



Financial Aid Office

2121 Euclid Avenue Cleveland, OH 44115
Phone (216) 687-5411 \* FAX (216) 687-9247

Campus 411 All - in - 1 Enrollment Services
For in-person inquiries, please visit Campus411, MC 116
www.csuohio.edu/enrollmentservices/financialaid/

2015-2016 Parent PLUS Request Form

- To avoid delays in receiving funds from your PLUS loan, please read and complete all applicable sections.
Student must file a current year FAFSA (Free Application for Federal Student Aid).
If credit approved, the parent (borrower) must complete the Parent PLUS Master Promissory Note at: https://studentloans.gov/.

Parent, initial here \_\_\_\_\_ to be considered for a Parent Loan for Undergraduate Students (PLUS), you will be subjected to a limited credit evaluation. By initialing this paragraph, you give the financial aid office authority to initiate and expedite this evaluation on your behalf.

Credit Denial: In the event that the credit check is not passed, you will be notified in writing by the Federal Direct Loan Servicing Center. You may obtain a credit-worthy endorser or appeal if you suspect the information causing the adverse credit decision is incorrect or has been corrected - call Direct Loan Servicing at 1.800.557.7394 to discuss appeal/endorser options.

Check one of the following options in the case of a denial:

- I will appeal the credit decision or pursue an endorser (credit-worthy co-signer) through the Department of Education.
I will not appeal the credit decision, please allow the student to be considered for additional Federal Direct Unsubsidized Stafford loan funds (up to \$4000 or \$5000 depending on grade level). Student authorizes the financial aid office to process an Unsubsidized Stafford Loan in the event of PLUS credit denial.
Take no further action.

LOAN PERIOD (check one): Fall/Spring 2015-2016 \_\_\_\_\_ Fall 2015 \_\_\_\_\_ Spring 2016 \_\_\_\_\_ Summer 2016 \_\_\_\_\_

STUDENT INFORMATION (PLEASE PRINT)

CSU ID# \_\_\_\_\_
Last Name \_\_\_\_\_ First Name \_\_\_\_\_ M.I. \_\_\_\_\_

PARENT (BORROWER) INFORMATION (PLEASE PRINT)

Last Name \_\_\_\_\_ First Name \_\_\_\_\_ M.I. \_\_\_\_\_ SSN \_\_\_\_\_
Permanent Street Address \_\_\_\_\_
City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_ DOB \_\_\_\_\_ Telephone # (\_\_\_\_) \_\_\_\_\_
U.S. Citizenship: Citizen \_\_\_\_\_ Eligible Non-Citizen \_\_\_\_\_ Alien ID# \_\_\_\_\_

TOTAL LOAN AMOUNT REQUESTED \$ \_\_\_\_\_ E-mail Address \_\_\_\_\_
\*Total Loan Amount can NOT be blank. \* Parents are permitted to borrow up to the Cost of Attendance less all other financial aid received.

Disbursements for PLUS loans will be deposited in your student's CSU account to pay tuition, fees, room, board, and other authorized charges. If there is money left over, it is generally more efficient to request that any excess funds from the PLUS loan go to the student. Please check one of the following boxes so the Financial Aid Office knows how you want the excess funds disbursed:

- Return excess funds to the STUDENT (Refund will be issued directly to student based on their Higher One refund preference)
Return excess funds to the PARENT (A check will be issued to the parent and mailed to the address listed above - please allow 10 business days following disbursement notification) \*Only the credit balance created directly from the PLUS Loan proceeds will be issued to you.

I understand that if I purposely give false or misleading information on this document or any other documents relating to financial aid, I may face criminal charges and / or fines.

Parent (Borrower) Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Student Signature: \_\_\_\_\_ Date: \_\_\_\_\_

# Direct Parent PLUS Loan

## *Frequently Asked Questions*

### **Q1. Who is eligible to apply for a Direct PLUS Loan?**

**A1.** The parent (biological, adoptive, or in some cases, stepparent) of a dependent undergraduate student enrolled at least half-time (6 credit hours) at a participating school may apply for a Direct Parent PLUS loan.

### **Q2. What are the permitted uses for a Direct PLUS Loan?**

**A2.** In accordance with Federal regulation, proceeds from a Parent PLUS loan may only be used to pay for the student's authorized educational expenses including, but not limited to, tuition, room, board, institutional fees, and books.

### **Q3. Is there a maximum loan amount?**

**A3.** The maximum PLUS loan amount you can borrow is the Cost of Attendance (COA) minus any other financial assistance received. The student's estimated COA and net costs is available on their "Shopping Sheet" located on the Financial Aid tab in CampusNet.

### **Q4. Does my debt to income ratio, credit score, or employment status count against me?**

**A4.** These factors are not taken into account when your credit history is reviewed. A lack of credit is also not considered adverse credit.

### **Q5. What is considered "adverse credit"?**

**A5.** Adverse credit conditions include but are not limited to:

Bankruptcy (Chapters 7, 11, or 12 within the past 5 years).

**Note:** Direct Loans does not consider Chapter 13 bankruptcy as adverse credit.

Voluntary surrender within the last 5 years.

Repossession within the last 5 years.

Foreclosure proceedings started.

Foreclosure within the last 5 years.

Deed in lieu of foreclosure.

Accounts currently 90 days or more delinquent.

Unpaid collection accounts.

Charge offs/write offs.

Wage garnishment within the last 5 years.

A defaulted loan that has been claim paid.

Lease or contract terminated by default.

County/State/Federal tax lien, within the past 5 years.

### **Q6. How is credit approval notification handled for the Direct PLUS Loan?**

**A6.** The credit evaluation is requested at the time the Financial Aid Office originates the Direct PLUS Loan. Credit checks are performed by the Department of Education's COD Applicant Services, and borrowers will receive written notification of the credit check result. An "Accepted" award status in the student's CampusNet Financial Aid record and/or award letter does not necessarily mean credit has been approved for the Direct PLUS Loan.

**Q7. What options are available should the Direct PLUS Loan be denied?**

**A7.** If a parent is denied credit for a Direct PLUS Loan, the parent may appeal the credit decision or obtain a credit-worthy cosigner (endorser). Direct PLUS Loan endorsers will be able to complete an online Endorser Addendum at [StudentLoans.gov](http://StudentLoans.gov). Or a student may choose to receive “additional” Federal Direct Unsubsidized Stafford loan funds (in the amount of \$4000 to \$5000 depending on grade level).

**Q8. What additional steps are required to receive the Direct PLUS Loan?**

**A8.** If the parent is eligible for a Direct PLUS Loan, they will be required to sign a Master Promissory Note (MPN), agreeing to the terms of the loan. The parent (borrower) will be required to complete the MPN at [StudentLoans.gov](http://StudentLoans.gov). A Federal Student Aid PIN is required to electronically sign the MPN. Need a PIN? Please visit [Pin.ed.gov](http://Pin.ed.gov) for additional information.

**Q9. How does the student receive the proceeds of the Direct PLUS Loan?**

**A9.** Disbursements for Direct PLUS Loans will be deposited in the student’s CSU account. Disbursements will be used to pay current educational charges and minor non-educational charges. PLUS Loan proceeds disbursed in excess of these charges will be refunded to the student (Higher One refund preference) or parent (paper check) as authorized by the parent on the PLUS Request Form.

**Q10. Can a parent choose to receive the all the proceeds of the Direct PLUS Loan directly?**

**A10.** No. The proceeds of the Direct PLUS Loan are first applied to the student’s school account to pay tuition, fees, room, board, and other authorized charges. However, Federal law requires that any excess PLUS Loan funds be returned to the parent unless otherwise instructed on the PLUS Request Form. Only the credit balance created directly from the PLUS Loan proceeds will be issued to you. In some cases, the PLUS Loan may not be the Federal Student Aid fund that creates the credit balance.

**Q11. If a student received the “additional” Unsubsidized loan due to the PLUS denial and the parent subsequently receives credit approval as the result of endorser or appeal approval, can the student keep the “additional” Unsubsidized loan previously awarded?**

**A11.** No, the student is no longer eligible for the “additional” Unsubsidized loan upon the institution’s receipt of PLUS approval. This is true even if the parent decides to cancel the PLUS loan request. The Financial Aid Office will return the “additional” Unsubsidized loan and process the Direct PLUS Loan accordingly.

**Q12. What is the current interest rate on a Parent PLUS Loan?**

**A12.** PLUS Loans are fixed at 7.21% for loans first disbursed on or after July 1, 2014.

**Q13. Other than interest, is there a charge for this Parent PLUS Loan?**

**A13.** Yes, there is a loan fee on all Direct PLUS Loans. The loan fee is a percentage of the loan amount and is proportionately deducted from each loan *disbursement*. The percentage varies depending on when the loan is first disbursed. The loan fee is 4.292% for loans first disbursed on or after October 1, 2014.

**Q14. Are parents required to make payments while the student is in-school?**

**A14.** Your Parent PLUS Loan enters repayment once your loan is fully disbursed (paid out). However, you may contact your loan servicer to request a deferment while you or your son/daughter are enrolled at least half-time (6 credit hours) and for an additional six months after your son/daughter ceases to be enrolled at least half-time.

*Additional information, including information about loan repayment, deferment, etc. can be found at [StudentAid.ed.gov](http://StudentAid.ed.gov) or by calling Campus 411 All-in-1 Enrollment Services at 216-687-5411.*