Federal Direct Parent Loan (PLUS) Instructions

Description – What is the Parent Plus Loan Program
The Federal Direct Plus Loan allows parents to borrow federal funds on behalf of a dependent child who is an undergraduate student. Only dependent students are eligible to apply for the Federal Direct Parent PLUS Loan. The Federal Direct Parent Plus Loan may be secured up to the designated cost of attendance minus any other aid or resources awarded to the student. Generally, the federal definition of a parent is the biological or adoptive father mother or step-parent of the student. Parents not listed on the student’s Free Application for Federal Student Aid (FAFSA) must submit the TSU paper Federal Parent Loan Application directly to the Office of Student Financial Assistance as part of the application process. Parents are advised to apply EARLY, beginning June 1, 2013, to ensure funding is available for course selection or housing financial review process.

Process – What actions must the parent and student complete?
The parent and student must
1. Have a valid FAFSA PIN number. If you have lost or forgotten your FAFSA Pin number you may visit www.pin.ed.gov for additional information on retrieving your pin.
2. Submit the Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov
3. Submit any supporting documentation directly to the TSU Office of Student Financial Assistance
4. Accept the loan on the TSU MyWeb account notifying TSU that the parent and student wish to participate in the Federal Direct Parent PLUS Program. This does not indicate the loan has been approved.
5. The parent must
6. Complete the credit review at www.studentloans.gov and not have an adverse credit history.
   a. Select Complete the Request Direct Plus Process
   b. Select the Parent Plus Loan.
   Understanding the Credit Review Process
When you apply for a Direct PLUS Loan, the Department will check your credit history. To be eligible to receive a PLUS Loan, you must not have an adverse credit history. If you are determined to have an adverse credit history, you may still receive a Direct PLUS Loan if you obtain an endorser who does not have an adverse credit history. An endorser is someone who agrees to repay the Direct PLUS Loan if you do not repay the loan. In some cases, you may also be able to obtain a Direct PLUS Loan if you document that there are extenuating circumstances related to your adverse credit history. The applicant may contact the U. S. Department of Education at 1-800-557-7394 for additional information on remedying the credit denial.
7. If the Federal PLUS Loan is approved, the applicant will be allowed to complete the Plus online process.
   a. Designate recipient (parent or student) of any funds in excess of allowable charges on student’s TSU account.
   b. Any funds in excess of the student’s allowable charges at the point of disbursement will be forwarded to address entered on the Federal Plus on-line application.
8. Complete and sign the Master Promissory Note with the U. S. Department of Education.
   a. Print and retain a copy for your records.
   b. A positive credit approval is required to use the Parent PLUS Loan as a guarantee to pay for campus housing and meal plans and is not applicable toward the housing deposit.

Disbursement - How will my funds arrive?
• The TSU Financial Aid Office will receive an electronic notification from the U.S. Department of Education requesting certification of the Parent Plus Loan.
• TSU Office of Student Financial Assistance will certify the loan within 5 working days of receiving request.
• The Parent borrower will receive a disclosure statement from the U.S. Department of Education
• An electronic confirmation is received from the U.S. Department of Education and the funds are posted to the student’s TSU account.
• The Parent Loan will show as paid on the student’s TSU MYWEB account under the account summary by term
• the student has funds in excess of the outstanding allowable charges on their TSU account, the excess funds are refunded to student or parent within 14 working days to the address that is listed on the MPN.