

Federal Direct (Parent) PLUS Loan Information and Instructions: 2020-21 Academic Year

Recommended Deadline: 30 days before funds are needed

A parent or step-parent may choose to borrow through this government sponsored program as one of many ways to finance college costs. An optional loan program, Federal Direct PLUS Loans are **available for parents** regardless of whether a student qualified for need-based financial aid or scholarships. More information: <https://studentaid.gov/understand-aid/types/loans/plus/parent>

A parent may borrow an amount equal to the cost of attendance minus any financial aid the student is receiving. The borrower must be "credit worthy" and a credit check will be conducted. The results of the credit check are valid for 180 days. If the loan is not finalized within that period, another credit check will be needed. Borrowers who qualify for a Direct PLUS Loan by obtaining an endorser or documenting extenuating circumstances will be notified to complete mandatory online PLUS Counseling.

Federal Direct PLUS Loans (for Parents) Terms and Conditions

- Borrower: Parent
- Lender: U.S. Department of Education
- Interest Rate: 5.30%* (fixed) *Interest is charged during all periods*
- Origination fee: 4.236% *
- Repayment Period: 10 years. Begins within 60 days after the loan is fully disbursed. *Can be deferred, upon request, until the student drops to less than half-time status.*

* Origination fee may change for loans first disbursed after 10/1/20.

Sample PLUS Loan Repayment Scenarios

Standard 10 year repayment

PLUS Loan Amount	Estimated Monthly Repayment*
\$5,000	\$54
\$10,000	\$108
\$15,000	\$161

*Based upon studentaid.gov's
Loan Repayment Estimator

Federal Direct PLUS Loan Requirements

Complete after May 1 - A 2020-21 FAFSA must be on file to request a PLUS Loan

1. **Apply for a PLUS Loan** at studentaid.gov (includes a credit check)
If a parent receives a denial through the PLUS Loan Request, the student will be eligible to borrow additional funds through the Federal Direct Unsubsidized Student Loan program.
 - Located under the Apply For Aid navigation tab
 - Select Apply for a Parent Plus Loan
2. Complete a **Master Promissory Note (MPN) for a Parent PLUS Loan** at studentaid.gov
Master Promissory Note may also be referred to as a Loan Agreement.
 - Located under the Complete Aid Process navigation tab (Apply for a Parent PLUS Loan)
 - Prior PLUS borrowers (without an endorser) do not need to complete a new Master Promissory Note (Loan Agreement)

Optional for 2020/21 Complete the **Annual Student Loan Acknowledgement (ASLA)** at studentaid.gov/asla

*This is an online tool that shows students how much in federal student loans they have borrowed, provides an estimate of average monthly payment once in repayment, and explains how interest accrues and capitalizes. Beginning with the 2021-22 academic year, all Federal Direct Loan borrowers will be required to complete the ASLA **each year** prior to disbursement of their federal student loans.*

- This tool is now available.

The Gettysburg College financial Aid Office will receive direct notification when these items have been completed. The PLUS loan will be added to the student's financial aid award at that time. The student will receive an email to their @gettysburg.edu email account indicating their financial aid award has been updated.

How much should I request?

We recommend that parents calculate their PLUS Loan amount for the entire academic year. If borrowing a "full year" PLUS Loan, the amount must be equally divided between the fall and spring semesters. If a parent with an existing "full year" loan wants to borrow funds for only one semester, a "fall only" or "spring only" loan will be processed. The PLUS Loan origination fee will automatically be deducted and reduce the amount applied to the Student Account.

The PLUS Request Process will allow you to borrow either a maximum amount or a specified amount. Please know that the maximum amount is calculated based upon Gettysburg's entire "Cost of Attendance," which takes into account estimated indirect costs such as books, supplies, transportation, and miscellaneous expenses (in addition to direct costs of billed tuition, room and board charges).

If a parent elects "maximum" and the student later receives an outside scholarship, the PLUS loan may be reduced by the value of the scholarship.

PLUS Loan: Amount Applied to Student Account	
PLUS Loan Value	
PLUS Origination Fee (Loan Value x .04236)	—
Amount applied to Student Account	