

FEDERAL DIRECT PARENT PLUS LOAN INFORMATION SHEET AND INSTRUCTIONS FOR APPLYING

ELIGIBILITY

The Parent PLUS loan is a federal loan program administered by the U.S. Department of Education and designed to assist parents of dependent undergraduate students in meeting educational expenses. Eligibility is not based upon financial need and there are no income restrictions that affect eligibility for this loan, HOWEVER, the parent borrower must be approved via a credit check. A parent may borrow up to the student's total cost of attendance, excluding other financial aid, as long as the student is enrolled at least half-time and is maintaining Satisfactory Academic Progress.

INTEREST RATES AND FEES

- The PLUS interest rate for the 2020-21 academic year is fixed at **5.30%** (21-22 rate TBD)
- The loan origination fee is **4.228%** of the loan
- For example, for every \$1,000 of PLUS loan borrowed, the origination fees will be \$42.28

PLUS LOAN AMOUNTS

The PLUS annual limit is the Cost of Attendance (COA) minus other aid. See loan eligibility example below. We recommend that you borrow the minimum amount needed to cover the student's educational costs. The minimum a parent may request is \$200 for an academic year. The maximum a parent may request is the cost of attendance minus any other financial aid received. Information regarding St Joseph's College Cost of Attendance can be found in the 2021-22 Financial Aid Offer Guide.

PLUS LOAN ELIGIBILITY EXAMPLE

Approximate 2021-22 SJC Cost of Attendance:	\$41,160
Minus the total of other financial aid student is accepting (i.e. Grants, Scholarships, Loans)	- \$5,500
Maximum amount parent can borrow up to	= \$35,660

PARENT PLUS LOAN DISBURSEMENTS

PLUS loan funds are posted directly to the student's tuition account at SJC's Bursar Office. If the amount applied exceeds charges posted to the account, the borrower can request these excess funds be refunded to either the student or the borrower.

REPAYMENT INFORMATION

A Parent PLUS loan is not automatically deferred like the Student Stafford loans are. If the deferment option is selected by the parent borrower when completing the Master Promissory Note (MPN) interest will accrue while the student is in school, but no payment would be required until the student graduates. There is a 10 year repayment term.

If the parent chooses not to defer the PLUS loan, repayment will begin 60 days after the disbursement of funds to the student's tuition account. For example, if the student is attending both the Fall and Spring semesters at SJC, repayment would begin 60 days after the Spring disbursement. If the student only attends the Fall semester, repayment would begin 60 days after that disbursement.

For more information regarding in school deferments and payment plans, please contact the Direct Loan Servicer at www.studentaid.gov or 1-800-557-7394. Borrowers can also use this site to calculate payments.

HOW TO APPLY FOR A PARENT PLUS LOAN

- On or after May 1, 2021: Complete the PLUS Loan request process, including the credit decision at www.studentaid.gov. If you plan to borrow a Parent PLUS loan, you will need a FSA ID to log in and complete the credit check/MPN process. Select "Apply for a Parent PLUS Loan".
- If you do not have a current Master Promissory Note (MPN) on file with U.S. Department of Education, complete one electronically at www.studentaid.gov. Select "Complete MPN (Master Promissory Note)" and then select the MPN for "Parent of an Undergraduate Student". You will need a FSA ID to log in and complete the MPN. Follow the instructions and be sure to complete all steps of the MPN Process.
- If you have trouble completing the application or are not sure whether or not you have an active MPN, call us at 718-940-5700 for assistance.
- A credit check will be performed by the U.S. Department of Education. You will receive a written notification of your credit check results. If your credit check is not approved, you are applying with an endorser, or appealing your credit denial, please contact the Office of Financial Aid for more information.

OPTIONS IF THE PARENT PLUS IS DENIED

- The student can receive additional Unsubsidized loan money. A student in his/her Freshman or Sophomore year may be able to receive up to **\$4000** additional Unsubsidized loans a year and Juniors and Seniors may receive up to an additional **\$5000** a year.
- The Parent can appeal the credit decision with the Federal Direct Loan Center.
- The parent can apply with an endorser.

MAKING ADJUSTMENTS TO PARENT PLUS LOAN

If the Parent borrower wishes to make an adjustment to the Parent PLUS loan after the initial acceptance (i.e. Increasing, Decreasing, or Cancelling a disbursement), you must submit a Parent Loan Change Form to the Office of Financial Aid. The form can be downloaded from the SJC website at: <http://www.sjcnyc.edu/brooklyn/admissions/financial/financial-aid-forms>