

Federal PLUS Loan

Parent Loan for Undergraduate Students



Attention Parents!

PLUS LOANS
are available

Dear Parent:

To assist you in paying the costs of college, you may want to consider a Federal PLUS (Parent Loan for Undergraduate Students) Loan. This is a government-sponsored loan for parents of dependent undergraduate students. This loan is often used to help parents with the family's expected contribution. Parents of all income levels are eligible; however, a credit check is required.

- **Borrowing Limits:** Up to the cost of attendance minus all financial aid.
Your estimated PLUS Loan eligibility is: _____
- **Interest Rate:** This is a fixed-rate loan. The interest rate for 2008-2009 is 8.5%. Interest begins accruing from the date the first disbursement is made.
- **Fees:** All PLUS loans are subject to an origination fee of up to 3% and a guarantee fee of up to 1%. Fees are deducted from the loan proceeds at the time funds are disbursed.
- **Disbursement:** PLUS loans are sent directly to the school in two equal disbursements. Disbursements are normally made at the beginning of each term. If the student does not maintain at least half-time enrollment during the specified loan period, loan funds already disbursed must be returned to the lender.
- **Repayment:** Repayment of your PLUS loan begins no later than 60 days after your loan has been fully disbursed. Most parents borrow for two terms and repayment begins after the final disbursement. The maximum repayment period is 10 years. The minimum monthly payment on principle and interest is \$50. There is no penalty for early repayment.
- **Forbearance:** Various repayment options including forbearance of interest or interest/principal are available.
- **Credit Check:** A credit check is required for the PLUS loan.
- **Note:** If a parent is denied, your student may be eligible for additional Unsubsidized Federal Stafford Loan money. Please contact the Financial Aid Office for more information.

Please contact your lender or one of our preferred lenders to apply for this loan type.