

# How to Apply for a Federal Direct Parent PLUS Loan

The Federal Parent PLUS is a loan that a parent of a dependent student can borrow to pay educational expenses not already covered by other financial aid. The Parent PLUS Loan has a 7.9% fixed interest rate with a 2.5% fee and is typically repaid over 10 years. Repayment of the PLUS Loan begins 60 days after the loan has fully been disbursed. Parent borrowers need to complete the **entire** Parent PLUS Loan application process as outlined below:

## 1. Determine the amount you need to borrow

- The **maximum** amount you are eligible to borrow is listed on your student's award letter as "Fed Parent PLUS Loan ESTIMATE." This amount is based on the total cost of attending college minus other financial aid received.
- Consider only borrowing the amount you need to pay your student's GVSU bill and other educational expenses not covered through other resources.
- List the actual amount you wish to apply to receive on your Federal Direct Parent PLUS Loan Application Form.

## 2. Complete the Federal Direct Parent PLUS Loan Application

- Complete and Print an application at <http://www.gvsu.edu/forms/financialaid/PLUSapp.pdf>.
- Sign and Fax (**616.331.3180**) or mail (GVSU Financial Aid Office, 1 Campus Drive, 100 STU, Allendale, MI 49401) the completed application to the GVSU Financial Aid Office.

## 3. Complete the Parent PLUS Master Promissory Note (MPN)

- Locate your (parent) FAFSA PIN. If you do not have a FAFSA PIN or cannot locate it, go to [www.pin.ed.gov](http://www.pin.ed.gov) to get your PIN.
- Complete the on-line Master Promissory Note (MPN) for Parent PLUS Loans at <https://dlnote.ed.gov/empr/index.jsp>.
- Make sure you complete all 11 steps and receive notice that your MPN is successfully submitted.
- Be sure to print a copy of your MPN for your records.

## 4. Receive approval/denial\*

- Once a loan application is received, the GVSU Financial Aid Office will send your request to the U.S. Department of Education for evaluation.
- You will receive notification directly from the U.S. Department of Education on your approval/denial.
- The GVSU Financial Aid Office will receive notification and proceed with the processing of your request.

## 5. Funds disburse to your student's account

- If your loan application is approved **and** the Master Promissory Note (MPN) is completed, loan funds are sent directly to GVSU from the U. S. Department of Education and credited directly to your student's account.
- If you apply for a full academic year loan, half of the amount you apply for is disbursed at the start of the fall semester and the other half at the start of the winter semester
- Funds will first cover any charges on the student's account. Any excess funds are released to the student via direct deposit or sent to student's permanent address.

\* GVSU does not determine PLUS approval and cannot guarantee availability of other resources to cover your student's educational costs.