

## ***PLUS Loan Request Form*** ***What Parents should know about PLUS Loans***

Dear Parent,

Your student received an award letter recently indicating the financial assistance available for the upcoming year at LaGrange College. Depending on the award, you may require additional assistance in meeting the remaining college expenses. As you contemplate your options, you may want to consider the Federal Parent Loan for Undergraduate Student Loan (PLUS), a low-interest, federally funded loan program available to the parents of dependent undergraduate college students enrolled for at least six credit hours.

### ***The Federal PLUS Loan Application and Master Promissory Note (P-MPN)***

#### ***The Federal PLUS Loan and P-MPN***

A Master Promissory Note (P-MPN) is a legally binding agreement between you and your lender under which you promise to repay the loan, with interest, in periodic installments. Under a P-MPN you may receive a loan for a single academic year or multiple academic years. Your P-MPN will be valid for 10 years from the date you sign the note.

#### ***Interest Rate***

- The current Federal PLUS Loan interest rate is fixed at 8.5%.
- Many lenders offer interest rate reduction programs that can help you reduce your total interest cost.

#### ***Eligibility***

- You must be parents, step-parents or adoptive parents of a dependent, undergraduate student who is attending an eligible school at least half time.
- You must be a U.S. citizen or national, or eligible non-citizen.
- You must have no unresolved defaults or overpayments owed on a Title IV education loan or grant.
- You must pass a minimal credit check. The credit review is a basic screening for adverse credit and does not take your income, assets or debt into consideration.

#### ***Borrowing Limits***

- You may borrow up to the cost of attendance less other aid received.
- There is no minimum or maximum loan amount, so you can borrow as little or as much as you need for each dependent child enrolled in school.

#### ***Applying for a PLUS Loan***

- For your first loan, you must complete and sign the Federal PLUS Loan MPN. You may be eligible to do so online, or you can obtain a hard copy from your lender or school. You will only need to complete this form once for each student, for up to 10 years of borrowing.
- For subsequent loans, you will simply need to provide your requested loan amount, and your lender will use your existing MPN to originate the loan.

#### ***Disbursement***

- Funds are disbursed directly to the school according to the disbursement dates provided by the school.

#### ***Repayment***

- Repayment begins within 60 days after the final disbursement of the loan.
- The loan repayment term is 10 years. You can pre-pay the loan in whole or in part without penalty.
- To make loan repayment easier, some lenders offer an interest only repayment option which allows you to make interest only payments for a period of 24 or 48 months.

# *The Language of Loans*

**Capitalization** - The process of adding unpaid interest to the principal loan amount, thereby increasing the balance that future interest accrues on, and the total amount to be repaid. To save money, pay interest before it is capitalized.

**Cost of Attendance Budget** – The estimated annual expenses associated with a student’s attendance at a particular college or university. The budget usually includes tuition, fees, room, board, books, supplies, transportation, and other personal expenses.

**Default** - The failure to pay your loan according to the terms of your promissory note. Default will affect your ability to obtain credit and possibly employment opportunities.

**Deferment** - An authorized period of time during which you may postpone payment on your loan.

**Disbursement** - The process by which financial aid funds are made available to students for use in meeting educational and related living expenses.

**Disclosure Statement** – Statement sent to a Stafford Loan or PLUS Loan borrower outlining the principal amount of your loan, fees that have been deducted, the interest rate, anticipated disbursement dates, and the total amount of your indebtedness.

**Electronic Fund Transfer (EFT)** – a disbursement method utilized by lenders, which wires funds for Stafford and PLUS loans electronically to schools for disbursement to student’s account. This eliminates paper checks that require endorsement.

**Free Application for Federal Student Aid (FAFSA)** - A form required by the government for application to any federal education aid program.

**Forbearance** - An arrangement to postpone or reduce a borrower’s monthly payment amount for a limited and specific period, or to extend the repayment period. The borrower is charged interest during periods of forbearance.

**Guarantee Fee** - A charge for insurance that goes to the guarantor, which will pay off your loan in the case of default, death or total permanent disability.

**Interest Rate**- A loan expense charged by a lender and paid by the borrower for the use of borrowed money. The expense is calculated as percentage of loan amount. The Federal PLUS Loan variable interest rate is set by the U.S. Department of Education and is a variable rate that will not exceed 9%. The interest rate is determined by the 91-day Treasury Bill Rate plus 3.1 percent.

**Lenders**- An eligible financial institution that makes federal loans to eligible students. Lenders may be a bank, credit union, or savings and loan.

**Origination fee** - A fee charged by the federal government and guaranty agencies to help reduce the costs of subsidizing Federal Family Educational Loans—Federal Subsidized and Unsubsidized Stafford Loans. The origination fee for most lenders is 3% of the amount borrowed.

**Parent** - A student's natural mother or father, adoptive parent, or the spouse of a parent who has remarried, if that spouse's income and assets will be taken into consideration when determining the dependent student's financial aid eligibility.

**PLUS Loan Master Promissory Note (P-MPN)** - A promissory note under which the borrower may receive loans for either a single academic year or multiple academic years.

## Federal PLUS Loan for Parents Request Form

*Parent's Name – Last Name	*First Name	*Middle Initial
*Parent's Social Security Number	Parent's Date of Birth	
*Permanent Street Address	*City	*State
*Home Telephone	Work Telephone	
Driver's License Number/State	Residency	
U.S. Citizen: <input type="checkbox"/> YES <input type="checkbox"/> NO	If NO, Alien ID#	
Student's Name – Last Name	First Name	Middle Initial
Student's Social Security Number	Student's Date of Birth	
Requested Loan Amount \$	Academic Period ____ / ____ / ____ to ____ / ____ / ____ mo day yr mo day yr	

\*All fields are required; however, asterisk fields are required to determine credit eligibility.

PREFERRED LENDER LIST			
<input type="checkbox"/> Wachovia 1-800-338-2243 www.wachovia.com/education Lender Code: 830005	<input type="checkbox"/> EdAmerica 1-800-EDSOUTH www.edamerica.net Lender Code: 831453	<input type="checkbox"/> Citibank 1-800-967-2400 www.studentloan.com Lender Code: 826878	<input type="checkbox"/> Other: _____ Lender Code: _____
<input type="checkbox"/> SunTrust Bank 1-800-208-9729 www.suntrust.com Lender Code: 824135	<input type="checkbox"/> Bank of America 1-800-633-7192 www.bankofamerica.com Lender Code: 831846	<input type="checkbox"/> Georgia Student Finance Authority 1-800-688-7878 www.gsfc.org Lender Code: 822573	

Check here if you have any concerns about your creditworthiness and would like to have a PLUS pre-screen conducted. Please be advised that this will create a hit on your credit report.

I authorize the school, on my behalf, to process a PLUS Pre-screen which initiates a review of my credit history against the PLUS credit criteria and authorizes the lender to obtain a credit report for that purpose. In order to assist the Office of Financial Aid at LaGrange College in the completion of the financial aid package for the student named above, I authorize the school to receive notification of the results of the review of the PLUS Pre-screen.

By signing below, I understand that I am authorizing the Office of Financial Aid at LaGrange College to provide my lender with any information that is necessary for me to obtain a Federal PLUS Loan.

Parent Borrower's Name (please print): \_\_\_\_\_

Parent Borrower's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### School Section Only:

Approved     Denied     Unsub  
 Certified Amount      Transmission Date      Initials      Date

## LaGrange College Lender List Federal Stafford Loan Lender List

In an effort to assist students and families in selecting a lender, the Financial Aid Office has compiled a list of banks or lending institutions that we consider to offer exemplary service, competitive benefits, customer service, repayment options and commitment to students. This lender list is intended as a starting point in your selection of a lender and should not be considered all inclusive. The lenders are list alphabetically and not in the order of preference. If you are considering one of the lenders on this list, please visit their website and do you own research. The reasoning behind the selection of a lender differs from person to person so it is important that you make an informed decision. You are not obligated to select a lender from this list. We will process your loan through any lender you choose—the choice is yours.

Lender	Lender Code	Lender Web Address
Bank of America Phone: 800-633-7192	831846	<a href="http://www.bankofamerica.com">www.bankofamerica.com</a>
Citibank Student Loans Phone: 800-967-2400	826878	<a href="http://www.studentloan.com">www.studentloan.com</a>
Edamerica Phone: 800-337-1009	831453	<a href="http://www.edamerica.net">www.edamerica.net</a>
Georgia Student Finance Authority Phone: 800-505-GSFC	822573	<a href="http://www.gsfc.org">www.gsfc.org</a>
SunTrust Bank Phone: 800-208-9729	824135	<a href="http://www.suntrustededucation.com/">www.suntrustededucation.com/</a>
Wachovia Phone: 800-338-2243	830005	<a href="http://www.wachovia.com">www.wachovia.com</a>