

FINANCIAL AID

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Federal Parent Plus Loan Reference Guide

(Loan Period of July 1, 2022 – June 30, 2023)

Eligibility

- Biological or adoptive parent/stepparent of a dependent undergraduate student
- Do not have adverse credit history
- Student is meeting SAP Requirements, which are explained online, <https://policy.collegeforcreativestudies.edu/>

Interest Rates, Origination Fees and Borrowing Amounts

- Current interest rate for Plus Loans is 6.28%. It is a fixed rate for the life of the loan
- Department of Education reviews interest rates on a yearly basis, usually in July and decides if any adjustments are needed for *future* loans
- Loan servicers take an origination fee (commonly referred to as a servicing fee) off the top of the loan. Currently the origination fee is at 4.228%
- Parent borrowers can borrow up to the remaining cost of attendance figure. It is recommended that parents borrow just enough to cover direct costs (i.e. tuition, mandatory fees, housing and meal plan)

Repayment of Plus Loans

- Plus loans are deferred while the student is enrolled at least part-time (6 credits or above)
- Once student drops below half time enrollment, ceases to attend or graduates, Parent borrowers will have a 6-month grace period until payments begin
- Parents can make payments while the student is in school, with no penalty. Payments can be made monthly, sporadically or on a one-time basis
- Plus loans are in the parent, whom borrows, name. These loans cannot be consolidated with any of the student loans and cannot be changes over to the students name at any point. Parent borrower is responsible for repayment of this loan.

Application Process

- Parent borrower will complete and submit the Plus Loan Authorization Form to the Financial Aid Office for processing
- If approved, parent borrower will be required to sign a Master Promissory Note online at www.studentaid.gov
 - Please make sure parent borrower is signing the MPN for Plus Parent Borrowers
- Federal Parent Plus loans are academic year specific and a new loan application is required each year

For more information regarding the plus loan, you can go online to <https://studentaid.gov/understand-aid/types/loans/plus/parent>