

## Federal Direct PLUS Loan Information

### PLUS Loans

PLUS Loans are borrowed 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 take out a PLUS Loan, the parent borrower may be charged fees of up to 4% of the loan amount.

### What is the interest rate?

Direct PLUS Loans borrowed after 07/01/06 have a fixed rate of 7.9%.

### Is there a charge for this loan?

The loan fee for PLUS loans is 4%. This fee helps reduce the cost of making these low-interest loans. The fee is deducted by before loan funds are disbursed, so the loan amount received 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.** This is completed on the web: <https://dlenote.ed.gov>; choose “Complete New MPN for Parent PLUS Loans.” Parent borrowers need a Federal PIN, which is requested at [www.pin.ed.gov](http://www.pin.ed.gov).
- 2) **Student and Parent borrower complete the Parent PLUS Loan Form** and submit it to the Financial Aid Office at Shoreline CC. The Department of Education will perform a credit check on 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.