

Sandburg Financial Aid
2400 Tom L. Wilson Blvd
Galesburg, IL 61401
Phone: 309.341.5283
Fax: 309.344.2529



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www.sandburg.edu

2017-2018 William D. Ford Federal Direct Plus Loan Request Form

If you are interested in obtaining a Federal Direct Parent Loan, please complete the following steps:

1. Fill out this form and return it to the CSC Financial Aid Office at the address above
2. Parents must complete a Master Promissory Note for a Parent Plus Loan at <https://studentloans.gov>

STUDENT NAME _____ ID# _____ Last 4 SSN# xxx-xx-_____
(Please Print)

Is the student in default or owe a repayment of excess funds for any student loan or financial aid? ____ Yes ____ No

Parent Borrower Information:

Name _____

Address _____

City _____ State _____ Zip Code _____

SSN# _____ Date of Birth ____/____/____

Driver's License Number _____ State _____

Phone (____) _____

Are You a U.S. Citizen?

Yes, I am a U.S. citizen

No, but I am an eligible noncitizen

Alien Registration Number: A _____

Dollar Amount You Wish to Borrow \$ _____

Term for which you wish to borrow: Fall/Spring Fall only Spring only Summer only

Is the parent in default or owe a repayment of excess funds for any student loan or financial aid? ____ Yes ____ No

Parent Signature: _____ Date: _____

By signing this, I consent to the US Department of Education and its agents obtaining a report of my credit record and using the information from that report to determine whether to make a Direct PLUS Loan to me. I understand that I will be notified of the results of the credit check with respect to my loan application.

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 disclosure 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, for 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 of 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.

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2017-2018 Parent Plus Loan Information

How does a parent get a loan?

For a Direct PLUS Loan, the parent must complete a Direct PLUS Loan Application and Master Promissory Note (MPN). The MPN is a legal document in which the borrower (the parent) promises to repay the loan and any accrued interest and fees to the Department. It also explains the terms and conditions of the loan. The parent will need to complete the MPN online at www.studentloans.gov. Financial need is not considered; therefore, the program is open to almost any family, student and parent(s), who does not have an adverse credit history.

How much can a parent borrow?

The annual limit on a PLUS Loan is equal to the student's cost of attendance minus any other financial aid the student receives. For example, if the cost of attendance is \$6,000 and the student receives \$4,000 in other financial aid, the student's parent can request up to \$2,000.

How does the parent get the loan money?

The Department of Education will send the loan funds to the student's school. In most cases, the loan will be disbursed in at least two installments, and no installment will be more than half the loan amount. The school will use the loan money first to pay the student's tuition, fees, and other school charges. If any loan funds remain, the parent will receive the balance. Any remaining loan funds must be used for the student's education expenses.

What's the interest rate?

The interest rate will be determined each June for new loans made for the upcoming award year. Each loan will have a fixed interest rate for the life of the loan. To find out the current interest rate, please go to <http://studentaid.ed.gov/About/announcements/interest-rate>.

Prior Federal Loans and Financial Aid History—Students and parents may check the interest rate, servicer information, and other financial aid history at www.nsls.ed.gov.

Other than interest, is there a charge to get a PLUS Loan?

There are loan fees charged by the Department of Education for each Direct Plus Loan and are deducted proportionally from each loan disbursement.

When does the parent begin repaying the loan?

The repayment period for a Direct PLUS Loan begins at the time the PLUS loan is fully disbursed, and the first payment is due within 60 days after the final disbursement. The parent may defer repayment: while the student on whose behalf the parent borrowed the loan is enrolled on at least a half-time basis, and for an additional six months after the student ceases to be enrolled at least half-time.

How does the parent pay back the loan?

The parent will repay the servicer listed on the disclosure statement provided when he or she received the loan. The loan servicer will provide regular updates on the status of the PLUS Loan, and any additional PLUS Loans that a parent receives.

Repayment Plans—The Direct PLUS Loan Program for parents offers three repayment plans—standard, extended, and graduated—that are designed to meet the different needs of individual borrowers. The terms differ between the repayment programs, but generally borrowers will have 10 to 25 years to repay a loan.

What if a parent has trouble repaying the loan?

Under certain circumstances, a borrower can receive a deferment or forbearance to temporarily stop or lower the payments on a loan.

Can the parent's PLUS Loan be transferred to the student so that it becomes the student's responsibility to repay?

No. A PLUS Loan made to the parent cannot be transferred to the student. The parent is responsible for repaying the PLUS Loan.

Can a PLUS Loan be cancelled (discharged)?

Yes, under certain conditions. A cancellation (discharge) releases the parent from all obligations to repay the loan.