

# 2009-2010 Federal PLUS Loan Pre-Application

*To be completed by the parent borrower*

Please read the second page of this form for information on the Federal PLUS Loan, borrower eligibility, and the application process. Information on our suggested lenders is available on the JSC website.

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

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

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

Parent Address: If your address is the same as the student's, check here:

If your address is not the same as the student's, please provide your complete address and telephone number:

\_\_\_\_\_  
Street State Zip Code Telephone

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

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

Requested Loan Amount\* \$ \_\_\_\_\_

Academic period for PLUS loan: \_\_\_\_\_ Fall/Spring (8/09-5/10) \_\_\_\_\_ Fall Only (8/09-12/09) \_\_\_\_\_ Spring Only (1/10-5/10)

Lender Selection:  Vermont Student Assistance Corporation

Sallie Mae

EdAmerica

Discover

Other Lender Name: \_\_\_\_\_ Lender code: \_\_\_\_\_ Guarantor Code: \_\_\_\_\_

*You have the right to borrow from any lender of your choice. In no way will it delay the loan process.*

The loan amount you borrow may have \*3-4% deducted for loan fees (this is determined by the lender). 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 96%, 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 receive a Federal PLUS Loan Master Promissory Note to complete and sign if I do not have one on file for this student.*

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

Return completed form to:  
Financial Aid Office  
Johnson State College  
337 College Hill  
Johnson, VT 05656  
Fax: (802) 635-1463

## Federal PLUS Loan Information:

The Federal 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 8.5%. 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. The standard repayment term is 10 years.

### 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.

### 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 sends the student an award letter.
3. Credit Pre-Approval (**optional, but encouraged**): Parent borrowers may contact the lender of their choice to request a PLUS Loan pre-approval (if offered by the lender) before completing this Federal PLUS Loan Pre-Application. **A pre-approval will expedite the processing of your loan.**
4. The parent determines how much Federal PLUS Loan he or she needs to borrow for the academic year (use the JSC Financial Aid Worksheet), completes the Federal PLUS Loan Pre-Application and submits it to the Johnson State College Financial Aid Office.
5. The Johnson State College Financial Aid Office certifies the PLUS Loan and submits the loan information to the lender.
6. If the borrower does not have a Federal PLUS Loan Application and Master Promissory Note (MPN) on file, the lender mails a preprinted MPN to the borrower. The borrower completes the MPN and returns it to the lender. The MPN includes complete information on the terms of the loan and the borrower's rights and responsibilities.
7. The lender performs a standard credit check. If the borrower has adverse credit, the borrower has the opportunity to resolve the adverse credit items or obtain a credit-worthy endorser.
8. When the loan is approved the lender 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. The parent borrower requests additional loans by completing another JSC Federal PLUS Loan Pre-Application. If you need an additional form, please call the Johnson State College Financial Aid Office or print one off our web site.