

Federal PLUS Loans

The parents of students who are regarded as DEPENDENT for need analysis purposes may also choose to apply for a [Direct PLUS](#) (Parent Loans for Undergraduate Students) Loan. Typically, the [Direct PLUS Loan](#) takes the place of whatever calculated parent contribution (resulting from the need analysis process) that the parents cannot provide from current income and or savings. PLUS loans are limited only by the budget calculated by the school financial aid office minus any scholarships or other resources, which are to be received by the student. Parents should note that repayment is scheduled to begin within sixty days after the loan is fully disbursed. However, parent borrowers may elect to defer payments while the student is in school, but interest will accrue.

Steps

- Discuss your eligibility, interest and/or need for a Parent PLUS Loan with a CSUB financial aid counselor.
- File the [Free Application for Federal Student Aid \(FAFSA\)](#) for the current year. If eligible, Stafford loans will automatically be offered to students who have completed a FAFSA.
- The parent-borrower, in consultation with the student and financial aid counselor, should determine the loan amount needed and complete a [Direct PLUS Loan Addendum](#).
- The school will verify eligibility of the loan amount requested and enter the award in the financial aid award package.
- The student must log into their [myCSUB](#) web portal and accept the loan offer.
- The parent must sign into [Parent PLUS Loan](#) using their Social Security Number, Name, Date of Birth, and PIN number to complete the Master Promissory Note (MPN).
- The Federal Direct Loan Processor will conduct a credit check on the parent-borrower. If the parent-borrower passes the credit check, the loan will be certified. If the parent-borrower does not pass the credit check, they may either:
 - Obtain an Endorser (i.e., another adult who is willing to co-sign the loan); or
 - If the parent cannot locate an Endorser, the dependent student may then qualify to borrow additional Unsubsidized loan funds
- Once the loan origination record is sent to and approved by the Federal Direct Loan Processor, the loan is ready to be disbursed into the student's CSUB student account as soon as possible.

Federal Direct Stafford Loans cannot be processed after the final day of the term for which the student was enrolled.

Types of PLUS Loans

There are two types of PLUS Loans: Graduate PLUS loans, and Parent Loans for Undergraduate Students (PLUS).

Graduate Loans

The [Graduate PLUS program](#) allows graduate students, who are enrolled at least half-time in a masters, doctorate, or professional program (e.g., a program that leads to a law or medical degree), to borrow additional unsubsidized Stafford Loans. The PLUS loan may be used to replace the family contribution to the extent that it does not exceed the difference between the student's cost of

attendance and other financial aid. Potentially eligible Grad PLUS borrowers are those who are enrolled at least half-time in a graduate or professional program. Students taking courses required for teacher certification or for admission into a graduate or professional program are not eligible for a Direct PLUS Loan. Borrowers are responsible for the interest that accrues on PLUS loans throughout the life of the loan.

Parent Loans for Undergraduate Students (PLUS)

The [Parent PLUS Loan](#) allows parents of undergraduate students, who are enrolled at least half-time, to borrow a fixed interest federal student loan on behalf of their dependent student to replace the family contribution to the extent that it does not exceed the difference between the student's cost of attendance and other financial aid. A credit check is required, and borrowers are responsible for the interest that accrues on PLUS loans throughout the life of the loan.

Eligibility

The parent borrower must:

- be the biological or adoptive parent, or step-parent of the dependent undergraduate student for whom the loan is being borrowed.
- not be in default on a federal student loan and not owe a refund on a federal education grant.
- be a United States citizen or eligible non-citizen
- meet the lender's credit requirements.

The student must:

- be a dependent student enrolled at least half time in a program leading to a degree or eligible certificate program.
- not be in default on a federal student loan and not owe a refund on a federal education grant.
- be a United States citizen or eligible non-citizen.
- meet general federal student financial aid eligibility standards
- be enrolled at least half-time (undergraduate & credential students: 6 units / graduate students: 4 units of 500-or 600-level courses).

If a parent is denied a PLUS loan due to adverse credit, the student will become eligible for a Federal Direct Unsubsidized Stafford loan. Amounts vary depending on the student's academic level. Contact the CSUB Office of Financial Aid if you have been denied a PLUS loan.

Federal Direct PLUS Loans must be processed prior to the end of the term, or academic year, for which the student was enrolled. Therefore, parents or graduate students are encouraged to complete the application process well in advance.

Accepting / Declining or Reducing your Loan

Once you are awarded a PLUS Loan, you will need to:

- log into your [myCSUB](#) and accept or decline your loan(s);

California State University, Bakersfield
Office of Financial Aid & Scholarships

- complete and sign the online [Master Promissory Note \(MPN\)](#);
- complete online [Loan Entrance Counseling](#)

Details

For Federal Direct PLUS Loans disbursed on/or after July 1, 2006:

- The current fixed interest rate is [Rate](#) and begins accruing while you are enrolled.
- Interest is charged on a PLUS Loan from the date of the first disbursement until the loan is paid in full.
- An Origination Fee of 4.0% is assessed to all borrowers by the Direct Loan Servicer.
- Borrowers must pass a credit check.

Master Promissory Note (MPN) and Entrance Counseling

Parent and graduate student borrowers must sign a [Direct PLUS loan Master Promissory Note](#)

Graduate student PLUS borrowers must complete [Direct PLUS loan Entrance](#)

Borrowing Limits

The Federal Direct PLUS Loan maximum amount is the student's cost of attendance minus any financial aid.

Repayment

After a parent or graduate student borrower receives the full disbursement of the Federal Direct PLUS Loan for the school year, the repayment period begins. You will make your first payment within 60 days after the entire PLUS Loan is disbursed for a school year.

Repayment for a graduate PLUS loan borrower is deferred while you are enrolled at least half-time.