

Federal PLUS Loan Q & A

■ What is the Parent PLUS Loan?

The PLUS Loan is a loan that the parent can apply for to help cover expenses for college.

■ Who can apply?

The biological, adoptive, or stepparent, whose information is listed on the student's FAFSA, can apply for the PLUS Loan.

■ Can a student complete the PLUS Loan application for the parent?

No, the parent MUST be the one to apply for this loan. The student is not permitted to fill it out for the parent. This is a legal document.

■ Can the parent borrow a PLUS Loan without a FAFSA on file?

No, the student must have a FAFSA on file before the parent can borrow a PLUS Loan.

■ Who is responsible for paying back the PLUS Loan?

The parent for whom the loan is approved will be responsible for paying back the loan.

■ Is the PLUS Loan guaranteed to be approved?

No, PLUS Loan approval depends on the borrower's credit history.

■ Will the PLUS be approved for enough to cover all remaining expenses?

The amount that that parent is approved for depends on the borrower's credit history.

■ Can parents specify how much they want to borrow?

Yes, parents can either apply for the maximum amount, or they can request a specific amount.

Please note: *the amount requested will be split between the Fall and Spring semesters. For example, if \$5,000 is needed for Fall, request \$10,000. That way \$5,000 will be applied in the Fall and \$5,000 will be applied in the Spring.*

■ Do monthly payments on the PLUS Loan begin immediately?

No, parents can request that the loan payments be deferred while the student is in school. However, interest

begins to accrue once the loan has been disbursed.

■ If approved, is the parent required to borrow the PLUS Loan?

No, if the parent does not want to borrow the approved PLUS Loan, the parent will simply not sign his/her Master Promissory Note (MPN) and the loan will never be processed.

■ What if the Parent is not approved for the PLUS Loan?

If the parent is not approved, WKU will be notified of the denial, and the student will automatically be awarded an additional \$2,000 per semester in an unsubsidized loan.

■ What is the current interest rate on the PLUS Loan?

The current interest rate for the PLUS Loan is 5.30%.

■ How often does the parent have to apply for the PLUS Loan?

Parents will need to reapply for the PLUS loan each academic year.

Ready to apply for a PLUS Loan?

1. Go to www.fsaid.ed.gov to apply for your **personal FSA ID**. You will need this to log in to the Federal Student Aid system to apply for the PLUS Loan.
2. Go to www.Studentaid.gov
3. Click on the white **Log In button** then log in using your login information, **NOT** the student's information.
4. Click on **Apply for a PLUS Loan**
5. If you are approved for the PLUS Loan, and wish to borrow the loan, you **MUST** sign the **Master Promissory Note (MPN)** or the loan will never go through.
6. Complete the **Annual Student Loan Acknowledgment (ASLA)**. *The ASLA must be completed each academic year.*

Helpful hints

Be certain that you list **your information as the borrower and your student's information as the student**. Mixing these two up will cause the application to be invalid.

Be certain that you report the correct name, social security number, and date of birth for your student, or your Plus Loan may not link to your student's account.

Remember, if you are going to request **a specific amount** for your loan, instead of asking for the maximum amount, the total amount requested **will be split evenly between the Fall and Spring semester**. So if you need \$5,000 for each semester, be sure to request \$10,000 so you will have \$5,000 per semester.

The lender will deduct an origination fee of *4.228% from the total loan amount requested. ***Subject to change 10/1/21**

If you are the student, you cannot apply for a Parent Plus Loan in your parent/stepparent's name. Doing so will constitute fraud.