



## 2009-2010 Federal PLUS Loan Request and Credit Authorization

If you wish to apply for the Federal Direct PLUS Loan for the 2009-2010 academic year, you must complete all sections of this loan application. This form must be completed each academic year to request a PLUS loan.

If you are a first time Federal Direct PLUS Loan borrower, or you had a co-signer on your 08-09 Plus Loan you must complete an MPN. Complete a Master Promissory Note (MPN) at <http://dlenote.ed.gov>

The information that you supply on this application will be electronically transmitted to the U.S. Department of Education, its servicers and/or agents. Your credit history will be reviewed to determine your eligibility. Use ink and please print. **IF YOU LEAVE A SECTION BLANK, THIS FORM CANNOT BE PROCESSED.**

Student Information			
Last Name	First Name	Macalester ID Number	
Apply my loan to the following term (Check one):			
<input type="checkbox"/> Academic Year 2009 – 2010		<input type="checkbox"/> Fall 2009 only	<input type="checkbox"/> Spring 2010 only

Parent Information				
Last Name	First Name	SSN		
Street Address	City	State	Zip	
Relationship to Student	Telephone Number	Date of Birth (Month/Day/Year)		
Are you a U.S. Citizen? (Check one)* Yes      No	Email Address (we will contact you only if there is a question about your loan request)			
If No, list Alien Registration # _____				

\* You must be a United States citizen or eligible non-citizen (permanent resident) to qualify for a PLUS Loan.

Loan Amount Request
List the Amount you wish to borrow for the period specified above: \$ _____

Authorization for Credit Check / Consent to Obtain Credit Report	
I consent to having the U.S. Department of Education and its agents review my credit report and use the information from that report in determining whether to award a Federal Direct PLUS loan to me. I understand that I will be notified in writing of the results of the credit check. I also attest that I have read and agree to all the information included with this form, including the Privacy Act Disclosure Notice.	
Parent Signature	Date



# Federal Direct Parent PLUS Loans FREQUENTLY ASKED QUESTIONS

Please keep this information sheet with your other important financial aid papers.

## How to Obtain a Federal PLUS Loan

- **Complete a Federal PLUS Loan Request and Credit Authorization Form** and return it to the Macalester Financial Aid Office. We will use the information on this form to inform the federal government of your interest in obtaining a loan and certify the student's planned enrollment and maximum Federal PLUS Loan eligibility.
- If you have not already done so, **complete a Federal Direct PLUS Loan Master Promissory Note (MPN)**. Only first time PLUS Loan borrowers and borrowers that used a co-signer in 08-09 are required to complete an MPN. The MPN is your promise to repay the loan and is collected by the federal government. The MPN must be completed before the government will provide Federal PLUS Loan funds.

You may complete the MPN in the following manner:

1. Visit <https://dlenote.ed.gov> and complete an online MPN
  2. Click the "Complete New MPN for Parent PLUS Loans" link and follow the directions
- After the federal government has received your MPN, **they will deliver loan proceeds electronically to the student's Macalester account**. Generally, loan proceeds arrive at Macalester a few days before the beginning of each semester.

## How do I sign a MPN?

You will need a federal PIN to complete the MPN; this may be obtained online at [www.pin.ed.gov](http://www.pin.ed.gov). If you electronically signed the FAFSA you should already have a pin. If you have forgotten your pin visit [www.pin.ed.gov](http://www.pin.ed.gov) to retrieve it.

## Federal PLUS Loan Terms

- Maximum loan amount = cost of education minus financial aid received.
- Loan fee = 2.5% of principal. Loan fee is 4% of loan amount minus a 1.5% rebate in anticipation of 12 on-time payments when the repayment begins. For each \$100 borrowed, \$97.50 is available to use for educational costs. The 1.5% rebate would be revoked if, when the repayment period begins, the first 12 payments are not made on schedule.
- Fixed interest rate = 7.9%.
- Repayment begins within 60 days of loan disbursement though there are deferment options while the student is in school.
- Standard repayment period is ten years.
- Loan funds are provided by and repaid to the federal government.
- Visit [www.dl.ed.gov](http://www.dl.ed.gov) for more information on repaying your PLUS Loan. You may choose to use this website to repay your PLUS loan electronically.

## Eligibility

Most parents of students who are US citizens or Permanent Residents may borrow through the Federal PLUS Loan program.

- Noncustodial parents and stepparents are eligible to apply for a PLUS Loan.
- The parent borrower must be a US citizen or Permanent Resident.
- The parent borrower must pass a credit check performed by the lender.

## What are the loan fees associated with the PLUS Loan?

At the time of disbursement the PLUS Loan fee is 2.5%. This fee is 4% of loan amount minus a 1.5% rebate in anticipation of 12 on-time payments when the repayment begins. For each \$100 borrowed, \$97.50 is available to use for educational costs. The 1.5% rebate would be revoked if, when the repayment period begins, the first 12 payments are not made on schedule.

## When will repayment begin?

Payments will begin 60 days after disbursement of the full amount borrowed for an academic year. Interest accrues as soon as the first disbursement is made. There is no grace period for this loan; you begin repaying both principal and interest while your student is in school. You will have from 10 to 30 years to repay depending upon the repayment plan you select. Note: On May 7, 2008, President Bush signed into law the Ensuring Continued Access to Student Loans Act of 2008. Parents may now have the option to defer payments on the PLUS Loan. Visit [www.dl.ed.gov](http://www.dl.ed.gov) for more information on loan deferment.

### **When will the PLUS loan disburse?**

In accordance with federal loan regulations and Macalester's disbursement schedule, the loan will be applied to your student's account once all requirements are met. If enrolled in both fall and spring semesters, one-half of the loan will be disbursed at the beginning of the fall semester and the remaining half will be disbursed at the beginning of spring semester. If enrolled in one semester only, the total amount of your loan will disburse at the beginning of the semester.

### **What if additional financial aid is received and I want to reduce or cancel my PLUS loan?**

You have the right to cancel or reduce your Federal PLUS Loan at any time during the loan period. Contact the Macalester Financial Aid Office for information on how to initiate a reduction or cancellation.

### **What if I want to apply for additional PLUS loan funds?**

You may apply for additional PLUS loan funds by completing another Federal PLUS Loan Request and Credit Authorization Form. The total amount of a PLUS loan may not exceed the cost of attendance minus all other financial aid. Please note that your credit history may be reviewed again to determine your eligibility.

### **What am I consenting to by signing the credit authorization?**

Your consent verifies that you have read the privacy act disclosure as follows and give Macalester College permission to authorize the Department of Education to review your credit report:

The Privacy Act of 1974 (5 U.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 a Direct PLUS. The information on this form will be used to determine your eligibility for a Direct PLUS. The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called "Title IV Program Files" (originally published on April 12, 1994, Federal Register, Vol. 59 p. 17351) and "National Student Loan Data System" (originally published on December 20, 1994, Federal Register, Vol. 59 p. 65532). Thus, this information may be disclosed to federal and state agencies, private parties such as relatives, present and former employers and creditors, and contractors of the Department of Education for purposes of administration of the student financial assistance program, for enforcement purposes, for litigation where such disclosure is compatible with the purposes for which the records were collected, for use by federal, state, local, or foreign agencies in connection with employment matters or the issuance of a license, grant, or other benefit, for use in any employee grievance or discipline proceeding in which the Federal Government is a party, for use in connection with audits or other investigations, for research purposes, for purposes of determining whether particular records are required to be disclosed under the Freedom of Information Act, and to a Member of Congress in response to an inquiry from the congressional office made at your written request.

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 (20 U.S.C. 1091 (a)(4)) provides that, in order to receive any grant, loan, or work assistance under Title IV of the HEA, a 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.

### **What if my credit is denied?**

If your credit is denied, you will receive notification from the Direct Loan Servicer. You may choose from the following options:

- You may try to have a credit status override completed by the servicer. Please contact the Direct Loan Servicer at 1-800-557-7394 and Equifax (their credit bureau) at 1-800-685-5000.
- You may provide documentation to the Direct Loan Servicer if you have extenuating circumstances. Your request for a PLUS loan will be reviewed again by the servicer.
- You may have a third party endorser co-sign the PLUS loan application with you. In this case, please contact the Direct Loan Servicer at 1-800-557-7394.
- You may choose not to pursue the denied PLUS loan and your student may be able to borrow additional funds for the current academic year through the Unsubsidized Federal Direct Loan Program. Please contact the Financial Aid Office to discuss this option.

### **More Information**

More information about the Federal PLUS Loan program is available from the Department of Education. Call 800-4FED-AID or visit [studentaid.ed.gov](http://studentaid.ed.gov).