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## PARENT LOAN FOR UNDERGRADUATE STUDENTS (PLUS) CHECKLIST

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### INTRODUCTION TO PLUS LOANS

Federal PLUS loans allow parents who pass a credit check to borrow funds to pay educational expenses for their child's undergraduate education. Each child must be a degree-seeking, dependent, undergraduate student enrolled in at least six credit hours. The maximum amount a parent may borrow is the student's Cost of Attendance, as determined by the University of Kansas, minus any other financial aid received by the student. PLUS loans at KU are processed through the Direct Loan Servicing Center (DLSC), a division of the U.S. Department of Education. The interest rate on Federal Direct PLUS loans is fixed at 7.079%. There is a 4.248% loan origination fee on Federal Direct PLUS loans.

### GENERAL STUDENT FINANCIAL AID APPLICATION PROCEDURES

\_\_\_\_\_ 1. **OBTAIN A FEDERAL STUDENT AID ID (FSA ID) FOR STUDENT AND PARENT**

The student and parent should each obtain an FSA ID online at [fsaid.ed.gov](https://fsaid.ed.gov). The FSA ID serves as an electronic signature and may be used to sign the student's Free Application for Federal Student Aid (FAFSA).

\_\_\_\_\_ 2. **COMPLETE THE FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA)**

The student must file the FAFSA online at [fafsa.gov](https://fafsa.gov) and indicate the University of Kansas as the school of choice. The parent may assist with the application since dependent students are required to have parental information included on the FAFSA as well as a parent signature.

\_\_\_\_\_ 3. **REVIEW THE STUDENT AID REPORT (SAR) AND MAKE CORRECTIONS IF NECESSARY**

If the student provided an email address on the FAFSA, he/she should receive information on how to access his/her SAR via email within 5-7 days of filing. If the information on the FAFSA is incorrect or additional information is requested, the student may make corrections online at [fafsa.gov](https://fafsa.gov).

\_\_\_\_\_ 4. **SUBMIT REQUESTED INFORMATION TO KU FINANCIAL AID AND SCHOLARSHIPS (FAS)**

If additional information is required to complete the student's financial aid file, an email notification will be sent to the student's registered KU email address. The student may also monitor the items on his/her 'To Do List' in *Enroll & Pay* at [sa.ku.edu](https://sa.ku.edu). No federal financial aid, including PLUS loans, will be awarded until all required additional information is received, processed, and the student's financial aid file is complete.

\_\_\_\_\_ 5. **COMPLETE VERIFICATION (IF SELECTED)**

If the student's application is selected for verification, an email notification will be sent to the student's registered KU email address. Please follow the instructions in the email to submit the required verification documents. No federal financial aid, including PLUS loans, will be awarded to students selected for verification until verification is completed and the student's financial aid file is complete.

### PLUS LOAN APPLICATION PROCEDURES

\_\_\_\_\_ 6. **ACCEPT FINANCIAL AID AWARDS (STUDENT ONLY)**

When the student's eligibility for financial aid has been determined, an email notification will be sent to the student's registered KU email address. The student will be directed to login to *Enroll & Pay* at [sa.ku.edu](https://sa.ku.edu) (*Student Center > Accept/Decline Financial Aid*). If the student's parent is eligible to apply for the PLUS loan, then he/she will be offered a Federal Direct Parent Loan. The amount awarded is the maximum amount the parent can request at the time of awarding. After the parent carefully considers the amount for the PLUS loan, the student can simply check the accept box and indicate a specific dollar amount in the field provided.

\_\_\_\_\_ 7. **COMPLETE PLUS LOAN APPLICATION FORM (PARENT ONLY)**

If a parent is applying for a PLUS loan, he/she is required to complete the PLUS Loan application form available at [studentloans.gov](https://studentloans.gov) using his/her FSA ID. The information regarding the credit check will be communicated to the parent from DLSC and then FAS will receive the credit decision within 2 to 3 business days.

\_\_\_\_\_ 8. **COMPLETE PLUS MASTER PROMISSORY NOTE (PARENT ONLY)**

A promissory note is required to receive funds from an educational loan program. Each applicable promissory note must be completed before loan funds can be available. A parent requesting a PLUS loan must also complete a promissory note at [studentloans.gov](https://studentloans.gov) using his/her FSA ID.

## PLUS LOAN FREQUENTLY ASKED QUESTIONS:

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### HOW IS ELIGIBILITY FOR A PLUS LOAN DETERMINED?

The Direct Loan Servicing Center (DLSC) conducts a credit check on each PLUS loan application. Generally, the parent borrower will be approved for a PLUS loan as long as the parent does not have an adverse credit history and is not in default on a federal student loan.

### WHAT OPTIONS ARE AVAILABLE FOR THOSE PARENTS WHOSE PLUS APPLICATIONS ARE DENIED FOR CREDIT REASONS?

If a parent is denied a PLUS loan, the parent has the option to apply with an endorser who would also be subject to a credit check. The parent may also appeal the credit decision. A third option is that the student is eligible to request additional unsubsidized federal loans of up to \$4,000 or \$5,000, depending on the student's academic level, or up to the student's Cost of Attendance.

### HOW MUCH CAN BE REQUESTED?

The maximum amount a parent may request to borrow for a PLUS loan is equal to the amount of the student's Cost of Attendance minus any other aid the student has received. Please review anticipated expenses, determine the amount you want to borrow, and indicate the specific amount on the PLUS Loan Request.

### OTHER THAN ACCRUED INTEREST, ARE THERE ANY FEES ASSOCIATED WITH THE LOAN?

Yes, there is a loan origination fee. The origination fee is a percentage of the amount of the loan and is deducted from the loan disbursement (4.248% if disbursed before 10/1/19).

### HOW WILL THE LOAN BE DISBURSED?

Approved loan funds will be applied directly to the student's university account once the credit approval and electronic MPN acknowledgement are received. If the loan creates a credit balance and a Direct Deposit Authorization is on file, then funds will be electronically transferred to the parent's authorized bank account. Otherwise, a refund check will be mailed to the address provided on the PLUS Loan Request form. A parent may complete and submit a form to FAS to have excess PLUS loan funds released to the student. Contact FAS for details regarding releasing PLUS loan funds to the student.

### WHY HAS THE PLUS LOAN NOT APPLIED TO THE STUDENT'S ACCOUNT?

There are several reasons why a PLUS loan may not disburse. The first step is to have the student check his/her 'To Do List' in Enroll & Pay at [sa.ku.edu](http://sa.ku.edu) (*Student Center > To Do List*). If there are items on the 'To Do List,' the student will be able to determine what needs to be completed. The second step is to have the student confirm his/her enrollment status in Enroll & Pay at [sa.ku.edu](http://sa.ku.edu) (*Student Center > Accept/Decline Awards > applicable Aid Year*). Go to Page 2 and make certain that all of the questions are answered correctly. If there are no items on the student's 'To Do List' and all of the questions on Page 2 of the Award Package page were answered correctly, then the student should contact FAS for assistance.

### WHEN DOES REPAYMENT BEGIN FOR PLUS LOANS?

You will automatically be assigned to the Standard Repayment Plan for each PLUS loan, beginning 60 days after the final disbursement. Parents have the option to apply to have PLUS loan payments deferred while the student is in school. To inquire about the request process for the deferment of your PLUS loan repayment, please visit [studentloans.gov](http://studentloans.gov)

### WHAT TYPES OF REPAYMENT PLANS ARE AVAILABLE?

There are three repayment options offered through the Direct Loan Program:

- **The Standard Repayment Plan** requires monthly payments of at least \$50 (payment amount varies depending on the amount borrowed) over a fixed period of time (maximum of 10 years). The Standard Repayment plan generally results in lower total interest paid since it has a shorter repayment period and a higher monthly payment requirement.
- **The Extended Repayment Plan** requires monthly payments of at least \$50 over a period of 12-30 years, depending on the amount borrowed.
- **The Graduated Repayment Plan** enables a borrower to begin with low payments and increase monthly payments every two years over a period of 12-30 years, depending on the amount borrowed.

To estimate payments, you may access the Direct Loan *Calculators and Interest Rates* page at [direct.ed.gov/calc.html](http://direct.ed.gov/calc.html). For questions regarding the repayment of Federal Direct Loans, please visit [studentloans.gov](http://studentloans.gov). Direct Loan borrowers will receive correspondence from the DLSC regarding quarterly interest accrual and repayment options.