

FEDERAL DIRECT PLUS LOAN 2017-2018

The University of Virginia participates in the William D. Ford Federal Direct PLUS Loan Program (“PLUS Loan”). The lender is the U.S. Department of Education (“the Department”) rather than a bank or other financial institution. The PLUS Loan program is a non-need based, low-interest loan made to parents of **dependent undergraduate students**. Parents may borrow an amount up to the cost of attendance less any other financial assistance. When calculating the amount you wish to borrow, please consider all expected expenses for the entire academic year. Also, please note that each new loan you receive requires a separate payment each month. The interest rate for the 2017-2018 academic year is fixed at 7.00%. Repayment begins 60 days after the full disbursement of the loan, and any changes to the loan must be executed by the University’s Financial Aid Office within 14 days of disbursement of the loan. Parents may also request a deferment of payment until six months after the student leaves school. For more information, please go to <http://studentloans.gov>. Parents (including adoptive or stepparents) must be U.S. citizens or permanent residents to apply for the loan.

Additional information about the PLUS Loan can be found at <http://www.finaid.org/loans/parentloan.phtml>.

Application Process – Please note that this process requires the submission of a FAFSA, two applications and the signing of a Master Promissory Note by the parent. Please see the timeline below for more details on what happens after you complete your application.

1. Complete the Free Application for Federal Student Aid (FAFSA) at <http://www.fafsa.gov>. The student and the parent must both have an FSA ID, which can be obtained, if need be, by going to <http://fsaid.ed.gov>.
2. In order to complete the application process, parents must also go online to complete a Master Promissory Note (MPN) and PLUS loan application, both of which can be found at <http://studentloans.gov>. To complete the application, the PARENT should log in and click on “Request a PLUS Loan”.
3. Parents interested in applying for PLUS Loan funds must also complete the UVA Direct PLUS Loan application and fax it to 434-924-7636. Alternatively, the application may be sent by mail to: Student Financial Services PO Box 400204 Charlottesville, VA 22904-4204.

If Your PLUS Loan Application is Denied by the Department of Education

Federal regulations require credit checks for the parent applicant(s). Parents with adverse credit history, those who have high debt ratios, or who have filed for bankruptcy in the past may be denied the PLUS Loan. Parent borrowers will be notified if the application is denied, the reason for the denial, and the name of the credit bureau from which the denial was obtained.

If a parent is denied on their application, they may still obtain a PLUS Loan by having a qualified endorser on the loan, and completing the Credit Counseling through the Department of Education. Your PLUS denial email will give you instructions for applying with an endorser or appealing your denial.

Students of parents who are denied the PLUS Loan may be eligible for an additional Federal Direct Unsubsidized Loan. The additional Direct Unsubsidized Loan amount available each academic year is \$4,000 for first- and second-year students, and \$5,000 for third and fourth year students. Students must complete the Additional Unsubsidized Loan Application Form and submit it to Student Financial Services for processing. This form is available at: <http://sfs.virginia.edu/forms>.

Disbursement Procedure

After loan approval, the PLUS Loan funds will be available for disbursement no earlier than 10 days before the start of the term. These funds are normally payable in two disbursements, one-half of the total loan amount for each semester. Funds will be applied toward the student's University billing statement once the student has enrolled in sufficient credit hours. Please note that interest on the loan begins to accrue on the disbursed amount at the time of disbursement.

A financial aid award notice will be available in the Student Information System (SIS) on the Student Center, indicating the total loan amount of the PLUS Loan awarded. The actual amount disbursed will be the gross amount minus origination fees. The origination fee for loans disbursed prior to October 1, 2017, is 4.276%. By federal regulation, unless parents request otherwise, additional credits that are a direct result of the PLUS loan proceeds are refunded to the parent instead of the student. However, you may indicate on the application that you prefer that the refund be sent to the student.

Please note: if additional financial assistance or other educational resources are received by the student after the PLUS Loan application is certified, one or both of the loan disbursements may be reduced or cancelled to prevent over-awards. Similarly, if tuition charges are reduced because of a change in enrollment, one or both of the loan disbursements may be adjusted.

Timeline for Processing the PLUS Loan

1. Once the University receives the FAFSA, we will determine if the student is eligible for federal aid only or for federal, state, and institutional aid. In the event the student is eligible for more than federal aid only, the University will request additional documentation, communicated through the student's To Do List in the SIS, about the family's financial situation.
2. Once the student has been awarded, which typically takes 2-4 weeks from the date we receive the last requested document, the student must accept or decline the offered aid in the SIS. Failure to do so will delay the processing of the PLUS Loan.
3. Once the student has accepted or declined the offered aid in the SIS, PLUS Loan eligibility is calculated, and the loan is processed. After loan approval, the PLUS Loan funds will be available for disbursement, no earlier than 10 days before the start of the term.
4. The University will not begin to process PLUS Loan applications prior to July 1, 2017.

We encourage families considering the PLUS Loan to complete the entire application process well in advance of the start of the academic year. Late applications are unlikely to be completed before the Fall 2017 term bill due date of August 16th, 2017, and families who find themselves applying late should plan to use other means to cover the cost of attendance while their PLUS Loan application is pending. The credit check is valid for 180 days.

PLUS

UNIVERSITY OF VIRGINIA
DIRECT PARENT PLUS LOAN APPLICATION
2017-2018 ACADEMIC YEAR

Please print all information on this form, and print legibly to avoid delay processing of your loan request.

For Fall term 2017-only PLUS loans, your complete application must be submitted by December 6, 2017.
For Spring term 2018-only PLUS loans, your complete application must be submitted by May 2, 2018.

For the University to process your Parent PLUS Loan application, you must complete 1) the FAFSA (available at <http://www.fafsa.gov>), 2) the Federal Direct Parent PLUS Promissory note, 3) the Federal Direct Parent PLUS Loan application (both are available at <http://studentloans.gov>) and 4) this Direct Parent PLUS Loan application.
PLEASE PRINT ALL INFORMATION ON THIS FORM.

PARENT BORROWER INFORMATION - ONLY ONE (1) PARENT BORROWER PER LOAN

Student's Full Name: _____
(LEGAL NAME – PRINT LEGIBLY) first middle last

Student's University ID: - or SIS ID:

Parent's Name: _____ Parent's Date of Birth: _____

Parent's Marital Status: ___ Married ___ Divorced ___ Single Parent's Gender: ___ Female ___ Male

Parent's Social Security Number: _____ - _____ - _____ Home Phone: (____) _____
(Social Security Number Required)

Email address: _____

Parent's Citizenship Status: ___ U.S. Citizen ___ Permanent Resident (Alien Registration # _____)

Parent's Permanent Address *(please include House Number, Street, City, State, ZIP Code)*
NO P.O. BOXES OR FOREIGN ADDRESSES

(House Number) (Street)

(City) (State) (ZIP Code)

Parent's Relationship to Student: ___ Mother ___ Father ___ Stepmother ___ Stepfather

Parent's Driver's License # (Required): _____ Issuing State: _____

Fall term only Spring term only Full year Study Abroad Fall 2017 Study Abroad Spring 2018
 Request for an additional PLUS loan (Additional amount greater than the original loan request requires a new PLUS Loan Application. For increase amounts less than the original loan amount, complete the Financial Aid Change Form – Increase, located at <http://sfs.virginia.edu/forms/2018>.)

Loan Amount Requested: \$ _____ The loan amount received will be minus the origination fee charged by the lender. If you leave the amount blank or request the maximum amount, the amount of the PLUS Loan award will be the student's cost of attendance minus any other aid received.

Would you like the requested amount increased to cover the origination fee? YES NO

Have you completed a FAFSA for the student? YES NO

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Students who wish only to accept the Parent PLUS Loan to pay their educational expenses, please complete a Financial Aid Cancellation Form, completing section 3. Once the cancellation is complete, the Parent PLUS will be processed.

Excess funds generated from the Direct Parent PLUS loan disbursements must be refunded to the parent borrower unless authorized to be sent to the student as indicated below. In some cases, Direct Parent PLUS loan disbursements may pay previously satisfied educational charges. When this occurs, the credit balance is created by the student's financial aid or personal payments and the refund is sent to the student.

Parent initials to indicate you have read the above notice about excess funds: _____

Once my student's University bill has been paid, send any residual Direct PLUS loan proceeds to:

- Student via mail or direct deposit* *Parent Borrower at above address*

STATEMENT OF EDUCATIONAL PURPOSE:

I CERTIFY THAT I WILL USE ANY FEDERAL TITLE IV, HEA FUNDS I RECEIVE DURING THE AWARD YEAR COVERED BY THIS APPLICATION SOLELY FOR EXPENSES RELATED TO ATTENDANCE AT THE UNIVERSITY OF VIRGINIA. I FURTHER CERTIFY THAT I AM NOT IN DEFAULT ON AN EDUCATION LOAN NOR DO I OWE A REFUND ON A FEDERAL GRANT.

Parent Borrower's Signature

Today's Date