2013-2014 Direct PLUS Loan Information and Request/ Application Process

Direct PLUS Loans are available to parents of dependent students (Parent PLUS) and to Graduate students who have exhausted their Stafford loan eligibility (Graduate PLUS).

FREQUENTLY ASKED QUESTIONS

How do I apply for a Federal PLUS Loan?

- You can request a PLUS loan online at: https://studentloans.gov/myDirectLoan/plusApplication.action?execution=e3s1
- You will "sign-in" to the site using your social security number, date of birth, and Federal Student Aid PIN.
- Once signed in, select the option to "Request a PLUS Loan".
- Select award year of 2013-2014 for the upcoming award year that starts in August.

What will I need to complete the PLUS application?

- Your Federal Student Aid PIN. This is the PIN used to sign the Free Application for Federal Student Aid (FAFSA) as either the student or parent of the student. If you do not have a PIN, you can create your PIN at the PIN site: http://www.pin.ed.gov/PINWebApp/pinindex.jsp
- Personal information, such as permanent address, mailing address (if different from permanent address), telephone number, email address, and alien registration number if you are an eligible non-citizen;
- Employer information including employer name and address;
- School name – University of the Southwest; and
- Student information, such as name, social security number, date of birth, address, and telephone number.

What is a Master Promissory Note?

A promissory note is a binding legal document that lists the conditions of your loan and the terms of repayment. Instead of completing a promissory note every year, a Master Promissory Note (MPN) is a multi-year promissory note that only has to be completed once while you or your student are attending USW.

How do I sign a MPN?

You will sign the MPN using your FAFSA PIN and is part of the application process if you are approved for the PLUS loan.

What is the Interest Rate?

Federal Direct PLUS loans have a fixed interest rate of 7.9%.

Other than interest, are there any fees or charges to get a PLUS loan?

Yes, the loan fee is 4.204% of the loan amount, deducted proportionately each time a loan is disbursed.

When will repayment begin?

Repayment will begin 60 days after disbursement of the full amount for an academic year. Interest accrues as soon as the first disbursement is made. There is no grace period for this loan; the borrower repays both principal and interest while the student is in school. The repayment term will be 10 to 25 years depending upon the repayment plan selected. Parents have the option to defer payments for PLUS loans originated after July 1, 2008 provided the designated student is enrolled at least half-time each semester (six or more credits). Parents must contact the Direct Loan Servicer after the loan has been disbursed to request a deferment.

When will the PLUS Loan disburse?

In accordance with federal loan regulations and USW's disbursement schedule, the loan will be applied to the student's account once all requirements are met.

What if additional financial aid is received and I want to reduce or cancel my PLUS Loan?

If the student receives additional aid and you wish to reduce or cancel the PLUS Loan, it is important that you notify the Office of Financial Aid in writing as soon as possible. You have the right to cancel or reduce your Federal PLUS loan at any time during the loan period by completing the "2013-2014 Federal Direct Parent-GRAD PLUS Loan Change Request Form". If the additional financial aid received by the student results in aid that is in excess of your student's cost of attendance, our office will automatically reduce the appropriate loan fund.

What if I want to apply for additional PLUS Loan funds?

You may apply for additional PLUS loan funds by submitting a written request (from the parent or graduate student borrower) to USW Office of Financial Aid by completing the "2013-2014 Federal Direct Parent-GRAD PLUS Loan Change Request Form". The total amount of a PLUS loan may not exceed the cost of attendance minus all other financial aid. Please note that your credit history may be reviewed again to determine your eligibility.

What am I consenting to by agreeing to the credit authorization?

Your consent verifies that you have read the privacy act disclosure and authorizes the U.S. Department of Education to review your credit report.

What if my credit is denied?

If your application is denied due to credit, you will receive notification from the Direct Loan Servicer. You may then choose from the following options:

- You may try to have a credit status override completed by the servicer. Please contact the Direct Loan Servicer at 1-800-557-7394 and Equifax (their credit bureau) at 1-800-685-5000.
- You may provide documentation to the Direct Loan Servicer if you have extenuating circumstances. Your request for a PLUS loan will be reviewed again by the servicer.
- You may have a third party endorser co-sign the PLUS loan application with you. In this case, please contact the Direct Loan Servicer.
- You may choose not to pursue any of the options listed above to obtain approval of your PLUS loan. Instead, if you are a parent , your student may be able to borrow additional funds for the current academic year through the Unsubsidized Federal Direct Stafford Loan Program. Please contact the USW Office of Financial Aid to discuss this option.

University of the Southwest * Office of Financial Aid
6610 N. Lovington Hwy, Suite 507 * Hobbs, NM 88240
Toll Free 1-800-530-4400 * 575-492-2120 * **Fax** 575-392-6006
http://www.usw.edu/admissions/financial_aid * financialaid@usw.edu