while the student is in school; however, the parent has the option of deferring payments as long as the student remains at least a half-time student.

How do you apply?

PLUS Loan eligibility is not initially listed on a student's Award Letter. **If you are interested in applying for a PLUS Loan, you must apply on-line at studentloans.gov.** The application will initiate a credit check process and you will be informed almost immediately if you are eligible to borrow through this program. Ursuline College will automatically be sent your application data from this federal website. Once your application is complete, you should complete a Parent PLUS Master Promissory Note (MPN) as well. The parent applying for the PLUS Loan will need their federal FAFSA FSA ID and password to do this. If you do not already have this, you can apply for one at fsaid.ed.gov

How much should you borrow?

How much a parent may borrow depends on what the student's expenses are and the amount of other financial aid they are receiving. PLUS Loan proceeds may be used for books and transportation expenses as well as tuition, fees, room and board. If you are unsure of how much PLUS loan to borrow, use the 2020-2021 Tuition Expense Worksheet to help you determine how much you will need, or call the Student Service Center at 440-646-8309 for assistance. Please note that there are processing fees of 4.236% assessed to your loan – make sure you account for this when determining how much you want to borrow.

Eligibility Requirements

The parent borrower must be a US Citizen or eligible non-citizen and must not be in default on a prior PLUS Loan. Unlike the Stafford Loan, the borrower must undergo a credit check to qualify for a PLUS Loan. If the parent is denied, the student will be considered for additional Unsubsidized Stafford Loan eligibility.

The Disbursement Process

PLUS Loan funds are delivered through Electronic Funds Transfer (EFT) at the beginning of each term. The funds are first applied to any outstanding charges on the student's account. If this produces a credit balance, then a refund check will be mailed to the parent or issued to the student, depending on the parent's preference.

An overview of the PLUS application process:

- Parent initiates PLUS Loan application on-line at studentloans.gov – we will automatically receive the results as well as how much you are requesting to borrow.
- Complete the Parent PLUS Master Promissory Note (MPN) on-line at studentloans.gov.
- If approved, Loan Processor sends loan proceeds (net of 95.76%) to Ursuline and they are applied to the student's account. Loan proceeds are disbursed equally for each semester unless otherwise requested.
- **If there is a credit produced because of the loan, a refund check will be issued for that amount.** The refund check will be made payable to either the parent or the student, depending on the parent's preference as indicated through the application process on-line.

Office of Financial Aid