

Direct Parent PLUS Loan Addendum

2023-24

Submit via: Confidential Document Submission Portal: <https://www.csub.edu/finaid/upload>
or Return to: California State University, Bakersfield
Office of Financial Aid & Scholarships
48 SA
9001 Stockdale Highway, Bakersfield, CA 93311-1022
Telephone: (661)654-3016 FAX: (661)654-6800 Web: <http://www.csub.edu/financial-aid> E-Mail: finaid@csub.edu



FPLUO

Student Name: _____

CSUB Id: _____

(Please print)

Parents:

Direct Loans are low-interest loans for parents to help pay for the cost of their student's education after high school. The lender is the U.S. Department of Education (DOE) rather than a bank or other financial institution. Only the *PARENTS* of students who are regarded as *DEPENDENT* for need analysis purposes on the FAFSA may apply for a Direct Parent PLUS Loan. Parents of students regarded as *INDEPENDENT* for need analysis purposes on the FAFSA are *NOT* eligible to apply.

Parent eligibility:

You must be the student's biological or adoptive parent or the student's step-parent if the biological or adoptive parent has remarried at the time of application. Your child must be a dependent student who is enrolled at least half-time. Parent PLUS loan borrowers cannot have an adverse credit history. In addition, parents and their dependent child must be U.S. citizens or eligible noncitizens, must not be in default on any federal education loans or owe an overpayment on a federal education grant, and must meet other general eligibility requirements for the Federal Student Aid programs.

Applying for a PLUS Loan and the Master Promissory Note (MPN):

To apply for a Direct Loan for the first time you must complete a PLUS Application and Master Promissory Note (MPN). The MPN is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the DOE. It also explains the terms and conditions of your loan(s). You may complete the MPN online at <https://studentaid.gov/mpn/parentplus/landing>. If you are borrowing Direct Parent PLUS Loans for more than one student, you'll need to complete a separate MPN for each one. To complete an MPN online, you will be required to use your DOE login and password that you created. If you have not created a DOE login and password, you may do so at [FSA ID | Your Account for Federal Student Aid](#).

Credit check & endorser alternative:

When you apply for a Direct Parent PLUS Loan, the DOE will check your credit history. If you have an adverse credit history, you may still borrow a PLUS Loan if you get an endorser who does not have an adverse credit history. An endorser is someone who agrees to repay the Direct Parent PLUS Loan if you do not repay the loan. The endorser may not be the student.

Loan limits, interest rate, and loan charges:

There are no set limits for Direct Parent PLUS Loans, but you may not borrow more than the cost of your child's education minus any other financial aid received, such as a Direct Subsidized or Unsubsidized Loan. The school will determine the actual amount you may borrow. The interest rate for Direct Parent PLUS Loans is a fixed rate that will never exceed 8.25%. Interest is charged on Direct Parent PLUS Loans during all periods, beginning on the date of your loan's first disbursement. In addition to interest, you pay a nominal loan origination fee that is a percentage of the principal amount of each Direct Parent PLUS Loan that you receive. The fee will be deducted before you receive any loan money, so the loan amount you actually receive will be less than the amount you borrowed and have to repay. Dependent students, whose parents have applied for but were unable to get a PLUS Loan, are eligible to receive additional Direct Unsubsidized Loan funds.

Repayment:

There is no grace period for Direct Parent PLUS Loans - the repayment begins 60 days after your school makes the last disbursement of the loan. However, if you're a Parent PLUS borrower who is also a student, you can defer repayment while you're enrolled in school at least half time and for an additional 6 months after you graduate or drop below half-time enrollment. If you're a Parent PLUS borrower, you can defer repayment of Direct Parent PLUS Loans while the student, for whom you obtained the loan, is enrolled at least half time, and for an additional 6 months after the student graduates, or drops below half-time enrollment, which is determined by your student's school. Generally, you'll have from 10 to 25 years to repay your loan, depending on the repayment plan that you choose. You can choose to repay your Direct Parent PLUS Loan using the Standard, Extended, or Graduated repayment plan.

