

2009-2010

## FEDERAL DIRECT PARENT PLUS LOAN REQUIREMENTS AND APPLICATION

**Step 1:** Complete the Free Application for Federal Student Aid (**FAFSA**) **prior to requesting** a Federal Direct Parent PLUS loan. The FAFSA can be filed on-line by going to <http://www.fafsa.ed.gov>.

**Step 2:** Submit a complete **Parent PLUS Loan Application** to the Office of University Scholarships and Financial Aid (USFA) at least **30 days prior** to the time loan funds are needed.

**Step 3: Additional Documentation** to be sent with the Parent PLUS Loan Application.

- If you are the biological or adoptive parent or stepparent whose information is provided on the FAFSA, please go to Step 4.
- The **biological or adoptive parent whose information is not provided on the FAFSA** must provide additional documentation before the Parent PLUS loan application can be processed. This is necessary in order to document the parent's identity and citizenship. So if you are the biological or adoptive parent whose information is not provided on the FAFSA, **please attach the following information with the Parent PLUS loan application:**
  - **A copy of your birth certificate or US Passport.**
  - **A copy of your Social Security Card**
- The stepparent whose information is not provided on the FAFSA is **not eligible** to apply for the Federal Direct Parent PLUS loan.

**Step 4:** A first-time Federal Direct Parent PLUS loan borrower must complete the Federal Direct Parent PLUS Master Promissory Note (MPN) at <https://dlenote.ed.gov> using the PIN assigned to the **borrower**. If the borrower does not have a PIN, one can be requested at <https://pin.ed.gov>.

### IMPORTANT NOTES

1. It is not necessary to select a lender for the Federal Direct Parent PLUS loan. Virginia Tech is a Direct Lending school and the Parent PLUS loan will be set up with the Federal Direct Loan Program through the U.S. Department of Education.
2. The Parent PLUS loan will begin accruing interest once the loan disburses and repayment will begin approximately two months after the full loan disburses. If uneven loan amounts are requested in fall and spring terms, repayment will begin earlier. Parent PLUS loan borrowers have the option of deferring repayment until after the student ceases to be enrolled half time. This deferment may be extended into the 6-month period after the student ceases to be enrolled at least half time. Parent borrowers must **call the Direct Loan Servicing Center (DLSC) at 800-848-0979** to request a deferment.
3. **If the borrower does not complete the MPN within 30 days of the term in which the loan is requested, the loan will be canceled and any balance will be due immediately to the University.**

4. The Parent PLUS MPN must be completed for the initial Parent PLUS loan, but not for subsequent loans. However, if the Parent PLUS borrower changes, the new borrower must complete a MPN using their assigned PIN.
5. **The FAFSA and Parent PLUS Loan Application must be completed each year.**
6. Approval or denial of the Parent PLUS Loan is given by Direct Loans and not Virginia Tech.
7. If the Parent PLUS loan is **denied**, Direct Loans will send the parent borrower information on securing an endorser. All steps to secure an endorser are done through Direct Loans. ***If the endorser is approved, the PLUS MPN must be completed again.***
8. If the Parent PLUS Loan is **denied** and the parent does not wish to seek an endorser, a student may request an additional unsubsidized loan in their name by completing the ***Parent PLUS Loan Denied – Student Direct Unsubsidized Loan Request*** form on the USFA website at <http://www.finaid.vt.edu/forms/>.
9. All requirements must be complete before the Parent PLUS Loan funds can be disbursed. Failure to complete all requirements will result in a delay in loan disbursement and possible cancellation of the loan. Students can check for processing requirements through their Hokie SPA.
10. Parents have the right to cancel all or part of the Parent PLUS loan prior to the first day of the semester or within 14 days of notification of the loan. Parents may also **reduce** the amount of the PLUS loan or **cancel** a future disbursement by completing the ***Parent PLUS Loan Change*** form at <http://www.finaid.vt.edu/forms/>. **DO NOT REPAY LOAN FUNDS to Direct Loans during the academic year.**

**2009-2010**
**Federal Direct Parent PLUS Loan Application**

(This is only an application. Federal Direct Loan Program is responsible for final credit approval)

Student's ID #: \_\_\_\_\_ Student Email: \_\_\_\_\_

 Student's Full Legal Name: \_\_\_\_\_  
 (Please print clearly) last first middle

**Borrower Information (May be only one parent– please type or print clearly and review all information given )**

Parent's SSN: \_\_\_\_\_

 Parent's Name: \_\_\_\_\_  
 last first middle

 Parent's Address: \_\_\_\_\_  
 street city state zip

 Parent's Birth Date: \_\_\_\_\_ Home Phone \_\_\_\_\_  
 month / day / year (area code) and number

Relationship to Student

- 
- Parent or Step-Parent listed on FAFSA
- 
- Biological or Adoptive Parent not listed on FAFSA
- 
- (Additional documentation is required.)

Citizenship Status (check one)

- 
- US Citizen or eligible non-citizen
- 
- Non-citizen Alien Registration Number \_\_\_\_\_

 Driver's License: \_\_\_\_\_  
 number state

Parent's Email: \_\_\_\_\_

 Are you in **default** on any Federal Parent/ Student Loans  
 or do you owe a repayment on a federal grant?  Yes  No

**Please indicate term and loan amount requested** (See <http://www.bursar.vt.edu/> for cost information). Please be aware that a loan fee of 4% is assessed resulting in a lesser amount crediting your student's account.

	Amount Requested	Please choose one:
<input type="checkbox"/> Fall and Spring (08/24/09 – 05/12/10)	\$ _____	<input type="checkbox"/> Original <input type="checkbox"/> Additional Amount
<input type="checkbox"/> Fall Only (08/24/09 – 12/17/09)	\$ _____	<input type="checkbox"/> Original <input type="checkbox"/> Additional Amount
<input type="checkbox"/> Spring Only (01/19/10 – 05/12/10)	\$ _____	<input type="checkbox"/> Original <input type="checkbox"/> Additional Amount

**REFUND AUTHORIZATION One box must be checked by parent borrower**

It is possible that your student may have excess PLUS loan funds on his/her account after all tuition, fees, and other allowable charges are paid. If this is the case, who should receive these excess funds?

- 
- The student named on this application.
- 
- 
- The parent borrower named on this application. I understand that choosing this option may result in a delay in the refund of any excess funds because a paper check will have to be processed and mailed.

**SIGNATURES** – We certify that the information furnished on this form is complete and correct, to the best of our knowledge. The parent borrower signing below understands that by completing this form a **credit check** will be performed by the Department of Education to determine eligibility for this loan.

**For Office Use Only**

 COA \_\_\_\_\_  
 Resources \_\_\_\_\_  
 Aid \_\_\_\_\_  
 Rem. Elig \_\_\_\_\_  
 PLUS Amt \_\_\_\_\_

Student Signature \_\_\_\_\_ Date \_\_\_\_\_

Parent/Borrower Signature \_\_\_\_\_ Date \_\_\_\_\_