Federal Direct Parent PLUS Loans

A Parent PLUS Loan is a federal loan that parents of dependent undergraduate students may borrow for educational expenses. The Parent PLUS loan is a non-need based loan. The interest rate on a Parent PLUS Loan has a fixed interest rate of 7.9%. Interest accrues on this loan while the student is in school, however the parent has the option of deferring payments as long as the student remains at least a half time student.

How do you apply?

PLUS Loan eligibility is not initially listed on a student’s Award Letter. If you are interested in applying for a PLUS Loan, you must apply on-line at www.studentloans.gov. Ursuline College will automatically be sent your application data from this federal website. The parent applying for the PLUS Loan will need their federal FAFSA PIN number in order to do this. If you do not already have a PIN number, you can apply for one at www.pin.ed.gov. In addition, parents should complete and return the Ursuline College PLUS Loan Information form attached to this sheet.

How much should you borrow?

How much a parent may borrow depends on what the student’s expenses are and the amount of other financial aid they are receiving. PLUS Loan proceeds may be used for books and transportation expenses as well as tuition, fees, room and board. If you are unsure of how much PLUS loan to borrow, use the 2010-11 Expense Worksheet to help you determine and estimate of how much you will need, or call the Student Service Center at 440-646-8309 for assistance. Please note that there are processing fees of 4% assessed to your loan – make sure you account for this when determining how much you want to borrow.

Eligibility Requirements

The parent borrower must be a US Citizen or eligible non-citizen, and must not be in default on a prior PLUS Loan. Unlike the Stafford Loan, the borrower must undergo a credit check to qualify for a PLUS Loan. If the parent is denied, the student will be considered for additional Unsubsidized Stafford Loan eligibility.

The Disbursement Process

PLUS Loan funds are delivered through Electronic Funds Transfer (EFT) at the beginning of each term. The funds are first applied to any outstanding charges on the student’s account. If this produces a credit balance, then a refund check will be issued for that amount. The refund check will be made payable to either the parent or the student, depending on the parent’s preference.

An overview of the PLUS application process:

- Parent initiates PLUS Loan application on-line at www.studentloans.gov and returns the attached Ursuline College PLUS Loan Information form to our office at the address below.
- Ursuline College is forwarded the electronic loan application to complete the certification process.
- If approved, Loan Processor sends loan proceeds (net of 96%) to Ursuline and they are applied to the student’s account. If there is a credit produced as a result, a refund check will be issued for that amount. The refund check will be made payable to either the parent or the student, depending on the parent’s preference.