



## Direct Plus and Grad Plus Loans

Direct PLUS Loans are unsubsidized loans for the parents of dependent students and for graduate/professional students. PLUS loans help pay for education expenses up to the cost of attendance minus all other financial assistance. Interest is charged during all periods.

### PLUS Loan Applicant/Borrower

The applicant for PLUS must be the student's biological or adoptive parent or the student's stepparent, if the biological or adoptive parent has remarried at the time of application. You must be a dependent student who is enrolled at least half-time. For financial aid purposes, you are considered "dependent" if you are under 24, unmarried, and have no legal dependents at the time the Free Application for Federal Student Aid is submitted. (Exceptions are made for veterans, wards of court, and other special circumstances.) If you are considered dependent, then the income and the assets of the parent you live with have to be reported on the FAFSA. However, this may not be the same parent who applies for the PLUS loan.

### PLUS/Grad PLUS Application Process

You need to complete the Free Application for Federal Student Aid (FAFSA). After you have received an award notification and decided that a PLUS loan is the best fit for you, apply through the U.S. Department of Education by completing the following steps:

- Go to [studentloans.gov](http://studentloans.gov)
- Your parent (you, if for Grad PLUS) will be asked to sign in with his FAFSA PIN. (If your parent does not have a PIN, he should obtain one at [pin.ed.gov](http://pin.ed.gov)).
- Select Start PLUS Application Process.
- Choose the Parent PLUS loan type (or Grad PLUS loan type for graduate students). Go through the application process (which includes a credit check) to confirm approval or denial of the loan.
- Choose a loan period. You should apply for the academic year, not one semester/quarter. You will have to repeat the application process (and the credit check) if you apply for the fall only and later wish to apply for another semester/quarter. It is our policy to process for the academic year rather than one semester unless you make a specific request to our office. For example, if parents are divorced and have agreed that one parent will borrow for the fall semester while the other parent will borrow for the spring semester, then each would apply separately as a borrower for one semester.
- Specify a loan amount. If "maximum amount" is selected, we will process the loan for the maximum amount available (cost of attendance minus all other financial aid received.) We encourage you to review your expenses carefully and apply only for the amount necessary.
- If approved, first-time borrowers must continue by choosing to complete the Master Promissory Note, Entrance Counseling and possibly the PLUS Counseling Session.
- Repeat borrowers must complete the Entrance Counseling and possibly the PLUS Counseling Session. The MPN is good for 10 years.
- If denied, your parent (you, if Grad PLUS) will be presented with several options.
- The Department of Education will send a confirmation or denial to the Criswell College Financial Aid Office and to you.

### Amount Available to Borrow

The limit on a PLUS or Grad PLUS Loan is the student's cost of attendance minus any other financial aid

received. You apply for the academic year (fall/spring semesters or fall/winter/spring quarters). You apply for summer separately. The total origination fee is 4.292% of the amount borrowed. The interest rate on the loan is 7.21% for loans first disbursed after July 1, 2014 and before July 1, 2015. Rates are reviewed and announced by the Department of Education each year. You will receive a statement specific to your loan before your loan is disbursed.

### **Credit Eligibility**

Federal regulations define credit eligibility for a PLUS Loan as having no "adverse credit." This term normally means that the applicant has no debt repayment account that is 90 days or more delinquent, has not had any debt discharged in bankruptcy in the last 5 years, and has not been in default on any debt (no foreclosure, tax lien, repossession, wage garnishment, or write-off) in the last 5 years.

Under the new provisions in place for any PLUS Loan credit check conducted on or after March 29, 2015, an applicant will be determined to have an adverse credit history if the total combined outstanding balance of the debts, including debts in collection or charged off during the two years preceding the date of the credit report, is greater than \$2,085.

### **Timing of Application**

The credit check for a PLUS or Grad PLUS loan is valid for 90 days. Beginning March 29, 2015, the credit check will be valid for 180 days. Disbursement for Fall 2015 is scheduled for September 7, 2015 (the earliest date permissible by federal regulation.) You can apply for a PLUS or Grad PLUS loan for the 2015-2016 academic year no earlier than 180 days from the date of the credit check.

The studentloans.gov website will accept applications for the 2015-2016 academic year beginning April 15, 2015.

### **Next Steps for Approved Loans**

All first-time borrowers must complete the Master Promissory Note (MPN) and Grad PLUS borrowers must also complete entrance counseling at studentloans.gov. If the Department of Education approves the parent's PLUS (or the graduate student's Grad PLUS,) the Department of Education will notify Criswell College and will send the loan funds to the school shortly before the semester/quarter begins. The funds will first be applied to tuition, fees, room and board, and other school charges. If any loan funds remain, they will be disbursed based on the parent's authorization (or yours for a Grad PLUS) on the application form. All PLUS Loans require the student be enrolled in at least half-time hours.

### **Next Steps for Denied PLUS Borrowers**

If your parent is denied the PLUS Loan, then your parent has the option to either:

- appeal the decision
- add an endorser, or
- you can receive a Direct Additional Unsubsidized Loan.

Your parent appeals the decision directly to the Department of Education and might qualify for a loan without passing the credit check if he can demonstrate that extenuating circumstances exist.

An endorser is a relative or friend who is able to pass the credit check and agrees to endorse the loan. An endorser promises to repay the loan if your parent fails to do so.

The maximum amount for an additional unsubsidized loan will vary based on your classification and your financial aid package. Generally freshman and sophomore students will qualify for an additional \$4,000. Junior and senior students will typically qualify for an additional \$5,000. If your parent later qualifies for a PLUS loan, any undisbursed monies remaining for the Direct Additional Unsubsidized Loan will be canceled, and the PLUS loan will be applied. Like other subsidized and unsubsidized loans, the Direct Additional Unsubsidized Loan is a loan in the student's name and does not require a cosigner.

### **Next Steps for Denied Grad PLUS Borrowers**

If you are denied a Grad PLUS, you have the option to either appeal the decision, add an endorser, or pursue a private alternative loan. The appeal and endorser processes are similar to those for a parent denied a PLUS loan (see above.) Additional unsubsidized funding is not available for a graduate student.

### **Right to Decline a Loan**

You have the right to decline any financial aid that you are offered. You have a number of rights and responsibilities pertaining to borrowing student loans (see Direct Loan Borrowers Disclosure Statement on the financial aid webpage on the Criswell College website.)

### **Repayment of PLUS/Grad PLUS**

There is no grace period for a Direct PLUS Loan; the repayment period begins 60 days after Criswell College makes the last disbursement of the loan. However, if you are a parent PLUS borrower who is also a student, you can defer repayment while you are enrolled in school at least half-time and for an additional 6 months after you graduate or drop below half-time enrollment.

If you are a parent PLUS borrower, you can defer repayment of Direct PLUS Loans while the student for whom you obtained the loan is enrolled at least half-time, and for an additional 6 months after the student graduates or drops below half-time enrollment (half-time enrollment status is determined by Criswell College). You must separately request each deferment period. Generally, you will have from 10 to 25 years to repay your loan, depending on the repayment plan that you choose.

The loan servicer will notify you of the date your first payment is due. If you do not choose a repayment plan, you will be placed on the standard plan, with fixed monthly payments for up to 10 years.

You can change repayment plans at any time by contacting your loan servicer. More detailed information about all repayment plans is available at [studentloans.gov](http://studentloans.gov).

### **Entrance Counseling Requirement**

Beginning March 29, 2015, entrance counseling and/or PLUS Counseling Session will be required and/or PLUS Counseling Session for certain PLUS (parent) borrowers.

Parents who are approved for PLUS with an endorser or have an approved appealed credit decision will be required to complete entrance counseling and/or PLUS Counseling Session. Entrance counseling is required for all first-time Grad PLUS (graduate student) borrowers. Go to [www.studentloans.gov](http://www.studentloans.gov) and log in with your PIN to complete entrance counseling.

### **Exit Counseling Requirement**

Exit counseling is required for student borrowers (Grad PLUS) but is not required for PLUS (parent) borrowers. Exit counseling is required when you drop below half-time hours, withdraw, graduate, or stop attending. You are required to complete exit counseling by logging in with your PIN at [studentloans.gov](http://studentloans.gov).

**Note:** Criswell College is required to report the federal loans you borrow to the National Student Loan Data System (NSLDS). The information is accessible by guaranty agencies, lenders, and schools authorized to use the data system. You are also able to review your federal loan history by visiting [www.nsls.ed.gov](http://www.nsls.ed.gov).

**Direct Loan Application Dates:**

We will begin accepting applications for summer 2016 in early April 2016. We will begin accepting applications for the 2015-2016 academic year starting in April 2015.