PARENT PLUS LOAN FACT SHEET

PROGRAM DESCRIPTION
The Parent PLUS Loan is a federal loan program for parents of undergraduate students. Eligibility is not based upon financial need. A parent may borrow up to the student’s total cost of attendance, excluding other financial aid if the student is a dependent undergraduate, enrolled at least half-time, and is maintaining Satisfactory Academic Progress. The Federal Direct PLUS Loan program is administered by the Department of Education. For a more detailed explanation from the Department of Education, refer to the brochure Direct Loan Basics for Parents, which is available online at http://www2.ed.gov/offices/OSFAP/DirectLoan/pubs/parentbasics.pdf. For additional information, refer to “Funding Education Beyond High School: The Guide to Federal Student Aid” http://studentaid.ed.gov/students/publications/student_guide/index.html

PARENT PLUS LOAN ELIGIBILITY
• Parent and Student must be: U.S. citizens or eligible non-U.S. citizens; if the Parent borrower and/or the Student are eligible non-U.S. citizens, our office must receive a copy of the U.S. Citizenship and Immigration Services document.
• Parent borrower must have an acceptable credit history.
• Parent borrower and Student must not be in default on prior educational loans.
• Student must have an official 2013-14 FAFSA on file.
• The parent must complete ALL information requested on this form. Incomplete forms will be returned and will result in a delay to process your loan. To receive the loan funds, the MUST be enrolled in at least 6 units each semester in a degree program at CSUSM. The student must also maintain Satisfactory Academic Progress (SAP).

CREDIT CRITERIA
The U.S. Department of Education obtains a credit report from at least one national credit bureau. The applicant must have a lack of adverse credit in order to qualify for the Parent PLUS loan. Adverse credit is defined as having one or more of the following:
• 90 days or more delinquent on any debt.
• During the last 5 years, has defaulted on a debt, debts have been discharged in bankruptcy, or has been the subject of foreclosure, repossession, tax lien, wage garnishment, or write-off of a Federal Student Aid debt.
• Is not based on a credit score.
• Applicant cannot be rejected for a PLUS loan because he or she has no credit history.

PARENT PLUS INTEREST RATE, FEES, REPAYMENT
The Parent PLUS loan fixed rate is 6.41%, fixed for the life of the loan. Interest begins to accrue after the first disbursement is made. Repayment of PLUS loans begins within 60 days of disbursement, unless the borrower chooses to defer payment while the student for whom the parent borrowed is enrolled at least half-time, and for an additional six months after that student is no longer enrolled at least half-time. Interest accrues during deferment periods. The borrower has to option to pay the interest monthly or allow the interest to be capitalized. Capitalization of the accrued interest allows the interest to be compounded to the principal loan amount which increases the total loan amount to be repaid. Effective July 1, 2013, Parent PLUS borrowers are charged a 4.204% origination fee. PLUS Loans first disbursed on or after December 1, 2013, will have a 4.288% origination fee.

PARENT PLUS LOAN DISBURSEMENTS
PLUS Loan funds are first applied directly to the student’s account in the University Cashiers office to pay charges for tuition and fees. If the amount of the PLUS Loan exceeds the charges posted to the student’s account, these funds (called a refund) are mailed to the Parent at the address listed on the Parent PLUS Loan Request application form.

CANCELLING YOUR PARENT PLUS LOAN
If you decide that you are no longer interested in your Parent PLUS loan, please submit a signed statement to the Financial Aid and Scholarships Office. Include: your name, the name of the student, student identification number, amount, semester and your (parent) signature. If the Parent PLUS Loan funds have already posted to your student’s account, you will have a balance due with University Cashiers Office.
QUESTIONS
If after reviewing this information you have additional questions about the Parent PLUS loan or the application process, please contact the Financial Aid and Scholarships Office at 760-750-4850 or come to Cougar Central on the 3rd floor of Craven Hall.

HOW TO APPLY FOR A PARENT PLUS LOAN
To apply for the PLUS Loan, both the Student and the Parent borrower must complete the Parent PLUS Loan Request form. This form will be available to parents on CSUSM’s Financial Aid Website by the end of June.
http://www.csusm.edu/finaid/forms1.html. The PLUS Loan Request is a loan application. Following submittal of the PLUS Loan Request form to our office, a credit check will be conducted by our office or the Federal Direct Loan Servicer. The Parent will be notified once the PLUS Loan is approved by the federal processor. Parents should allow 10 business days for this approval. If the Parent does not pass the credit check, he/she might still be able to receive a PLUS loan if someone, such as a relative or friend who is able to pass the credit check, agrees to endorse the PLUS loan. If a parent is denied a PLUS loan, the student may be considered for an additional Federal Direct Unsubsidized Loan.

If the Parent does not pass the credit check, he/she might still be able to receive a PLUS loan if someone, such as a relative or friend who is able to pass the credit check, agrees to endorse the PLUS loan. If a parent is denied a PLUS loan, the student may be considered for an additional Federal Direct Unsubsidized Loan.

We strongly suggest you submit your application as soon as possible after July 1st to ensure timely and accurate processing of your loan request. Please be aware the credit review is only valid for ninety (90) days. Submission of a credit request prior to July 1st may result in a second credit review being required before disbursement of the funds.

DIRECTIONS FOR COMPLETING THE PARENT PLUS LOAN APPLICATION

Step 1: Complete the 3 page form “2013-14 Direct Parent PLUS Loan Request” and submit it to the CSUSM Financial Aid and Scholarships Office. You must provide ALL the information requested. Incomplete and/ or illegible forms will be returned to the parent.

Step 2: A Financial Aid Advisor will review the forms for accuracy, request a credit check, and certify the loan. Notification of the certification will be sent to the student in an Award Letter, via the student’s CSUSM email account.

Step 3: New parent borrowers must complete the PLUS Master Promissory Note (MPN) electronically at the website https://studentloans.gov. The parent borrower must sign in with his/her PIN. Under Master Promissory Note on the left hand side of the page, select “Complete MPN”. Previous parent borrowers who have a PLUS Master Promissory Note on file with Direct Loans do not need to complete another Parent PLUS MPN. Duplicate or new PIN numbers may be requested at www.pin.ed.gov

PARENT PLUS LOAN AMOUNTS
The Financial Aid and Scholarships office must determine the student’s eligibility for financial aid before determining the parent borrower’s maximum borrowing eligibility for the PLUS Loan. The PLUS annual loan limit is Cost of Attendance, minus other aid. See the Worksheet section below. If the student is declining or reducing aid prior to the parent borrower submitting a Parent PLUS Loan Request form, the student must do so before our office reviews the amount of PLUS Loan the parent borrower has requested.

PARENT PLUS Eligibility Worksheet
The total amount which a parent may borrow in PLUS Loan funds is determined by CSUSM’s Financial Aid office. Parents may borrow up to the total cost of their son/daughter’s education (cost of attendance), less any other financial aid. Parents may use the Worksheet below to determine the maximum PLUS Loan amount which they may borrow.

| Cost of Attendance (living on/ off campus) | $23,402* |
| Total of Other Financial Aid Student is accepting | - $ ________ |
| (Grants, Loans, Scholarships, Work-Study) | Financial aid accepted: $ 5,500 |
| Parent Borrower may borrow up to | = $ ________ |
| Maximum PLUS eligibility: $17,902 |

NOTE: The parent may request as little as $200 for the year (which is $100 per semester) The maximum a parent may request is the financial aid (cost of attendance), less any financial aid received.

*$23,402 is the Cost of Attendance, Fall and Spring Semesters, for an Undergraduate student living on campus