

# 09-10



**Office of Student Financial Aid**  
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## Federal Direct PLUS Loan Request Form

Student's First Name \_\_\_\_\_ Last Name \_\_\_\_\_ 991- \_\_\_\_\_  
ID Number \_\_\_\_\_

**\*\*\* New \*\*\***  
**Beginning with the 2009-2010 school year Indiana State University will be participating in the William D. Ford Federal Direct Loan Program. All parent borrowers (new and previous) must complete a Master Promissory Note (MPN).**

This form is required at ISU for a parent to borrow from the Federal Direct Parent PLUS Loan Program.  
**Students must also complete the 2009-2010 Free Application for Federal Student Aid (FAFSA).**

### A. COMPLETE PARENT BORROWER INFORMATION

Parent First Name \_\_\_\_\_ MI \_\_\_\_\_ Last Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

Permanent Street Address \_\_\_\_\_ Home Telephone Number \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Parent's Date of Birth (mm/dd/yy) \_\_\_\_\_

**Parent Borrower Citizenship Status:** \_\_\_ U.S. Citizen or \_\_\_ Eligible Noncitizen (Attach a copy of both front and back of I-151, I-551, or I-94 card)

### B. LOAN AMOUNT AND LOAN PERIOD

**Requested Loan Amount:** \$ \_\_\_\_\_ **\*\*Do not write "Max" or "Maximum" for the loan amount. \*\***

If you later wish to reduce the amount of your loan, you will need to complete a Loan Change Form.  
To request an increase in your loan later on, submit another Parent PLUS Loan Request Form.

**Choose the academic period for which you want Parent PLUS Loan(s):**

- Fall 2009 & Spring 2010       Fall 2009 Only       Spring 2010 Only

### C. PLUS BORROWER CERTIFICATION

My signature serves as my consent to the U.S. Department of Education and its agents to obtain a credit report and use that information to determine my eligibility for a Federal Direct Parent Loan for Undergraduate Students. I understand that I will be notified in writing by the U.S. Department of Education of the results.

**I understand that Indiana State University will apply Federal Direct PLUS funds to my student's allowable university charges, and that any excess funds will be refunded to the parent borrower.**

Parent Signature (required) \_\_\_\_\_

Date \_\_\_\_\_

### **Eligibility**

#### **Student must:**

- Be fully admitted and seeking a degree through ISU.
- Be enrolled at least half – time (6 credit hours) when the loan is disbursed.
- Must not be in default on an educational loan or owe an overpayment on a federal education grant, or other federal debt, or you have made satisfactory arrangements to repay that debt
- Maintain Satisfactory Academic Progress.

#### **Parent Borrower Requirement:**

- Must be a natural or adoptive parent of the student or a step-parent whose income is reported on the student's completed FAFSA application.
- Must not be in default on an educational loan or owe an overpayment on a federal education grant, or other federal debt, or you have made satisfactory arrangements to repay that debt.

### **How Much Can You Borrow?**

A parent may borrow the student's cost of attendance minus any financial aid (e.g., grants, scholarships, work-study, federal student loans) the student is already receiving for the school year.

### **What Are The Interest Rates and Fees**

The Interest Rate is fixed at 7.9%.

Loan fee is 4% with front end 1.5% rebate. If parent fails to make 12 consecutive loan payments on time, loan fee will revert to 4%.

### **Repayment Information**

A payment begins 60 days after the loan is fully disbursed. A deferment is available if the student remains enrolled at least half-time, but interest continues to accrue.

## **How to Apply for a Federal Direct Parent PLUS Loan**

### **1. File the 2009-2010 Free Application for Federal Student Aid (FAFSA)**

You can file the FAFSA at [www.fafsa.ed.gov](http://www.fafsa.ed.gov) . All requested documents will need to be submitted to the Financial Aid Office.

### **2. Complete the Federal Direct Parent PLUS Loan Application**

The Federal Direct Parent Plus Loan Request Form must be completed and signed by the parent (borrower) in whose name the loan application will be made.

### **3. Complete the Parent PLUS Master Promissory Note (MPN)**

Complete the on-line Master Promissory Note (MPN) for Parent PLUS Loans at <https://dlenote.ed.gov>.

### **4. Receive Approval/Denial**

You will receive notification directly from the U.S Department of Education on your approval/denial.

If you are denied a PLUS Loan you have the following options:

- Parent may be approved with an endorser (co-signer).
- Student may apply for an Unsubsidized Direct Loan based on student's eligibility. They will need to submit a new Federal Direct Stafford Loan Request Form along with proof of PLUS denial.

### **5. Funds disbursed to your student's account**

If your loan application is approved **and** the Master Promissory Note (MPN) is completed, loan funds are sent directly to Indiana State University from the U. S. Department of Education and credited directly to your student's account.

If you apply for a full academic year loan, half of the amount you apply for is disbursed at the start of the fall semester and the other half at the start of the spring semester.

Funds will first cover any allowable charges on the student's account. Any excess funds will be refunded to the parent borrower in the form of a check.