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. The student must accept the Federal Direct Parent Plus 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 for funding by the U.S. Department of Education.**
2. The parent must
3. Complete the credit review at [www.studentloans.gov](http://www.studentloans.gov) and not have an adverse credit history.  
   a. Select Complete the Request Direct Plus Process  
   b. Select the Parent Plus Loan.
4. **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.**
5. 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.
My Checklist

Prior to being awarded the Federal Direct Parent Plus Loan the student and at least one parent must

- 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.
- Submit the Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov
- Submit any supporting documentation directly to the TSU Office of Student Financial Assistance

☐ Review awards on TSU MyWeb Account
  - The student must accept Parent Plus Loan on TSU MyWeb account under Account Summary by Term.
  - Accepting the Parent Loan on the TSU MyWeb account does not indicate the loan has been approved for funding by the U.S. Department of Education. The borrower must complete the credit review process at www.studentloans.ed.gov prior to the loan being approved by the U.S. Department of Education.

☐ Complete the Parent Plus Loan Application at www.studentloans.gov

Avoid the following mistakes
  - The first and last names are transposed when completing the application.
  - The name and social security number entered do not match.
  - The social security number is incorrectly entered.
  - The student's name is entered where the parent's name should be entered.

☐ If the decision from the credit review is positive and the applicant is approved, complete and submit to the Master Promissory Note

☐ If the decision from the credit review is negative, consider securing a co-signer and return to the website to complete the information for an endorser:
  - Contact the U.S. Department of Education to discuss possible alternatives for repairing your credit score to an acceptable minimum

STOP - ALLOW 48 HOURS PROCESSING TIME

☐ Complete Master Promissory Note at www.studentloans.gov

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.