



## INFORMATION ABOUT FEDERAL DIRECT PLUS LOANS/Parent

Please read the information below. After reading this information, parents who are interested in borrowing under this program should complete the form below and return it to:

**UNCSA, Office of Student Financial Aid, 1533 South Main Street, Winston-Salem, NC 27127.**

The William D. Ford Federal Direct PLUS Loan Program allows parents to borrow Federal funds on behalf of a dependent child who is an undergraduate. This loan must be used for educational purposes, and parents should only borrow the amount necessary to satisfy the student's costs of attending school. The PLUS Loan amount cannot exceed the Total Expense Budget minus the student's financial aid award. Parents should remember that these funds are a loan from the U.S. Department of Education, and **the loan must be repaid.**

### Eligibility Requirements

To be eligible to receive a PLUS Loan, the parent borrower must:

- Complete a valid electronic Master Promissory Note (eMPN), (available at <http://www.studentloans.gov>. Since the eMPN is a multi-year note, therefore the parent will need to complete an eMPN only the first year they borrow under the Direct Loan Program at UNCSA.
- Be credit worthy--a credit check will be performed. (By requesting a PLUS Loan, you authorize a credit check to be performed by the U.S. Department of Education and/or UNCSA, on behalf of the Department.)

The student for whom the parent is borrowing must:

- Be accepted for enrollment in a degree or diploma program
- Be registered at least half time

### Interest Rate

- The interest rate is fixed at 7.9% (for loans first disbursed on or after July 1, 2006).
- Interest accrues from the first day of the first disbursement.

### Loan Fees

- A loan fee of 4% of the loan amount is deducted before the loan is disbursed. A rebate of 1.5% will be added to your net loan amount, and you will be allowed to retain this rebate if you make your first 12 loan payments on time when you enter repayment.
- The net loan amount is disbursed to the student's UNCSA account in equal disbursements, according to the terms they enroll.

### Repayment

- The parent borrower is obligated to repay the full amount of the loan, including fees and accrued interest.
- The repayment period begins on the date the loan is fully disbursed for the loan period. The first payment is due within sixty days from that date.
- The U.S. Department of Education will provide the borrower with an opportunity to select one of three repayment plans. If the borrower does not select a plan, the Department will select the Standard Repayment Plan.
- The Department will issue a repayment schedule that provides payment amounts and due dates.
- The borrower may prepay all or any part of the unpaid balance on the loans at any time without penalty.

### The Direct Loan Servicing Center

- The U.S. Department of Education has a Direct Loan Servicing Center to manage and collect Federal Direct Loans. The Servicing Center will contact the parent borrower within 30 days after the first Direct Loan disbursement.

## REQUEST FOR DIRECT PLUS LOAN

Student Name: _____		SS# _____	
Parent Borrower Name: _____		SS# _____	
Parent Permanent Address: _____			
Street	City	State	Zip
Parent Permanent Telephone Number: (_____) _____		U.S. Citizenship Status (check one):	
Parent Date of Birth: _____		<input type="checkbox"/> U.S. Citizen or National	
month / day / year		<input type="checkbox"/> Permanent Resident or other eligible alien	
LOAN AMOUNT REQUESTED \$ _____		Alien Registration # _____	
(cannot exceed the Total Expense Budget minus the student's financial aid award)		<input type="checkbox"/> Neither	
Are you currently in default on a Federal educational loan, or do you owe a refund on a Federal student grant?		<input type="checkbox"/> NO	<input type="checkbox"/> YES
Do you wish to have any credit balance check ("refund") resulting from this loan released to the above student?		<input type="checkbox"/> NO	<input type="checkbox"/> YES
Parent Signature _____		Date _____	

