



Office of Student Financial Aid
208 Calvin Hall
Iowa City, Iowa 52242-1315
319-335-1450
financial-aid@uiowa.edu
www.uiowa.edu/financial-aid

Winter 2011-2012 Parent PLUS Loan Information

(Please provide this to your parent)

One of the goals of the University of Iowa Office of Student Financial Aid (OSFA) is to insure that families are fully aware of all sources of financial aid.

Because parents occasionally need to consider additional resources in funding their student's education, we have offered the Federal Direct PLUS (Parent) Loan **eligibility** on the award notification. Generally, the PLUS Loan offers terms and conditions that are more advantageous than most private loan offerings.

PLUS Loan Features

The PLUS Loan is a federal loan and is available to the parents of dependent undergraduate students. It features a low fixed interest rate and long-term repayment options. While parents of all income levels are eligible, a credit check is done by the Federal Direct Loan Servicer. PLUS Loans feature the following:

- **Borrowing limits:** Parents may borrow up to the cost of attendance minus any other aid received by the student.
- **Fees:** All PLUS Loans are subject to fees of 4% that are withheld from the amount received. There is a 1.5% interest rebate (fees less rebate is 2.5%--the total amount withheld from the loan.) Fees are deducted from the loan proceeds at the time funds are disbursed.
- **Disbursement:** After the PLUS Loan has been approved and is ready to disburse, the OSFA will release the funds to the University Billing Office who will apply the funds to the student's U-bill. Any excess PLUS Loan funds (any loan funds over and above what is used for contract charges on the student's U-bill) will be refunded to the parent.

Exact terms of the disbursement will be sent by the Federal Direct Loan Servicer to the parent on a disclosure statement.

University of Iowa policy requires that all excess financial aid refunds from the student's U-bill be electronically deposited to a financial institution account. This policy also covers refunds from PLUS Loans to parents. Parent PLUS Loan borrowers should print and complete a direct deposit authorization from the University Billing website:

www.uiowa.edu/ubill/forms_documents

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Application Process for a PLUS Loan

This application process must be completed each academic year/session (summer, winter, academic year).

1. The PLUS Loan amount on the award notification is the maximum PLUS amount that a parent can borrow.
2. **The parent borrower must request the PLUS Loan each summer, winter, and/or academic year by completing the separate *Request for PLUS (Parent) Loan* form and returning it to the OSFA.**
 - **If parents are divorced or separated** and more than one parent wants to borrow the PLUS, complete a separate form for each parent. The total amount between both parents cannot exceed the PLUS Loan amount on the front of the award notification.
 - **If parents are married**, generally only one parent will borrow the PLUS because if both parents request the PLUS, repayment on both loans will begin at the same time.
3. After submitting the Request for PLUS (Parent) Loan form, if the parent borrower **has not** previously completed a Master Promissory Note (MPN), the parent borrower should complete one on-line at www.studentloans.gov. After accessing the site, click on "Sign In."

If the parent borrower **has** previously completed a MPN, in most cases, a new promissory note is not required. If the parent borrower used an endorser, a new MPN is required and should be completed on-line at www.studentloans.gov. After accessing the site, click on "Sign In."

The MPN serves only as a promissory note. **It does not automatically generate the PLUS Loan for future years. Parent borrowers must complete a *Request for PLUS (Parent) Loan* form each summer, winter, or academic year.**

The PLUS MPN is parent-to-student specific and valid for ten years except for parents who use an endorser. Credit checks will be performed with each loan request.

4. We encourage parents to only borrow the loan money that they need.

PLUS Repayment Information

The PLUS Loan is a serious financial obligation which must be repaid. Please remember the following:

- The interest rate on PLUS Loans is a fixed rate of 7.9%.
- The minimum monthly payment on a PLUS Loan is \$50 per loan, but could be higher depending on the amount you borrow.
- Repayment begins 60 days after the PLUS Loan is fully disbursed. For loans disbursed after July 1, 2008, parents can request that payment be deferred until six months after the student graduates or ceases to be enrolled at least half-time. Interest will be charged while the loan is deferred.

After the loan funds have been disbursed, deferment can be requested by contacting your PLUS Loan servicer. Effective July 2, 2010, there are five Direct Loan Servicers [Direct Loan Servicing Center (ACS), Great Lakes Education Loan Services, Nelnet, PHEAA, and Sallie Mae]. The borrower will be notified of their loan servicer at the time of disbursement; the OSFA will not be notified of this information. If the borrower is unsure of their servicer, the borrower can log onto www.nslds.ed.gov using their Federal PIN to view this information.

Additional Information

For more details about the PLUS Loan, go to the Department of Education web site at www.studentaid.ed.gov and click on the *Get Money for College* link.



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Winter 2011-2012 Request for PLUS (Parent) Loan

(This form is not to be completed by graduate/professional students.)

Complete this form **after** receiving the revised 2011-2012 award notification from the Office of Student Financial Aid (OSFA). The award notification will indicate the maximum amount of your parent's PLUS Loan eligibility.

After submitting this request form, if the parent borrower **has not** previously completed a Master Promissory Note (MPN), the parent borrower should complete one on-line at www.studentloans.gov. If the parent borrower **has** previously completed a MPN, in most cases, a new promissory note is not required. If the parent borrower used an endorser, a new MPN is required and should be completed on-line at www.studentloans.gov.

The parent borrower will receive information from the federal processor confirming their loan request after our office processes this loan request form, if an MPN is on file or after the parent submits their completed MPN. The parent borrower will not receive further confirmation of this loan from The University of Iowa.

Please print clearly using black ink.

Student's Name:	Student's Social Security Number*:
<p>Provide parent borrower information for the parent who is borrowing the loan. Only ONE parent may fill out this request. If more than one parent wants to borrow on the student's behalf, each parent must fill out a separate request and repayment on each loan will begin 60 days after the loans have been disbursed. The minimum payment for each loan will be \$50 and each parent will be making a payment on their loan at the same time. If only one parent takes out a loan, there will be only one loan to repay.</p>	
Parent's Social Security Number*	
Parent's Name	
Parent's Address	Street: City: State ZIP:
Parent's Telephone Number	
Parent's E-mail Address	
Parent's Drivers License Number	
State That Issued Parent's Drivers License	
Parent's Date of Birth	
Parent's Citizenship	United States Citizen Eligible Noncitizen--If eligible noncitizen, Alien Registration Number: A

*The U.S. Department of Education requires the use of my social security number because I am applying for financial aid. The University of Iowa is committed to ensuring the privacy and confidentiality of student records and will not disclose my social security number without my consent for any purpose except as allowed by law.

<p>This is my first PLUS Loan request for Winter 2011-2012. Indicate the amount you are requesting for the entire winter session. This amount cannot exceed the amount listed on the student's award notification.</p> <p>I am requesting an additional PLUS Loan for Winter 2011-2012. Indicate the additional amount you are requesting for the winter session. This amount plus the amount you previously requested cannot exceed the amount listed on the student's award notification.</p>	\$
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Parent's Signature: _____ Date: _____

Submit this completed form to the UI Office of Student Financial Aid by mail or fax (319-335-3060). **To confirm receipt of this form, the student can check ISIS (<http://isis.uiowa.edu>).** When in ISIS, click on *Student Records*. Under the *Financial Aid* heading, click on *Loan Document Status*. Please allow one week for mailing time or 48 business hours after faxing before confirming receipt.