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.

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.

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 4.276% 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.

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.

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. If an additional unsubsidized loan is desired, please complete page 3 and return the form to the Financial Aid & Scholarship office.
How to Apply for a Direct Parent PLUS Loan

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.

PLUS Loan processing can take up to 10 weeks. Parents will be notified within 48 hours as to the status of the credit check.

The entire Direct PLUS Loan Application process must be completed in a single session. It takes approximately 20 minutes to complete the application.

You will need a verified Federal Student Aid (FSA) ID for the applying parent. If you do not have a verified FSA ID, you may create one here: https://fsaid.ed.gov/npas/index.html

Apply for a PLUS Loan by going to:

https://studentloans.gov/myDirectLoan/launchPLUS.action?plusType=parentPlus
Parent PLUS Application
Authorization for Additional Unsubsidized Loan

Student:
If this PLUS application is denied, I want to borrow an unsubsidized Federal Direct Stafford Loan:

☐ Yes  ☐ No  Please see attached PLUS Questions and Answers.

Parent/Step-parent:
If the PLUS application is denied:

☐ The student would like to borrow an unsubsidized Federal Direct Stafford Loan

We certify all information on this form to be true and correct.

Both signatures are required:

Student Signature ________________________________ Date _____________

Parent/Step-parent ________________________________ Date _____________