

# 2010-2011 Federal Direct PLUS Loan Pre-Application

*To be completed by the parent borrower*

Please read the second page of this form for information on the Direct PLUS Loan, borrower eligibility, and the application process.

Student \_\_\_\_\_ Student ID \_\_\_\_\_

Parent \_\_\_\_\_ Parent Social Security No. \_\_\_\_\_

Relationship to Student \_\_\_\_\_ Parent Date of Birth \_\_\_\_\_

## Parent Address

Please provide your complete address and telephone number:

\_\_\_\_\_  
Street City State Zip Code Telephone ( )

Parent Email Address \_\_\_\_\_

Parent Citizenship  U.S. Citizen  Eligible Non-Citizen (*attach documentation*)

Student Citizenship  U.S. Citizen  Eligible Non-Citizen (*attach documentation*)

Requested Loan Amount\*\* \$ \_\_\_\_\_ (*see example below*)

Academic period for PLUS loan: \_\_\_ \*Fall/Spring (8/10-5/11) \_\_\_ Fall Only (8/10-12/11) \_\_\_ Spring Only (1/11-5/11)

*\* If you need to borrow funds for both semesters it is best to choose the Fall/Spring (8/10-5/11) option therefore only one credit check is required.*

The loan amount you borrow will have 2.5% deducted for loan fees. Please use the following example to help you calculate a requested loan amount that includes the loan fees:

**\*\*Example:** If you need \$5,000 for education expenses, your requested loan amount would be \$5,210 (\$5,000 divided by 97.5%, rounded up to the nearest whole dollar). The maximum loan amount is the difference between the cost of attendance and the student's financial aid.

## Certification

*By signing below I certify that I am an eligible borrower, according to the criteria on the reverse side of this form, and that all of the information provided on this form is complete and correct. I understand I will need to complete a Direct PLUS Loan Master Promissory Note and a credit check will be performed in order to borrow from this loan program for my student.*

Parent Signature \_\_\_\_\_ Date \_\_\_\_\_

Mail completed form to: Financial Aid Office  
Johnson State College  
337 College Hill  
Johnson, VT 05656

Or fax completed form to: Fax: (802) 635-1463

## Federal Direct PLUS Loan Information:

The Direct PLUS Loan is designed for parents of dependent students enrolled at least half-time in an eligible degree program.

- The maximum loan amount is the difference between the cost of attendance (tuition, books and living expenses) and the student's financial aid.
- The interest rate is fixed at 7.9%. Interest accrues from the first disbursement date.
- Funds are disbursed directly to the school, generally at the beginning of each term.
- Repayment begins when the loan is fully disbursed, but check with the U.S. Department of Education for additional payment options. The standard repayment term is 10 years.
- For specific details the website address is [www.studentloans.gov](http://www.studentloans.gov) this includes Parent Plus information too.

### Borrower Eligibility

An eligible borrower must:

- Be: 1) the student's parent (natural or adoptive), or 2) the student's stepparent who is included on the student's Free Application for Federal Student Aid (FAFSA), and
- Be a U.S. citizen, a permanent resident or other eligible non-citizen (in the U.S. for a purpose that is not temporary, with the intention of becoming a citizen on permanent resident), and
- Not be in default on a federal education loan, or have made satisfactory payment arrangements with the holder of the defaulted loan, and
- Not owe an overpayment on a federal education grant or have made repayment arrangements to repay the amount owed.
- Not have adverse credit; a credit check will be performed and must be approved.

### Application Process:

1. Student submits the Free Application for Federal Student Aid (FAFSA) and any supporting documentation as requested by the Johnson State College Financial Aid Office.
2. The Johnson State College Financial Aid Office determines the student's financial aid eligibility and provides the student with their award package.
3. The parent determines how much Federal PLUS Loan he or she needs to borrow for the academic year (use the JSC Financial Aid Worksheet). **Complete the JSC Federal PLUS Loan Pre-Application and submit it to the Johnson State College Financial Aid Office. (We can not process a PLUS Loan with out the Pre-Application).**
4. The borrower completes a PLUS Loan Master Promissory Note (MPN) electronically on-line. A credit check will be completed by the U.S. Department of Education (they are the lender). If the borrower has adverse credit, they have the opportunity to resolve the adverse credit items or obtain a credit-worthy endorser.
5. The JSC Financial Aid Office originates the PLUS Loan and submits the loan information to the Department.
6. When the loan is approved the Department mails a Notice of Loan Guarantee and Disclosure Statement to the borrower. The loan is disbursed to the school according to disbursement rules that govern the Federal PLUS Loan program. Johnson State College notifies the parent borrower when Federal PLUS Loan funds are received and credited to the student account.

### Master Promissory Note

Multiple loans for the same dependent student may be made to a borrower under a single Master Promissory Note (MPN) over a maximum ten-year period. **If the parent borrower requests additional loan funds another JSC Federal PLUS Loan Pre-Application must be completed.** If you need an additional form, please call the Johnson State College Financial Aid Office or you can print the form from our web site on the Forms and Links page.