Federal PLUS Loans

The Federal Direct Parent Loan for Undergraduate Students(PLUS) loan is a credit-based loan available to parents of dependent undergraduate students who are enrolled at least half-time (6 credits) in a degree seeking program.

- There is a fixed interest rate of 7.9%
- The loan origination fee is 4.204% (any loans originated after December 1, 2013, will have a loan origination fee of 4.288%)
- The borrower has the option of deferring the loan repayment until 6 months after the student graduates, withdraws from school, or enrolls for less than 6 credit hours in a semester.

For more information on the Federal Direct PLUS loan please visit the US Department of Education?s website. [1]

Frequently asked questions:

When do I begin the PLUS loan process?

Borrowers may begin applying for the PLUS loan on **November 18, 2013 for spring 2014 semester**. The deadline for completed PLUS loan applications to be submitted to the Office of Financial Aid is **December 2, 2013 for the spring 2014 semester**. We strongly recommend that borrowers adhere to this deadline date in order to assure that funds will be secured by the July payment deadline.

How do I apply for the PLUS loan?

In order to initiate the PLUS loan process, students must file the Free Application for Federal Student Aid (FAFSA) or renewal FAFSA for the 2013-2014 academic school year.

The borrower can log into the US Department of Education?s studentloans.gov website [2] to Complete PLUS request process. Applicants must have a FAFSA PIN to log-on to the site. (Applicants can apply for a PIN or have a forgotten PIN re-established at www.pin.ed.gov [3].) Information on approved loans will be automatically forwarded to the Office of Financial Aid for processing. (Please note: if the Parent Plus Loan is approved, the borrower must complete a Plus Loan Master Promissory Note MPN). The MPN can be completed via the studentloans.gov websiteas well.

To apply for a PLUS loan, you must be the biological (including non-custodial), adoptive or step-parent of the student. Also you must be a U.S. Citizen or Eligible Non-Citizen (e.g. Permanent Resident) to be eligible for this loan.

All approved PLUS loans for the spring 2014 semester have 5 business days to be processed from the time that a completed application is received by the Delaware State University Office of Financial Aid. DSU will have the ability to view an application within 24 hours from the time that it is completed. However, during our peak processing season, loans may take up to 20 days to be processed.

How much can I borrow?

The maximum amount you may borrow for the academic year is the difference between the cost of attendance (tuition, fees, room and board, books, etc.) and the financial aid that the student is already receiving for that year. When applying for the loan before the aid package has been determined, we recommend that you request the maximum amount on the application. If the student receives additional financial assistance after the PLUS loan is certified, one or both disbursements may be reduced or cancelled to prevent over-awards.

If you decide that you do not wish to apply for the maximum amount, please indicate a specified amount on the application. The amount indicated will be processed for the entire academic year and a 4.204% processing fee will be deducted each semester.

How do I request an increase in the PLUS loan?

To request an increase in the PLUS loan, please click on the link below and fill in the necessary information to complete the PLUS increase request form. An increase cannot be processed if:

- The student has already received a financial aid package up to the maximum cost of attendance allowed
- The Plus loan has been approved with a co-endorser (in such cases the borrower must reapply for a new loan and have the co-endorser re-sign for the loan)
- The first disbursement of the PLUS has already been paid to the student?s account

Download the PLUS loan increase request form. [4]

What are my options if I am denied for a PLUS loan?

If the loan is denied due to adverse credit, you have several options:

- Reapply utilizing an endorser
- The other parent can apply utilizing their information to possibly obtain an approved response
- You may allow your student to be awarded the additional Federal Direct Unsubsidized Stafford Loan

The additional Unsubsidized Stafford loan amount available each year to freshman and sophomore students (up to 59 earned credit hours) is $4000. Juniors and seniors (60 earned credit hours or more) can receive a maximum amount of up to $5000.

Once DSU receives a denied PLUS loan response from the Department of Education, the additional unsubsidized loan will be applied to the student?s financial aid award within our current loan processing timeframe. If the student does not wish to receive the unsubsidized

loan, a request must be submitted in writing to the DSU Office of Financial Aid.

If both parents are denied for the PLUS loan, only one unsubsidized loan will be awarded per academic year.

What happens if the PLUS loan was initially denied and it has now been approved?

Once notification has been received that the PLUS loan is approved, the additional unsubsidized loan amount will be removed and the PLUS loan will be applied for the amount indicated on the application.

For any questions and/or concerns regarding PLUS loans, please contact loans@desu.edu [5].

For questions regarding the completion of the PLUS loan application or Master Promissory Note, contact the Department of Education at 1-800-557-7394.

Source URL: http://www.desu.edu/financial-aid/federal-plus-loans-0

Links:
[1] http://studentaid.ed.gov/PORTALSWebApp/students/english/parentloans.jsp
[2] http://www.studentloans.gov/
[3] http://pin.ed.gov/
[4] http://www.desu.edu/sites/default/files/u255/2012-2013%20Plus%20Loan%20Increase%20Form%20%282%29.pdf
[5] mailto:loans@desu.edu