**Parent PLUS Loan Questions and Answers**
(see page 2 for Application)

**What is a Federal Direct PLUS Loan?**
Federal Direct PLUS Loans are for parents of undergraduate students. They enable parents (including a parent not on the FAFSA) or stepparents (but not legal guardians) who are on the FAFSA to borrow directly from the federal government. Parents without any adverse credit history may borrow up to the total annual cost of attendance less any other aid received by the student.

**What is the cost of a PLUS?**
The current 2017-18 interest rate is fixed at 7.00%. There is a 4.292% origination fee that will be deducted from the amount you borrow. Please take this origination fee into consideration if you are trying to borrow an exact amount to cover charges. Note: Interest rates change each July 1 and may differ slightly for the 2018-19 school year.

**How do I apply?**
To provide the optimum financial aid package, we require families to complete the Free Application for Federal Student Aid (FAFSA), available at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). An additional PLUS Loan application must also be completed (see attached.) PLUS loan processing, including the credit check, can take up to 12 weeks. Parents will be notified by the lender as to the status of the credit check.

**What if I do not pass the credit check?**
To qualify for a PLUS loan, the parent borrower must pass a modest credit evaluation and not be in loan default or owe a grant overpayment. The requested amount is initially included as a conditional estimate in the student’s financial aid package while we are processing the credit check. The loan is not approved until you receive notification from the lender that your credit was approved.

Unlike credit checks for other types of borrowing, the PLUS credit check merely determines if the borrower has an adverse credit history. Indications of adverse credit include being 90 days or more past due in the repayment of a debt greater than $2085, having been in default or foreclosure on a loan, or having had a bankruptcy discharge or write-off of a federal education debt during the last five years.

Parents whose credit was denied will be notified by the lender. A parent/student will have the following options:

1. The declined Direct PLUS Loan may be remedied with an acceptable endorser, who is willing to assume the debt if the parent fails to pay the loan.

2. Direct Lending may approve a PLUS loan if the parent can demonstrate extenuating circumstances, such as updated credit information that shows they have brought their accounts up to date or have made satisfactory arrangements to repay their debts.

3. The student may qualify for additional unsubsidized Federal Direct Stafford loan of up to $4,000 or $5,000 depending on their grade level. Contact our office for more information, or complete questions 2 - 4 on the attached application.

**Parent or child, who pays?**
The parent who completes the PLUS application and Master Promissory Note is legally obligated to repay the debt.

**When does repayment begin?**
Repayment begins 60 days after the date of the final disbursement of the loan. You may apply for an in-school deferment or forbearance by contacting your Loan Servicer. Visit [https://www.nslds.ed.gov/](https://www.nslds.ed.gov/) for more information on your Loan Servicer.

**Have I exhausted other sources of financial aid?**
Before applying for a Parent Loan for Undergraduate Students (PLUS), parents should thoroughly research all forms of financial aid, especially grant and scholarship aid that does not have to be repaid. Our office website: [www.csuchico.edu/fa](http://www.csuchico.edu/fa), the Department of Education website: [www.studentaid.ed.gov](http://www.studentaid.ed.gov), and scholarship search services, such as [www.finaid.org](http://www.finaid.org), provide information about all types of aid.
Student PLUS Application
Federal Direct Parent Loan for Undergraduate Students

Student:
1. I understand I must first apply for financial aid with the Free Application for Federal Student Aid (FAFSA) and that this application for a PLUS loan will not be evaluated until:
   a. I am accepted for admission in an approved program leading to a bachelor's degree;
   b. My eligibility for other aid has been determined, and I have accepted, reduced or declined the offers;
   c. I fulfill satisfactory academic progress requirements.

Student Initials

2. I request all additional Stafford student loan eligibility prior to awarding PLUS funds: □ Yes  □ No

3. In order to receive the full amount of loan requested:
   □ I want to cancel my Work-Study.  □ I want to reduce my Work-Study to $___________.
   Do not check either box if you want to keep your full Work-Study award or if you do not have a Work-Study award.
   You must notify your work-study employer if you reduce or cancel your Work-Study award.

4. If this PLUS application is denied, I want to borrow unsubsidized Federal Direct Stafford Loan:
   □ Yes  □ No  Please see attached PLUS Questions and Answers.

Parent/Step-parent Borrower Information: Please provide information for one person only.

The same person must sign this application and the required promissory note.

   a. Total loan amount requested: $ _________________  Enter “Max” for maximum eligibility
   b. Name: ____________________________________________________________________________________
      First        Middle        Last
   c. Social Security Number: ___________________________  d. Gender: □ Male  □ Female
   e. Driver license: ___________________________________  f. Date of birth: ____________________________
      State Abbreviation Number
   g. Relationship to student: □ Parent  or  □ Step-parent
   h. Citizenship status: □ U.S. citizen or □ Eligible non-citizen ____________________________
      Alien Registration Number
   i. Parent address: ____________________________
      City, State, Zip: ___________________________________________________
   j. Parent phone number: ____________________________
   k. Parent e-mail address: __________________________________
   l. Please indicate to whom the loan balance should be sent by Electronic Fund Transfer (EFT) or mail after outstanding charges are paid. □ Student  or  □ Parent/step-parent
   m. If the PLUS application is denied, I want to: (check one):
      □ Appeal the decision or get an endorser.  It is your responsibility to notify the Financial Aid Office after you finish this process. Please note: If an appeal or endorser is approved, the PLUS Loan applicant will be required to complete a special loan counseling online at www.studentloans.gov.
      □ The student would like to borrow an unsubsidized Federal Direct Stafford Loan

We recommend using EFT (direct deposit). To establish Electronic Fund Transfer, go to EFT Authorization on the Student Financial Services Website. (www.csuchico.edu/sfin/disbursement/eft.shtml)

We certify all information on this form to be true and correct. We authorize the PLUS loan to be processed and a credit check to be executed.

Student Signature ____________________________ Date _____________

Parent/Step-parent ____________________________ Date _____________

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