

## Federal Parent PLUS Loan

What is the Federal Direct Parent PLUS Loan?

The Parent PLUS Loan is a federally guaranteed loan available to credit-eligible parents of dependent students.

Who can borrow a Parent PLUS loan?

Biological or adoptive parents or a stepparent listed on the FAFSA of dependent students are eligible to apply.

Your parent must be a U.S. citizen or eligible noncitizen and pass a credit check to determine eligibility.

What are the terms of the Parent PLUS loan?

Federal Parent PLUS Loan Terms	
Maximum Loan Amount:	Up to your cost of attendance, minus all other financial aid.
Interest Rate:	6.28% fixed for the 2022-23 academic year (rates for 2023 will be announced in June)
Fees:	A 4.28% origination fee is deducted at disbursement of each installment of the loan.
	<a href="#">PLUS Counseling</a> as well.
Repayment Terms	
Grace Period:	None. However, your parent may request a deferment while you are enrolled and for 6 months after you graduate.
Repayment Length:	Between 10 and 25 years, depending on total borrowing and chosen repayment plan.
Payment Due:	Monthly
Payment Amount:	Depends on amount borrowed and chosen repayment plan.

How does my parent apply for this loan?

First, you must submit the FAFSA. Then, your parent must apply for the Parent PLUS Loan and complete a Master Promissory Note online at [studentaid.gov](https://studentaid.gov) using their FSA ID. Your parent must pass a credit check to be approved.

NOTE: The 2022-23 PLUS Loan application will become available in April 2022, and we will begin certifying the loan after you are enrolled. This means that your parent can apply to determine if they have been approved for a PLUS loan in April, but the loan will not be added to your financial aid account until we certify it.

What does the Dept of Education look at during a credit check?

They are checking if the borrower (your parent) has an adverse credit history. However, debt-to-income ratio, credit score, employment status or even lack of credit is not considered during this credit check. The credit check for a Parent PLUS loan is valid for 180 days.

What is considered *adverse credit*?

For purposes of qualifying for a PLUS loan, a borrower is considered to have an adverse credit history if:

- he or she has one or more debts with a total combined outstanding balance greater than \$2,085 that are 90 or more days delinquent as of the date of the credit report that have been placed in collection or charged off (written off) during the two years preceding the date of the credit report;
- during the five years preceding the date of the credit report, he or she has been subject to a
  - default determination,
  - discharge of debts in bankruptcy,
  - foreclosure,
  - repossession,
  - tax lien,
  - wage garnishment, or
  - write-off of a federal student aid debt.

What are the options if my parent is denied a PLUS loan?

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