



# Federal Direct Parent PLUS Loan Application Credit Authorization

(DPPA)

To apply for the Federal Direct Parent PLUS loan you must complete all sections of this loan application and the student must have a current FAFSA on file. The Free Application for Federal Student Aid (FAFSA) must be submitted each academic year before a PLUS loan application can be processed.

The information 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. Please print using black or blue ink. **IF YOU LEAVE A SECTION BLANK, THIS FORM CANNOT BE PROCESSED.**

Student Information		
Last Name	First Name	UST ID Number
I would like the loan applied during the following term(s): Academic Year 20__ - 20__ (Check one): <input type="checkbox"/> Fall / Spring <input type="checkbox"/> Fall <b>only</b> <input type="checkbox"/> Spring <b>only</b> <input type="checkbox"/> Summer <b>only</b>		

**List the name of one parent borrower only. In order to apply for a PLUS loan, the borrower must be a natural parent, adoptive parent, or stepparent (if stepparent's income and assets are considered on the FAFSA) of a dependent student.**

Parent Information			
Last Name	First Name	SSN	Date of Birth (Month/Day/Year)
E-mail Address	Phone Number Home	Phone Number Work	
Are you a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, list Alien Registration #: _____		Relationship to student: <input type="checkbox"/> Natural Parent <input type="checkbox"/> Adoptive Parent <input type="checkbox"/> Step Parent	
Street Address (P.O. Box # alone is not acceptable unless there is no street delivery)	City	State	Zip

## Loan Amount Request

List the amount you wish to borrow: \$ \_\_\_\_\_ (Whole dollar amount required. An origination fee will be deducted. See FAQ)

## Title IV (Federal) Authorization Information / Non-Default Self-Certification

If your student's federal financial aid combined with your PLUS loan exceeds the cost of tuition, room, board and fees, the university must obtain your permission to use your PLUS loan funds to pay charges other than those listed above. Examples of charges that your student may incur are: Express Card charges, health insurance, parking fines or finance charges. Please indicate your choice below:

- I authorize the University of St. Thomas to pay charges other than tuition, fees, room and board using my PLUS loan proceeds. This may include ONLY \$200.00 in prior academic year charges.
- I do not authorize the University of St. Thomas to pay charges other than tuition, fees, room and board using my PLUS loan proceeds and I understand that my student will be responsible for payment of these charges as billed.

If you are in default on any loan received under the Direct Loan program, Federal Family Education Loan program, or Federal Perkins Loan program including National Direct Student Loans, you are not eligible to receive a Direct PLUS Loan unless you have made satisfactory repayment arrangements with the loan holder to repay the amount owed. Check the box below to certify that you meet this requirement.

- I am not in default on a loan received under the Direct Loan program, Federal Family Education Loan program, or Federal Perkins Loan program including National Direct Student Loans, or if I am in default I have made satisfactory arrangements with the loan holder to repay the amount owed.

## 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
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# Federal Direct Parent PLUS Loans FREQUENTLY ASKED QUESTIONS

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

## How will I know if I am eligible?

After the attached form is processed, you will be notified by the Direct Loan Servicer of your loan eligibility. Generally, you are eligible if:

- you filed the Free Application for Federal Student Aid (FAFSA) for this academic year
- you do not have an adverse credit history (a credit review will be completed)
- you are not in default on a federal student loan (including Federal Direct PLUS loan)
- you meet the other eligibility requirements outlined on your loan application

## What is a Master Promissory Note (MPN)?

A promissory note is a binding legal document that lists the conditions of your loan and the terms of repayment. Instead of completing a promissory note every year, a Master Promissory Note (MPN) is a multi-year promissory note that only has to be completed once while your student is attending UST. The MPN will simplify the processing of your loan(s).

## Who should complete/sign a MPN?

The parent or stepparent who completes the MPN must be the same person listed as the parent borrower on the PLUS Application/Credit Authorization Form submitted to the Financial Aid Office.

## How do I sign a MPN?

If you do not have a valid Master Promissory Note (MPN) on file, you may electronically complete a Master Promissory Note (MPN) at [www.studentloans.gov](http://www.studentloans.gov). You will need your FSA ID to log in and complete the MPN. If you do not have a FSA ID, you will be prompted to create one before logging in.

## How do I know if I have a valid MPN on file?

You have met the requirements for an MPN if you had an approved PLUS loan and signed an MPN for a previous academic year and all of the following are true:

- The MPN is designated for the same student\*
- The MPN is signed by the same parent\*
- The MPN does not have an endorser\*

\*If one of the above statements is not true, you will be required to complete a new promissory note.

## If I already have a PLUS MPN on file with UST, what else is required?

A signed and completed Federal Direct Parent PLUS Loan Application/Credit Authorization must be submitted to our office as confirmation that you wish to borrow a loan for this academic year. We will send your application to the U.S. Department of Education for credit approval. Also the Free Application for Federal Student Aid (FAFSA) must be submitted each academic year before a PLUS loan application can be processed.

## When will repayment begin?

Repayment 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; the parent borrower repays both principal and interest while their student is in school. The repayment term will be 10 to 30 years depending upon the repayment plan selected. Parents have the option to defer payments for PLUS loans originated after July 1, 2008 provided the designated student is enrolled at least half-time each semester (six or more credits), plus a six-month post-deferment period. Parents must contact their Direct Loan Servicer after the loan has been disbursed to request a deferment.

## When will the PLUS loan disburse and how much is the origination fee?

In accordance with federal loan regulations and UST's disbursement schedule, the loan will be applied to your student's account once all requirements are met. There is a loan fee of 4.248% deducted from each disbursement. 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?**

If your student receives additional financial aid and you wish to reduce or cancel your Federal Direct Parent PLUS loan, it is important that you notify the Financial Aid Office in writing as soon as possible. You may cancel all or a portion of your loan after funds have been credited to your student's account by notifying us in writing within 30 days after the date of your loan disbursement notice. Canceling your Federal Direct Parent PLUS loan will not make your student eligible for additional unsubsidized loan amounts.

If the additional financial aid received by your student results in aid that is in excess of your student's cost of attendance, our office will automatically reduce the appropriate loan fund. These loan funds will be returned to the U.S. Department of Education. The amount returned will appear as a charge on the student's monthly account statement.

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

You may apply for additional PLUS loan funds by completing another PLUS loan application/credit authorization. The total amount of a PLUS loan may not exceed the cost of attendance minus all other financial aid. You must list the additional amount you wish to borrow and indicate on the application that you are requesting additional funds. 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 UST permission to authorize the U.S. 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 application is denied due to credit, 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 Applicant Services at 1-800-557-7394.
- 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. Any PLUS loans with an endorser added will require a new and separate MPN be completed by the parent borrower.
- As of March 29, 2015, a PLUS borrower with an adverse credit decision who pursues an extenuating circumstance appeal or adds a credit-worthy endorser is required to complete an online PLUS counseling module at [studentloans.gov](http://studentloans.gov). The completion of this counseling is required before the loan can be disbursed. Direct Loans will notify the borrower if this online counseling is required.
- You may choose not to pursue any of the options listed above, and your student may 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.