



**PARENT PLUS LOAN 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. 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](http://studentaid.ed.gov/students/publications/student_guide/index.html)

**PARENT PLUS 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.

**HOW TO APPLY FOR A PARENT PLUS LOAN**

To apply for the PLUS Loan, both the Student and the Parent borrower must complete the 2010-2011 Parent PLUS Loan Request form. This form will be available to parents on CSUSM’s Financial Aid Website by the end of May, 2010. [www.csusm.edu/finaid/forms](http://www.csusm.edu/finaid/forms) 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 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.

**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.

<b>Cost of Attendance</b>	\$21,358
<b>Total of Other Financial Aid Student is accepting</b>	-
(Grants, Loans, Scholarships, Work-Study)	\$ _____
<b>Parent Borrower may Borrow up to</b>	= \$ _____

**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.

**PARENT PLUS INTEREST RATE, FEES, REPAYMENT**

The Parent PLUS loan fixed rate is 7.9% and is Capitalized. Interest begins to accumulate at the time the first PLUS loan disbursement is made. Parent PLUS fees are 2.5% origination fee (4.0% with a 1.5% rebate if the first 12 monthly payments are made on time). Repayment of PLUS loans begins within 60 days of disbursement. Parent PLUS loan borrowers may choose to have repayment deferred 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 that accrues during these periods will be capitalized if not paid by the borrower.