



Lander University Financial Aid Office

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2023-2024 PLUS LOAN APPLICATION INSTRUCTIONS

The Federal Direct Parent Loan for Undergraduate Students (PLUS) is a loan borrowed by a parent to help meet the educational expenses of a student enrolled at least half-time in a degree program. PLUS loans accrue interest from the date of disbursement and the parent borrower enters repayment 60 days after the loan is fully disbursed. The current interest rate for the 2022-2023 academic year is 7.54% fixed. PLUS Loans are the financial responsibility of the parent, not the student.

The PLUS Loan application is available annually on May 1 for the upcoming school year at StudentAid.gov. To continue to receive a PLUS Loan, parent borrowers must reapply each academic year.

Parent PLUS Loan eligibility requirements are as follows:

- Applicant must be either biological parent, adoptive parent, or the parent/stepparent of the student whose information is reported on the FAFSA. **(Guardians & grandparents cannot apply.)**
NOTE: Eligible stepparents are those whose information was reported on the FAFSA.
- Parent borrowers of dependent undergraduate students can borrow up to the student's cost of attendance minus any other aid the student receives.
- Students must be enrolled at least half-time in a program that leads to a degree.
- Students must meet the Satisfactory Academic Progress standards.
- Parent borrowers cannot have adverse credit history, be in default on a federal education loan or owe a refund on a federal student grant that you received which you were not entitled.
- **A valid Free Application for Federal Student Aid (FAFSA) must be on file in the Financial Aid Office before the Federal Direct Parent PLUS Loan can be originated.**
- **If you have placed a security freeze on your credit file, you must lift or remove the freeze at each bureau before you continue. Your application will not be processed if you have a security freeze.** TransUnion (888-909-8872), Equifax (800-685-1111) and Experian (888-397-3742)

How to Apply for the Parent PLUS Loan:

- Go to StudentAid.gov.
- Select **APPLY FOR A PLUS LOAN**.
- As the borrower, the parent must use his/her own FSA ID username and password (not the student's).
- A signed Master Promissory Note must be completed on StudentAid.gov.
- The application requires a credit check, but the credit check is valid for 180 days.
- At the end of the application parent borrowers receive their credit check result.

Here is a list of results and explanations of your result:

Accepted: If the credit decision is approved, our office will be notified and the loan will be processed.

Pending: More information may be required by the Department of Education. In this case, contact the Department of Education Student Loan Support Center at 1-800-557-7394 or StudentLoanSupport@ed.gov .

Denied: Our office will be notified and the student may become eligible for additional unsubsidized loan funds. The amount of the unsubsidized loan is limited by cost of attendance and annual loan limits.

Parents with an adverse credit decision have three options:

1. **Parent borrowers can appeal the credit decision. If your credit decision is changed, you are required to complete PLUS Credit Counseling to receive the loan.**
2. **Parent borrowers can apply with an endorser or co-signer. If your credit decision is changed, you are required to complete PLUS Credit Counseling to receive the loan.**
3. **Students can borrow additional funding through the Federal Direct Unsubsidized Student Loan. Freshmen can borrow up to an additional \$4,000. Juniors and seniors can borrow up to an additional \$5,000.**

Endorse a Loan:

An endorser is someone who agrees to repay the Direct PLUS Loan if the borrower does not make payments. To endorse a loan, endorsers must create an account or login to StudentAid.gov and have the following available:

- Borrower's last name,
- Endorser code, or
- The award identification number.

Lander University does not accept paper endorser addendums.

Appeal My Decision:

To submit an appeal, login to StudentAid.gov and provide proof of your claim. After you submit your appeal, it may take 10 business days for a response. If your appeal is accepted, your approval is then sent to us for processing. After you complete the PLUS Credit Counseling requirement, your loan will be processed.

Repayment of Parent PLUS Loan Funds:

You will receive repayment information from your loan servicer after they have received information from Lander University notifying them that we have credited your loan funds to your student's account. You are responsible for beginning repayment on time, even if you do not receive this information. The servicer will oversee your loan account until your loans are repaid in full.

The first repayment installment must be made within 60 days of the full disbursement of the loan. The second disbursement of a PLUS Loan usually occurs in January, so payment usually begins in March.

You select the repayment plan that fits your financial circumstances and you may switch repayment plans at any time without penalty by contacting the Direct Loan Borrower Services Department. You may create a sample loan repayment schedule and review loan repayment options online. To view data on the Federal PLUS Loans you have received, visit StudentAid.gov .

Postponing Payments:

Under certain conditions, you can receive a deferment or forbearance on the loan as long as the loan is not in default. Contact Federal Student Aid online at StudentAid.gov or by calling 800-848-0979 for more information.

Continuing Student Eligibility:

PLUS Loans cannot be automatically renewed each year. Returning students must maintain Satisfactory Academic Progress and meet the PLUS Loan awarding requirements each academic year.