

# FEDERAL DIRECT PLUS (PARENT) LOAN

## Application Instructions

### 2020-2021

#### STARTING THE APPLICATION PROCESS

The Direct Plus Loan application process requires the Parent to complete a Plus Request and also sign a Plus Loan Master Promissory Note (MPN) if one is not already on file. Both processes can be accessed on the <https://studentloans.gov> website.

- In the top right corner, select “**Log In**” and enter your FSA ID/email address and password.
- Once you have accessed “**My Home Page**,” click on APPLY FOR A DIRECT PLUS LOAN.
- Under “**SELECT THE TYPE OF DIRECT PLUS LOAN APPLICATION**” select START next to DIRECT PLUS LOAN APPLICATION FOR PARENTS and follow the instructions to complete the process.
- If your credit is approved, you will be requested to complete a Direct Plus Loan Master Promissory Note (MPN) unless one is already on file.
- If your credit is not approved, your student will automatically be awarded an additional \$4,000 in Unsubsidized Direct Loan (for 1st and 2nd year students) and an additional \$5,000 in Unsubsidized Direct Loan (for 3rd and 4th year students). If the Plus Loan Request is later approved with an endorser or an approved credit reconsideration, the additional Unsubsidized Direct Loan will be removed from your student’s award. If an endorser is used, you must complete a new Master Promissory Note (MPN) every school year. Please see “Instructions for Endorsers” below.

#### HELPFUL INFORMATION FOR THE PARENT

- The maximum amount a parent may borrow is listed on the student’s Financial Aid Award Letter. A parent may borrow the maximum amount or may borrow a lower amount. The amount listed on the award letter represents the cost of your student’s education minus any other financial aid received. The cost includes tuition and fees, books, supplies, transportation and personal expenses. **IMPORTANT: Your requested loan amount will be disbursed in two equal installments (half for the fall semester and half for the spring semester).** Please be sure to increase the dollar amount you need by 4.236 percent to allow for the federal origination fee. Example: If you need \$5,000 to cover your charges, your requested loan amount should be \$5,222. ( $\$5,000 \div .95764 = \$5,221.17$  rounded up to the next whole dollar). Loan origination fees are adjusted on October 1st of each year.

- To ensure timely processing of your loan, we encourage you to apply by June 19, 2020.
- Be sure to include an email address where asked. The Federal Servicer will send you an email confirmation of your electronic MPN and Stevenson University will send you an email advising you when your loan funds have been posted to your student's account.
- The application process will take about 30 minutes to complete, depending on the speed of your computer. If you are unable to complete the entire process in a single session, the MPN website will require that you start again from the beginning.
- All plus loan increase and decrease requests will be handled through the <https://studentloans.gov> website.

## INSTRUCTIONS FOR ENDORSERS

This process requires that the endorser complete an Endorser Direct Plus Loan request on the <https://studentloans.gov> website. The endorser must also request a FSA ID at <https://fsaid.ed.gov> prior to beginning the application process.

- In the top right corner, select “**Log In**” and enter your FSA ID/email address and password.
- Once you have accessed “**My Home Page**,” click on COMPLETE AN ENDORSER ADDENDUM.
- Under “**ENDORSE A DIRECT PLUS LOAN**” enter the borrower's last name and endorser code or awarded identification number for the loan you would like to endorse. This information can be obtained from your borrower. Select START.
- Provide the required information for the Endorser Addendum, including the amount of loan you would like to endorse.
- If your credit is approved, you will have the opportunity to print out a copy of the endorser addendum for your records.