The Direct Parent Loan for Undergraduate Students (PLUS) is designed to assist the parents of dependent students in meeting educational expenses. There are no income restrictions that affect eligibility for this loan. However, the parent borrower must pass a credit check. The loan amount limit is the cost of education minus financial assistance awarded the student. A completed 2009-2010 Free Application for Federal Student Aid (FAFSA) must be on file before a Parent PLUS loan can be awarded.

Eligibility: Students must be citizens or permanent residents of the United States and be enrolled or accepted for enrollment in a degree-seeking program at Auburn University. Students must be enrolled at least half-time (six hours) to be eligible for a Federal Parent PLUS loan. Student must also be making Satisfactory Academic Progress, as defined below.

Satisfactory Academic Progress: In order to receive financial aid, including the Direct Parent Loan, students must be making Satisfactory Academic Progress (SAP). Students must achieve and maintain a 2.0 cumulative GPA and have passed 67% of attempted hours and cannot receive aid after they have attempted 192 semester hours of academic work. Any student placed on academic suspension or academic expulsion will not be eligible to receive federal financial aid. Please refer to our website under the Special Information heading for additional SAP information.

Interest Rates and Fees: Federal Direct PLUS Loans have a fixed interest rate of 7.9%. Interest begins to accrue on the date of disbursement. A 4% origination fee is charged at disbursement. There is also an upfront 1.5% rebate fee that is credited back to the disbursement and retained by the borrower if the first 12 monthly payments are made on time.

Repayment: Repayment on your Direct PLUS Loan will begin within 60 days after the loan is fully disbursed. You may apply for an in-school forbearance while your student is enrolled at least half time. You must apply for that through Direct Loans.

Steps for Applying for a Federal Direct PLUS Loan:

1. Make sure the above criteria are met: 2009-2010 FAFSA, Eligibility and SAP.
2. Complete this application, sign and either fax or mail to the Auburn University Financial Aid Office. (fax number and address are below) Both pages 2 and 3 must be submitted before the application will be processed.
3. Make sure that the parent borrower has a Federal PIN. If not, you will need to apply for one through www.pin.ed.gov.
4. If you are a first time Direct PLUS Borrower, complete a Master Promissory Note at https://dlenote.ed.gov/empn/index.jsp. Please note that if you previously borrowed from a FFELP Lender/Bank, your old MPN will no longer be valid. You will need a new MPN with Direct Loans.

Office of Student Financial Aid
203 Martin Hall
Auburn, AL 36849
Telephone: 334-844-4634  Fax: 334-844-6085
E-mail: finaid7@auburn.edu
http://www.financialaid.auburn.edu/
Fall 2009-Spring 2010 Direct Parent PLUS Loan Application

---Student’s Information---

1. Student’s Name _____________________________________________
   Last          First          MI

2. Student’s AU ID # ________________________________

3. Student’s Date of Birth ____________________________

---Parent Borrower’s Information---

4. Borrower’s Social Security Number ____________________________

5. Borrower’s Name (only one parent per application) _____________________________________________
   Last          First          MI

6. Borrower’s Permanent Mailing Address:
   City, State, Zip ____________________________________________________________
   City          State          Zip Code

7. Borrower’s Date of Birth ____________________________

8. Borrower’s Phone # ________________________________

9. Borrower’s email address _____________________________________________

10. Borrower’s Citizenship Status: ___ U.S. Citizen or National
    ___ Permanent Resident/other eligible alien
        • Alien Registration # ____________________
        • Attach a copy of both sides of your alien registration card

11. Borrower’s Relationship to Student ___Mother/Stepmother ___Father/Stepfather
    To borrow a PLUS loan for a student, the parent must be the student’s biological or adoptive mother or father. The spouse of a parent who has remarried (i.e., the student’s stepparent) is also eligible to borrow a PLUS on the student’s behalf, if his/her income and assets would be taken into account when calculating the dependent student’s EFC. A legal guardian is not considered a parent for any FSA purposes.

12. Terms that you want the loan to cover (Fall and Spring can be taken in one loan, where half of the loan will disburse in Fall 2009 and the other half will disburse in Spring 2010. Summer 2010 must be applied for as a separate loan.)
    ___Fall 2009-Spring 2010    ___Fall 2009 Only    ___Spring 2010 Only

13. Loan Amount Requested: $ ________________________________
    If you request more than your eligibility, the loan will automatically be reduced to the maximum amount eligible. The maximum amount is determined by the Cost of Education minus financial assistance awarded to the student. If the student’s award package changes after the PLUS is awarded, the PLUS loan and/or loans in the student’s name may be reduced to get the student’s total award package back to the eligible amount.

14. PLUS Denial Due to Adverse Credit
    If your Federal Direct PLUS Application is denied by the Department of Education due to adverse credit, your Student may be eligible for an additional Unsubsidized Stafford Loan (yearly aggregate limits apply). Please indicate how you would like to proceed in the event that your application is denied, due to credit? (Choose One)
    ___ I will either appeal the credit decision directly with Direct Loans or obtain a credit-worthy endorser/cosigner
    ___ I do not wish to appeal or obtain an endorser. Please award the additional Unsubsidized Stafford Loan, if my student is eligible.

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Fall 2009-Spring 2010 Direct Parent PLUS Loan Application

Consent to Obtain Credit Report
I consent to the U.S. Department of Education and its agents obtaining a report of my credit record and using the information from the report in determining whether to make a Direct PLUS to me. I understand that I will be notified in writing of the results of the credit check with respect to my loan application.

_________________________  ___________________
Parent Borrower’s Signature  Date

_________________________  ___________________
Parent Borrower’s Social Security Number  Student’s AU ID Number

Treatment of Excess Funds
I understand that the disbursement of the Direct PLUS loan to my student's billing account may result in an overpayment of tuition, fees, and other university charges. I authorize the excess funds to be directly deposited into the bank account that student has set up through the Office of Student Financial Services. If I do not agree, a check will be mailed to me at the address provided on my application. If my check is mailed and I do not receive it, I must inform the Office of Student Financial Services that my check is lost in the mail. It is their policy not to reissue checks until thirty days after the initial mailing date. If I am requesting a check and my address changes, I understand that I must notify the AU PLUS Loan Processor and Direct Loans of the address change.

___ I agree to have the excess funds deposited in the bank account provided by my student.
___ I do not agree to have the excess funds deposited. I would like a paper check to be mailed.

_________________________  ___________________
Parent Borrower’s Signature  Date

Privacy Act Disclosure Notice
The Privacy Act of 1974 (5 U.S.C.552a) requires that the following notice be provided to you. The authority for collecting the information requested on this form is §451 et seq. of the Higher Education Act of 1965, as amended. Your disclosure of this information is voluntary. However, if you do not provide this information, you cannot be considered for a Direct PLUS Loan. The information on this form will be used to determine your eligibility for a Direct PLUS Loan. The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called “Title IV Program Files” (originally published on April 12, 1994, Federal Register, Vol. 59 p. 17351) and “National Student Loan Data System” (originally published on December 20, 1994, Federal Register, Vol. 59 p. 65532). Thus, this information may be disclosed to federal and state agencies, private parties such as relatives, present and former employers and creditors, and contractors of the Department of Education for purposes of administration of the student financial assistance program, for enforcement purposes, for litigation where such disclosures is compatible with the purposes for which the records were collected, for use by federal, state, local, or foreign agencies in connection with employment matters or the issuance of a license, grant or other benefit, for use in any employee grievance or discipline proceeding in which the Federal Government is a party, for use in connection with audits or other investigations, for research purposes of determining whether particular records are required to be disclosed under the Freedom of Information Act, and to a Member of Congress in response to an inquiry from the congressional office made at your written request. Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) provides that, in order to receive any grant, loan, or work assistance under Title IV or the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so that data may be recorded accurately.

Auburn University is an equal opportunity educational institution/employer.
Revised April 2010