

## Federal Direct PLUS Loan Application Information Sheet

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### Step 1: Complete a Free Application for Federal Student Aid (FAFSA)

The student must have completed the **FAFSA** in one of the following ways:

- 1 **FAFSA** on the web ([www.fafsa.ed.gov](http://www.fafsa.ed.gov)). If you choose to complete the FAFSA on the web and do not have a pin, you may go to [www.pin.ed.gov](http://www.pin.ed.gov) to request one.
- 2 A paper application (available by calling 1.800.433.3243 and having one mailed to you directly)
- 3 Call our office at 609.343.5082 and schedule an appointment to file your FAFSA electronically.

### Step 2: Complete a Federal Direct PLUS Loan Request Form *(for parents only)*

The **Federal Direct PLUS Loan** is available to parents of dependent students who wish to borrow funds to assist with their child's education.

- 1 **A parent must** complete the college's Federal Direct PLUS Loan Request Form and submit it to our office.
- 2 After receiving a completed request form, your information will be certified by our college and forwarded to the Direct Loan processor.
- 3 All borrowers are subject to a credit check by the U.S. Department of Education to determine credit-worthiness. The credit check determines if the borrower has an adverse credit history.
- 4 A letter will be sent from the Direct Loan processor indicating your credit decision.
- 5 If the loan is approved, then the parent borrower must have Master Promissory Note on file.
- 6 If the loan is not approved, the student will have the option to apply for an additional unsubsidized loan or the parent can secure an endorser/cosigner and submit the information to the U.S. Department of Education.

### Step 3: Complete a Federal Direct PLUS Loan Master Promissory Note *(for parents only)*

A **PLUS Loan Master Promissory Note (MPN)** must be completed in order for funds to be disbursed to the student's account. The MPN must be completed by the parent borrower. This step **must** be done on the web at [www.dlenote.ed.gov/](http://www.dlenote.ed.gov/). The parent will need their own Federal PIN in order to sign the MPN online. Signing the MPN electronically will shorten the time frame needed to get your loan funds to you. They can request one by going to the Department of Education's PIN website. [www.pin.ed.gov](http://www.pin.ed.gov).

The PLUS Loan will be disbursed to the student's account in two installments. If the loan period requested is fall and spring, then the first installment will be disbursed at the beginning of the fall semester and the second installment will be disbursed at the beginning of spring semester. If the student is graduating and has requested a one semester only loan, then the first installment will be disbursed at the beginning of the semester and the second installment will be disbursed after midterm. There is a 30-day delayed disbursement period for all first-time borrowers at ACCC. Therefore, Direct Loan funds and Direct PLUS Loan funds will not be disbursed to a student's Business Office account until 30 days after the start of the semester.

### Important Information for All Borrowers:

- 1 Published information about student loans is available in the Financial Aid Office at all three campuses.
- 2 Annual loan limits for **Dependant Students** are:
  - Students who have earned less than 32 credits can borrow \$3500 combined subsidized and/or unsubsidized plus \$2000 additional unsubsidized.
  - Students who have earned 32 credits or more can borrow \$4500 combined subsidized and/or unsubsidized plus \$2000 additional unsubsidized.
- 3 Annual loan limits for **Independent Students** are:
  - Students who have earned less than 32 credits can borrow \$3500 combined subsidized and/or unsubsidized plus \$6000 additional unsubsidized.
  - Students who have earned 32 credits or more can borrow \$4500 combined subsidized and/or unsubsidized plus \$6000 additional unsubsidized.
- Please keep in mind that these are limits and not necessarily the actual amounts you will be eligible for. Actual amounts will be determined once the loan request has been certified and approved.
- 4 The amount of loan funds a student is able to borrow is based on the cost of attendance minus resources (student contribution and financial aid awards).
- 5 On July 1, 2009 the Federal Government will set the interest rate for 2009-2010 Direct Loans as the following:
  - **Subsidized Loans** Undergraduate 5.60% and Graduate 6.80%
  - **Unsubsidized Loans** Undergraduate 6.80% and Graduate 6.80%
  - **PLUS Loans** 7.90%
- 6 A student who **drops below 6 credits** (i.e. takes a leave of absence, withdraws from ACCC, or is registered for less than 6 credits), must complete an exit interview and is not entitled to loan funds. If funds have already been disbursed they will be returned to the Direct Loan Servicer.
- 7 Your grace period will begin if and when your registration status drops below 6 credits, and the repayment of your loans will commence 6 months later.
- 8 A student's loan **may have to be reduced** if any of the following occurs:
  - The student takes a **reduced course load** after the loan has been processed
  - The student **receives additional aid** after the loan has been processed.

If a loan is reduced due to receipt of additional aid the student will receive a revised award letter containing the additional financial aid and the reduced loan amount(s).



9. Are you in default on any Federal Direct PLUS or Student Loan(s)?  Yes  No

10. What is the parent borrower's relationship to the student? \_\_\_\_\_

**PLUS Denial Due to Adverse Credit Decision – To be completed by the Parent Borrower:**

11. By signing below I agree that if my PLUS loan is denied by the Department of Education due to an adverse credit decision. I will not secure an endorser/cosigner allowing my child to apply for an additional unsubsidized loan:

Parent Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**PLUS Denial Due to Adverse Credit Decision – To be completed by the Student:**

12. I request that ACCC process an additional unsubsidized loan and I understand that this is a loan in my name and I will be responsible for repayment. I also understand that I can borrow up to the cost of my attendance, not to exceed \$6000.00 as a freshman or sophomore for the entire academic year.

Student Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Consent to Obtain Credit Record – To be completed by the Parent Borrower:**

13. By signing below I consent to the U.S. Department of Education and its agents obtaining a report of my credit record and using the information from that report in determining my eligibility for a Direct PLUS loan. I understand that I will be notified in writing of the results of the credit check with respect to my loan application. I have also read and understand the Privacy Disclosure Notice printed below.

**PRIVACY DISCLOSURE NOTICE**

The privacy Act of 1974 (5U.S.C.552a) requires that the following notice be provided to you. The authority for collecting the information requested on this form is §451 et seq. of the Higher Education Act of 1965. as amended. Your disclosure of this information is voluntary. However, if you do not provide this information, you cannot be considered for a Direct PLUS Loan. The information on this form will be used to determine your eligibility for a Direct PLUS Loan. The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called "Title IV Program Files" (originally published on April 12, 1994, Federal Register, Vol. 59 p. 17351) and "National Student Loan Data System" (originally published on December 20, 1994, Federal Register, Vol. 59 p. 65532) Thus, this information may be disclosed to federal and state agencies, private parties such as relatives, present and former employers and creditors, and contractors of the department of Education for purposes of administration of the student financial assistance program, for enforcement purposes, for litigation where such disclosure is compatible with the purposes for which the records were collected, for use by federal, state, local, or foreign agencies in connection with employment matters or the issuance of a license, grant or other benefit, for use in any employee grievance or discipline proceeding in which the Federal Government is a party, for use in connection with audits or other investigations, for research purposes, for purposes of determining whether particular records are required to be disclosed under the Freedom of Information Act, and to a Member of Congress in response to an inquiry from the congressional office made at your written request.

