

Q: Who Can Apply for a PLUS Loan?

A: Parents of dependent students and students pursuing graduate or a professional degree can borrow from the PLUS Loan program.

Q: How does a person (parent) apply for a PLUS Loan?

A: Before a parent of a dependent student can apply for a PLUS Loan, the dependent student must complete a FAFSA. Once the FAFSA has been completed the parent must complete a PLUS Application and Master Promissory Note (MPN). Both steps can be completed at <http://www.studentloans.gov>.

Q: What are the eligibility requirements for PLUS Loans?

A: PLUS applicants must meet the general eligibility requirements for federal student aid. If a parent is borrowing on behalf of a dependent undergraduate student, the student must meet these general eligibility requirements.

- Be enrolled in a degree seeking program
- Be enrolled at least half-time (6 credit hours)
- Must be maintaining Satisfactory Academic Progress

The parent and student must also meet these general eligibility requirements:

- Be a United States citizen or eligible non-citizen;
- Not be in default on a federal student loan; and
- Not owe a refund on a federal education grant.

Q: Are there any additional requirements?

A: Yes. A PLUS Loan Applicant must not have an adverse credit history. The loan is *unsubsidized* meaning the borrower is responsible for paying accrued interest beginning with the first disbursement of the PLUS Loan.

Q: What is the interest rate of a Direct PLUS Loan?

A: A PLUS Loan has a fixed interest rate of 7.9%

Q: Who is the lender of a PLUS Loan?

A: The U.S. Department of Education is the lender for all PLUS Loans.

Q: How much can a parent borrow?

A: The maximum PLUS Loan amount that a parent can borrow is the student's cost of attendance (COA) minus any other financial aid the student receives.

Q: Can the PLUS Loan be transferred to the student and become the student's responsibility to repay?

A: No. A PLUS Loan made to the parent cannot be transferred to the student. The parent is responsible for repaying the loan.

Q: Other than interest, are there any fees or charges to get a PLUS Loan?

A: Yes. A 4% fee is deducted at the time of disbursement. Please make sure you are taking this into consideration when deciding on an amount to borrow.

Q: Is there a grace period?

A: The repayment period for a Direct PLUS Loan begins when the loan is fully disbursed, and the first payment is due 60 days after the final disbursement. If you are a parent Direct PLUS Loan borrower, you may defer payment of Direct PLUS Loans while the student for whom you obtained the loan is enrolled at least half-time and for an additional six months after the student ceases to be enrolled at least half-time.

*Questions and Answers regarding Direct PLUS Loans were compiled using the 2011-12 Federal Publication
"Funding Education Beyond High School Booklet."*