



Federal Direct PLUS Loan Information (Parent Loan)

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The Parent (PLUS) Loan is a federal loan that is available to parents and stepparents of dependent undergraduate students. The PLUS loan is taken out for the academic year (Fall/Spring semesters) and is in the parent's name. The maximum amount a parent can borrow is the total cost of attendance minus the student's total financial aid received.

Student Eligibility

A student must meet the following requirements before a PLUS Loan will be processed:

1. Registered at least half time (six credit hours)
2. Enrolled in a degree-seeking program
3. Making federal Satisfactory Academic Progress
4. Complete the Free Application for Federal Student Aid (FAFSA)

Interest Rates and Fees

The interest rate for the 2014-15 academic year is fixed at 7.21% and there is approximately a 4.2% origination fee deducted from each disbursement by the U.S. Department of Education. Interest begins to accrue at the time of each loan disbursement.

Direct Parent Loan (PLUS) Application Process

1. Completing a PLUS loan application electronically, through our website is the preferred method, although paper copies are available in the Office of Student Financial Services. The student must visit the Student Financial Services website at www.utica.edu/finance/sfs/forms.cfm and click on the **Initiate Parent PLUS Application** link. The student will be prompted to log into banner web, using their secure UC user ID and password*, and will be asked to provide the borrower's (parent) email address where the application should be sent. Once a student submits a request for a Parent PLUS application, the borrower will receive an email containing a secure link to the application. Please be advised, only one application may be submitted electronically and changes cannot be made to an application after its submission.
*New students will be mailed instructions on how to activate their UC login.
2. The processing of completed applications will begin after July 1st of the academic year for which you are applying. A credit check will be conducted by the Direct Loan Program and you will be notified of their decision.
3. If the credit check is approved, the borrower would have to complete a Master Promissory Note (MPN).
4. If the credit check is **NOT** approved, the parent can choose one of two options.
 - a. The borrower can choose to try again with an endorser/cosigner. The U.S. Department of Education's Federal Direct Loan Servicing Center will notify the borrower of the denial, at which point the endorser/cosigner will have to obtain a PIN number at www.pin.ed.gov and go to www.studentloans.gov to complete the necessary PLUS loan endorser application.
 - b. The student can choose to take out an additional Federal Unsubsidized Loan. The amount of the Unsubsidized Loan that may be borrowed is contingent upon the student's degree of financial need, their cost of attendance as well as their grade level. The additional maximum amount is \$4,000 for freshmen and sophomores and \$5,000 for juniors and seniors.

Disbursements

Funds are disbursed directly to the school, generally at the beginning of each term and applied to the student's account.

Repayments

There is no grace period for Direct Parent PLUS Loans and repayment begins 60 days after the final disbursement (loan is fully disbursed). The standard repayment term is 10 years. Parent PLUS loan borrowers may have the option of delaying their repayment on the PLUS loan, either 60 days after the loan is fully disbursed or six months after the dependent student is not enrolled at least half-time. Under some conditions, the borrower may receive a deferment or forbearance that allows the borrower to temporarily stop or lower payments. Interest will accrue on the PLUS loan during all periods of deferment or forbearance. During this time, interest may be paid by the parent or capitalized.