



Federal Direct Parent PLUS Loan Information Sheet

To apply for the Federal Direct Parent PLUS Loan, the parent borrower must fill out the online application. The fall, spring and summer I application is available at studentaid.gov and the summer II application is available at wmich.edu/finaid/resources/forms.

What is the Federal Direct Parent PLUS Loan?

The Federal Direct Parent PLUS Loan enables a parent or stepparent to borrow to pay the educational expenses of a child who is a dependent undergraduate student enrolled at least half-time. Applicants are encouraged to borrow the minimum amount needed to cover actual costs. Eligibility is determined by subtracting the student's total financial aid and resources from the cost of attendance.

Who may borrow a Federal Direct Parent PLUS Loan?

To borrow a Federal Direct Parent PLUS loan for a student, the parent must be the student's biological or adoptive mother or father. Both parents may get a Parent PLUS Loan as long as the total aid package does not exceed the student's cost of attendance. A stepparent is also eligible to borrow a Parent PLUS Loan if his/her income and assets were reported on the FAFSA. A legal guardian is not considered a parent for financial aid purposes.

What if I don't pass the credit check?

If you don't pass the credit check, you will be notified in writing by the Federal Loan Servicing Center, and they will indicate that you have the following options:

- Appeal - If you think there may be an error in how the credit worthiness was determined.
- Endorsement - You may obtain someone else to endorse the loan. This person would be responsible to repay the loan if you are unable to make the payments.
- Reconsideration - You may be notified by the Department of Education that you are eligible to request reconsideration after a denial. If you proceed with reconsideration and are approved, you must notify our office.
- Federal Direct Unsubsidized Loan - Your undergraduate student can request additional loan funds (maximum \$4,000 for freshmen and sophomores, \$5,000 for juniors and seniors) by completing the financial aid adjustment form located on GoWMU. The additional loan is available to your student only if the Parent PLUS Loan is denied due to an adverse credit check.

How will the loan be paid to my student's account?

The loan will be divided equally between the semesters that the loan covers.

Can I postpone payments?

Yes, if your student is enrolled at least half-time at an eligible school, payments may be postponed. You must apply for an In-School Deferment from the Loan Servicing Center. To apply for a deferment contact the loan servicer that is assigned to your loan.

Who receives the Federal Direct Parent PLUS Loan funds?

Western Michigan University will receive the funds and apply them (and any other financial aid your student is receiving) to the charges on your student's account (usually tuition, fees, room and board). If any funds remain after your student's bill is paid, a refund will be sent to the parent or the student (depending upon the refund option selected by you on the Parent PLUS Loan application and the order in which the aid is paid to your student's account). This refund is processed by the WMU business office. Students may receive a refund via direct deposit if they have signed up for it. Parents receive a paper check in the mail.

Repayment information

After you have accepted the Parent PLUS Loan, a "Disclosure Statement" will be sent to you by the Department of Education indicating the amount you are borrowing, the loan period and the loan fees. Repayment of principal and interest begins 60 days after the final loan disbursement for the academic year. Interest begins to accumulate at the time the first disbursement is made.

Questions?

Call Bronco Express at (269) 387-6000. Find more information online at wmich.edu/finaid. You can also send an email to finaid-info@wmich.edu.