



## Federal Direct Parent PLUS Loan Steps and FAQs

The Federal Direct Parent PLUS Loan is a credit-based, federal loan for parents of dependent students. The PLUS (Parent Loan for Undergraduate Students) Loan allows parents to borrow money to cover any educational costs not already covered by the student's other financial aid. The PLUS Loan Application becomes available by the end of the May prior to the start of fall term, and we recommend all these steps be completed prior to August 1 for the fall term or prior to December 1 for spring term. We cannot guarantee funds will arrive before the tuition date if an application is received less than 30 days before the start of the term.

Outlined below are the steps required by the U.S. Department of Education to obtain a PLUS loan:

1. PLUS Loan Application
2. Master Promissory Note

All of the steps are completed online at [StudentAid.gov](http://StudentAid.gov) and this document outlines how to complete these steps.

### PLUS Loan Application

All Federal Parent PLUS Loan borrowers must complete the PLUS Loan Application to receive their loan. This annual application must be completed **every** year you wish to receive a loan.

Follow the steps below to complete the PLUS Loan Application:

1. Go to [StudentAid.gov](http://StudentAid.gov) using Chrome, Safari, or FireFox (they do not recommend using Internet Explorer).
2. Click on "Log In" using the parent borrower's Federal Student Aid ID (FSA ID).
  - a. This is the same FSA ID the parent used to file the FAFSA.
  - b. Be sure to log in as the parent and not the student or someone else; you must log in using the parent's FSA ID.
3. From the "Loans and Grants" menu at the top of the page, select "PLUS Loans: Grad PLUS and Parent PLUS."
4. In the "I am a Parent of a Student" box, click on "Learn More" and then "Start."
5. From there, follow the on-screen directions.

### PLUS Loan Application Frequently Asked Questions

- What are my options if the credit check is denied?
  - *Appeal the decision.* Details on how to appeal are given on the site. Appeals are reviewed by the U.S. Department of Education, not by UW-W.
  - *Obtain an endorser (co-signer).* If you choose this option, the endorser must complete the "Endorse Direct PLUS Loan" section by signing in to [www.studentaid.gov](http://www.studentaid.gov) using his or her own FSAID.
  - *Not Pursue the PLUS Loan.* If you select this option, we will automatically offer your student additional Unsubsidized Federal Direct Loan funds based on the maximum amount allowed. (Freshman/Sophomore - \$4,000 max; Junior/Senior - \$5,000 max.)
  - *Undecided.* If this option is selected the Financial Aid Office will not be able to complete the PLUS loan process or award additional unsubsidized loan to the student until we are contacted by the parent who has applied for the loan.



- Do I have to complete the PLUS Credit Counseling?
  - The PLUS Credit Counseling is only required if you are appealing a denied application or if you are obtaining an endorser.
  - This is completed by logging on to StudentAid.gov, selecting the “Apply for Aid” menu at the top of the page, and then selecting “Complete PLUS Credit Counseling”.

### **Master Promissory Note**

All first-time Federal Parent PLUS Loan borrowers must complete a Master Promissory Note (MPN) to receive their loan. The MPN is the agreement you sign indicating you realize the Federal Direct Loan is a loan that you must repay.

Follow the steps below to complete the MPN:

1. Go to [StudentAid.gov](http://StudentAid.gov) using Chrome, Safari, or FireFox (they do not recommend using Internet Explorer).
2. Click on “Log In” using the parent borrower’s Federal Student Aid ID (FSA ID)).
  - a. This is the same FSA ID the parent used to file the FAFSA.
  - b. Be sure to log in as the parent and not the student or someone else; you must log in using the parent’s FSA ID.
3. From the “Loans and Grants” menu at the top of the page, select “Master Promissory Note (MPN).”
4. Select “Start” in the “I’m a Parent of an Undergraduate Student.”
5. Enter the required information and once done with all sections of the MPN, be sure to click on “Submit.”

### **MPN Frequently Asked Questions**

- Who should I list as references?
  - The references should be two different persons with different U.S. addresses and who have known you for at least three years.
- Why do I have to provide references?
  - References are provided in case your loan servicer is unable to get in touch with you regarding important details of your loan. If you keep in touch with your loan servicer, answer their calls and emails, and keep your contact information current with them, your references should never be contacted.
- I have already completed an MPN, why am I being asked to complete another one?
  - The MPN only lasts for 10 years. If your first MPN was signed 10 or more years ago you need to complete a new one.
  - If you completed the MPN within one year, but never took out a loan you will be required to complete a new one.



### Additional Frequently Asked Questions

- What is the current interest rate on the Federal Parent PLUS loan.
  - Interest rates are established each year based on an index rate. The interest rate, once established on a loan, will be fixed for the life of that loan.
  - Please visit <https://www.uww.edu/financialaid/types-of-aid/loans/parent> for interest rate details.
- Are there any fees associated with the Federal Parent PLUS loan?
  - Yes. There are origination fees assessed on each disbursement.
  - Please visit <https://www.uww.edu/financialaid/types-of-aid/loans/parent> for fee details..
- Is the Parent PLUS loan covered under the Federal Educational Rights and Privacy Act?
  - The Family Educational Rights and Privacy Act (FERPA), sets forth requirements regarding the privacy of student records. FERPA generally prohibits the release of confidential personally identifiable student data without the student's consent. Parents, guardians, and spouses have no inherent or legal rights to receive information about the student's education records, regardless of the student's age, without the written consent of the student – this includes information you may need to help apply for a Federal Parent PLUS Loan.
  - If a student would like the Student Accounts Office and/or the Financial Aid Office to discuss their financial aid/student account information (including the PLUS loan) with their parent, they need to complete a Release of Information form. Students can add their parent to the release form by following the directions below:
    - Log in to WINS, select the “Student Financial Account” tile, select the “Account Inquiry” tile, select “Release Financial Info” and follow the on-screen directions
- Which parent can apply for the Federal Parent PLUS loan?
  - To receive a Federal Parent PLUS loan, you must be the biological or adoptive parent of the dependent undergraduate student.
  - Either biological parent can apply for the Federal Parent PLUS Loan, even if that parent's information is not listed on the Free Application for Federal Student Aid (FAFSA).
- Do I apply for a single term or for the full academic year?
  - We recommend applying for the full academic year; borrow enough to cover both fall and spring term charges.
- How do I know how much I should borrow?
  - You can use the estimates available at [cost.uww.edu](http://cost.uww.edu) to determine your costs per term (note that this tool gives you the costs per term; multiply that by two to determine your academic year costs).
- What is the maximum amount I can borrow?
  - The maximum amount a parent is eligible to borrow is based on the student's Cost of Attendance minus other financial aid.
- How am I able to increase or decrease my loan amount once it has been processed?
  - The parent borrower can email [uwwfao@uww.edu](mailto:uwwfao@uww.edu) to request a specific increase or decrease to their loan. Any communication requesting a loan change must be submitted by the parent borrower from the email address listed on the PLUS loan application, and must include the student's ID number.



- Do I need to submit a new application for summer term enrollment?
  - Yes, summer is a stand alone term for financial aid eligibility. Undergraduate students must be enrolled at least half time (6 credits) to be eligible. A new application needs to be submitted using the appropriate summer term dates online at [studentaid.gov](http://studentaid.gov)
- Are there additional tools to learn more information about the Federal Parent PLUS Loan?
  - Yes: <https://studentaid.gov/sites/default/files/direct-loan-basics-parents.pdf> and <https://studentaid.gov/understand-aid/types/loans/plus/parent>.