Federal Direct Parent PLUS Loan Information

Parent PLUS Loans
Parent PLUS Loans are borrowed directly from the Federal government by parents on behalf of dependent children. The program is “non-need-based” which means that eligibility for a PLUS Loan is not based on financial need. To borrow a Parent PLUS Loan, the parent borrower may be charged current fees of 4.292% of the loan amount (fee amount subject to change).

What is the interest rate on Parent PLUS loan?
Direct Parent PLUS Loans currently have a fixed rate of 7.21% (subject to change).

Is there a charge for this loan?
The Federal loan processor currently charges a loan origination fee that is 4.292% (subject to change) of the principal amount of each Direct PLUS Loan that you borrow. This fee helps reduce the cost of making these low-interest loans. The fee is deducted before you receive any loan money, so the loan amount you actually receive will be less than the amount you have to repay.

How to Apply
· Students must first complete all steps in the process to apply for Financial Aid.

1) Parents complete the Master Promissory Note for Parent PLUS loans. Parent borrowers need a Federal PIN, which is requested at www.pin.ed.gov. The Parent PLUS promissory note is completed on the web; choose “Complete Master Promissory Note,” then choose “Parent PLUS.”

2) Student and Parent borrower complete the Parent PLUS Loan Form and submit it to the Financial Aid desk at Shoreline CC. The Department of Education will perform a credit check on the parent borrower.

Is there a credit check required for this loan?
Yes, the Federal loan processor conducts a credit check for the parent borrower.

How Much Can Parents Borrow?
Generally, you can borrow the difference between the established cost of the student's education (the amount used by the Financial Aid office) and any financial aid received. You can also borrow a PLUS Loan to pay for part or all of the expected family contribution.

Where can I learn about loan repayment requirements and other information?
www.direct.ed.gov/parentrepay.html

Where can I find more information?
www.direct.ed.gov/parent.html