

## **Federal Direct PLUS Loan Information**

The Federal Direct PLUS loan program enables parents with a good credit history to borrow money to help pay for the educational expenses of dependent undergraduate students who are enrolled on at least a half-time basis.

### **How to Apply**

To receive a Federal Direct PLUS Loan, you will need to complete the Federal Direct PLUS Loan application process and Master Promissory Note (MPN) at [www.studentloans.gov](http://www.studentloans.gov). You will sign onto the website using the four-digit Federal Student Aid parent PIN—the same PIN you use to sign the FAFSA.

To be eligible, the parent and dependent child must be U.S. citizens or eligible non-citizens, must not be in default on any federal education loans or owe an overpayment on a federal education grant, and must meet other general eligibility requirements for the Federal Student Aid programs. A qualifying parent for a PLUS Loan must not have adverse credit history. An applicant for a PLUS Loan has an adverse credit history when he or she is 90 days or more delinquent on any debt or has been the subject of a default determination, bankruptcy discharge, foreclosure, repossession, tax lien, wage garnishment, or write-off of a Title IV debt during the five years preceding the date of the credit report.

### **Loan Amount**

A parent borrower may be eligible to borrow an amount up to the cost of attendance less any other financial aid the dependent student receives. For example, if the cost of attendance is \$30,000 and the student receives \$16,000 in other financial aid, you may borrow up to \$14,000. A Midway College financial aid counselor can help you determine the amount you will need to borrow for the academic year.

### **Interest Rate, Loan Fees, and Repayment**

The fixed interest rate for a Direct PLUS Loan is 7.9%. Interest will begin to accrue at the time the first disbursement is made. The loan funds will be disbursed directly to Midway College by electronic funds transfer (EFT), and the loan funds will be credited to the student's account.

In addition to interest, you will pay a loan origination fee. The Direct PLUS Loan has a 4% origination fee and also offers a 1.5% rebate on the origination fee – resulting in a net fee of 2.5%, which will be deducted from the gross amount of the loan borrowed. Once you enter repayment and make your first 12 monthly payments on time, the rebate becomes permanent. However, if you fail to make 12 on-time monthly payments, a charge for the initial rebate will be added to the outstanding balance of the loan.

You will begin to repay both the principal and interest of the Direct PLUS Loan while the student is in school. The first loan payment will be due 60 days after the final loan disbursement for the period of enrollment for which the loan is borrowed, and you will have up to 10 years to repay the loan completely. You may contact the Direct Loan Servicing Center for other repayment options.

### **Cancellation**

Should you wish to cancel all or a portion of the PLUS Loan, you need to inform the Financial Aid Office within 14 days of receiving notification of the loan disbursement.



FINANCIAL AID OFFICE  
512 East Stephens Street  
Midway, Kentucky 40347  
ph 859-846-5410 ▪ fax 859-846-5751

## Parent PLUS Loan Request Form

*This form must be submitted to the Financial Aid Office before we can originate the loan.*

### Parent Information (for parent obtaining loan)

Parent Name

Parent Social Security Number

Parent Date of Birth

Parent Phone Number

Parent Address

### Student Information

Student Name

Student Social Security Number

Student Date of Birth

### PLUS Loan Amount Requested \*

\* Requested amount is for the entire academic year unless you specify a particular semester. The final PLUS Loan amount may be reduced by the Financial Aid Office based on cost of attendance and other financial aid received.

I understand that my PLUS Loan application is not complete until I complete the PLUS Loan application process and Master Promissory Note (MPN) at [www.studentloans.gov](http://www.studentloans.gov). If necessary, I authorize Midway College to conduct a credit check to determine my PLUS Loan eligibility.

Signature of parent obtaining loan \_\_\_\_\_ Date \_\_\_\_\_

By signing above, I authorize any PLUS loan funds creating a credit on the student account to be released directly to the student by way of a credit balance check.

#### Financial Aid Office Use Only:

Student Grade Level: \_\_\_\_\_ Enrollment Status: \_\_\_\_\_ Date Originated: \_\_\_\_\_