

PAINE COLLEGE

Office of Financial Aid
1235 Fifteenth Street Augusta, GA 30901-3182

Telephone: 706-821-8262 1-800-476-7703
Fax: 706-821-8691

2010-2011 FEDERAL DIRECT PLUS LOAN FOR UNDERGRADUATE STUDENTS BASICS

Paine College participates in the Federal Direct Plus Loan for Undergraduate Students Program. Only eligible parents of dependent students may borrow a Federal Direct PLUS Loan. An eligible parent is a student's natural mother or father, or adoptive parent. In addition, an eligible parent must meet citizenship requirements and may not be in default or owe a refund to any Student Financial Assistance program.

The Federal Direct PLUS Loan is a non-need based, low-interest, variable rate loan, which, by law, will never exceed 9 percent. The yearly limit a parent may borrow is equal to the cost of attendance less any financial assistance. Repayment begins within 60 days after the full disbursement of the loan.

To be eligible to receive a Federal Direct PLUS Loan, federal regulations require the parent borrower pass a credit check. If the Federal Direct PLUS Loan is denied for adverse credit, the parent borrower may secure an endorser (the student borrower cannot be an endorser) **or** the student may borrow under the Federal Direct Unsubsidized Loan Program. The annual Federal Direct Unsubsidized Loan limit for first and second year students is \$6,000 and \$7,000 for third and fourth year students.

Application Process

Parents interested in applying for the Federal Direct PLUS Loan should complete the application on the **reverse side**. Upon receipt of this loan application, the application data is electronically transmitted to the ***U.S. Department of Education Common Origination and Disbursement*** (COD) division for credit review. COD will issue a disclosure statement for an approved credit decision or endorser information for an adverse credit decision.

Promissory Note Completion

The parent borrower must properly complete an electronic Federal Direct PLUS Loan master promissory note. To do so, visit the U.S. Department of Education website at <https://dlenote.ed.gov> and select ***Complete New MPN for Parent PLUS Loans*** and follow the instructions.

Disbursement Procedure

Upon verification of the student's enrollment (at least six credit hours per semester required) and a completed and accepted electronic Federal Direct PLUS Loan master promissory note, the Federal Direct PLUS Loan funds will be available for disbursement to the student. The Federal Direct PLUS Loan funds are equally disbursed and credited to the student's College billing statement each semester.

The actual amount of Federal Direct PLUS Loan funds disbursed will be the total loan amount requested up to 2.5% less due to the federally mandated origination fee of 4% and the 1.5% up-front rebate.

The school will notify the parent 30 days before and no later than 30 days after the Federal Direct PLUS Loan proceeds have been disbursed. The parent may cancel all or a portion of the loan within 14 days of the date that the school sends the notice, or by the first day of the payment period, whichever is later.

APPLICATION ON THE REVERSE SIDE

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2010-2011 FEDERAL DIRECT PLUS LOAN APPLICATION

PLEASE PRINT OR TYPE.

Student's Name (Last, First, MI) _____

Student's Social Security Number _____

Parent Borrower's Name (Last, First, MI) _____

Parent Borrower's Social Security Number _____

Parent Borrower's Address (Number and Street) _____

City _____

State _____

Zip Code _____

(_____) _____
Parent Borrower's Primary Telephone Number

(_____) _____
Parent Borrower's Alternate Telephone Number

Relationship to Student

Citizenship Status (Parent Borrower):

- Check one:* Yes, I am a U.S. citizen
- No, but I am an eligible noncitizen: #A _____
- Neither of the above

Parent Borrower's Date of Birth _____

Parent Borrower's Driver's License Number _____

State of Issuance _____

Are you (the parent borrower) in default on a federal education loan or do you owe a refund on a federal student grant?

- Check one:* Yes No

Loan Amount Requested \$ _____ -OR- _____ Maximum amount I can borrow for my student

- Check one:* Fall and Spring terms (*August – May*)
- Fall term only (*August – December*)
- Spring term only (*January – May*)
- Summer term only (*June – July*)

Remember: The actual amount of Federal Direct PLUS Loan funds disbursed will be the total loan amount requested up to 2.5% less due to the federally mandated origination fee of 4% and the 1.5% up-front rebate.

Certification: I understand that a credit check will be performed by the U.S. Department of Education Common and Origination division. I certify that the information I have indicated is true and correct to the best of my knowledge and I have read and understand the information on the reverse side of this form. I understand that if I purposely give false or misleading information, I may be fined, sentenced to prison, or both.

Parent Borrower's Signature _____

Date Signed _____

For Office Use Only

Origination Date: _____

Processed By: _____