

## How to Apply for the Federal Direct PLUS Loan

Your student must first complete a FAFSA. Then you may complete this application and return it to the UNC Asheville Office of Financial Aid. At that point a credit check will be performed. If your credit is approved, the Origination Center will send you a letter of credit approval. If the credit check indicates an adverse credit history, the Origination Center will advise you of other options for obtaining a Federal Direct Parent PLUS loan, which include obtaining an endorser without an adverse credit history or providing documentation regarding extenuating circumstances.

### Eligibility

You, the parent borrower, are eligible for a Federal Direct PLUS loan if you –

- Are borrowing to pay the educational costs of a dependent undergraduate student.
- Are a US citizen or eligible non-citizen (i.e. a permanent resident).
- Do not have an adverse credit history.
- Have an adverse credit history, but have obtained an endorser with a satisfactory credit history.
- Are not in default on a Federal Stafford Loan, Federal PLUS loan, or if you are in default on one of these loans, you have made satisfactory repayment arrangements.

### Loan Amount and Interest Rates

The maximum amount you may borrow is the total cost of attendance less all other financial aid the student receives. A fee of 4% of the loan principal is deducted from each disbursement (for a PLUS loan of \$10,000, \$9,600 is applied to the student account. (\$10,000 x 4% = \$400; \$10,000 - \$400 = \$9,600).

The interest rate is fixed at 7.9 percent for loans disbursed after July 1, 2006.

### Disbursements

The PLUS Loan is disbursed in two equal payments. It is applied directly to the student's account at UNC-Asheville.

### Terms of Repayment

- Interest begins to accumulate on the date of the first disbursement.
- Your first payment will be due 60 days after the final disbursement.
- You will pay the principal and accumulated interest.
- You may repay a PLUS loan under one of three repayment plans. The repayment plans are:
  - Standard Repayment Plan – fixed monthly payments of at least \$50 per month for up to 10 years.
  - Extended Repayment Plan – fixed monthly payments of at least \$50 per month; number of years of repayment varies from 12 to 30 years depending on the total loan amount borrowed but will not exceed 30 years.
  - Graduated Repayment Plan – Monthly payments start out at a reduced amount and increase every two years; number of years of repayment varies from 12 to 30 years depending on the total loan amount.

### Deferment/Forebearance/Cancellation

You may receive a deferment (postponement of payments) if you qualify. You must contact the Direct Loan Servicing Center at 1-800-848-0979 to request a deferment. To qualify for a deferment the PARENT, NOT THE STUDENT, must meet one of the following conditions:

- You are enrolled at least halftime in an approved program of study.
- You are enrolled in an approved graduate fellowship program.
- You are enrolled in a rehabilitation training program for persons with disabilities.
- You are seeking, but unable to find, full-time employment.
- You are experiencing economic hardship.
- If you're a parent PLUS borrower, you can defer repayment of Direct PLUS Loans first disbursed on or after July 1, 2008 while the student for whom you obtained the loan is enrolled at least half time, and for an additional 6 months after the student graduates or drops below half-time enrollment (half-time enrollment status is determined by your child's school). You must separately request each deferment period.

You may receive forbearance (temporarily stop making payments or make smaller payments than originally scheduled). You must contact the Direct Loan Servicing Center at 1-800-848-0979 to request forbearance. You may qualify for forbearance if you, the PARENT, NOT THE STUDENT meet one of the following conditions:

- You are in poor health or have unexpected personal problems.
- You are serving in a medical or dental internship or residency.
- You are obligated to make federal loan payments equal to, or greater than, 20 percent of your total monthly gross income.

A Direct PLUS Loan may be discharged under the following circumstances:

- You (or the student for which you borrowed) die.
- You become totally and permanently disabled.
- In rare cases, if you file bankruptcy.

# Federal Direct Parent PLUS Loan Application (PLUS)

2010-2011

UNC Asheville Office of Financial Aid ♦ One University Heights ♦ University Hall CPO# 1330 ♦ Asheville, NC 28804 ♦ (828) 251-6535  
www.unca.edu/financialaid

Student's Name \_\_\_\_\_

Student's ID # \_\_\_\_\_

Student's UNC Asheville Email Address \_\_\_\_\_

9 3 0 \_\_\_\_\_  
Student's Phone Number  
( \_\_\_\_\_ ) \_\_\_\_\_ - \_\_\_\_\_

Complete this form in its entirety and return to the UNC Asheville Office of Financial Aid. The omission of any information below may delay the processing of this loan. You must also complete and submit the Parent PLUS Loan Statement of Understanding.

## Parent Information

First Name: \_\_\_\_\_ MI: \_\_\_\_\_ Last Name: \_\_\_\_\_

Social Security #: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Date Of Birth (MM/DD/YYYY): \_\_\_\_ / \_\_\_\_ / \_\_\_\_\_

Permanent Home Address

Street: \_\_\_\_\_

City, State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Permanent Home Telephone Number: ( \_\_\_\_\_ ) \_\_\_\_\_ - \_\_\_\_\_

Email Address: \_\_\_\_\_

United States Citizenship (check one)

US Citizen or National       Permanent Resident or Other Eligible Alien       None of the above

Alien Registration Number: \_\_\_\_\_

Are you in Default on any Federal Parent/Student Loan?       Yes       No

## Loan Amount Requested

(Loan amount + student's financial aid cannot exceed the student's estimated cost of attendance. You must enter an amount here for your loan to be processed.)

Fall      \$ \_\_\_\_\_ .00

Spring      \$ \_\_\_\_\_ .00

My signature below authorizes the United States Department of Education to perform a credit check. I understand that the specifics of my credit acceptance or rejection will not be released to the university by the credit bureau.

If my credit is denied, I will obtain a credit-eligible endorser for the PLUS Loan:       Yes       No

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_\_

(Signature must be that of the Parent Borrower)