



Unity College
Financial Aid Office
90 Quaker Hill Road
Unity, ME 04988
207.948.3131
FAX 207.948.2018
fin_aid@unity.edu

Parent Loan for Undergraduate Students 2010-2011

Federal William D. Ford Direct PLUS Loans allow parents to borrow money to help pay their student's educationally-related expenses.

What is a PLUS Loan?

Federal Direct Parent Loans for Undergraduate Students (PLUS) allow a parent of a dependent undergraduate student to borrow money to assist with college expenses. A parent can borrow up to the annual cost of the student's education minus all other financial aid. PLUS Loans are not based on financial need, but the parent must have a good credit history. The PLUS Loan has a fixed interest rate of 7.9% and a 2.5% origination fee. There is a 10-year repayment schedule and deferment options do exist. More information regarding Federal Direct PLUS Loans is available at www.direct.ed.gov.

PLUS Loan Denials

When a parent is denied a Federal Direct PLUS Loan, the student may be eligible for Additional Federal Direct Unsubsidized Loan. First-year students and sophomores may be eligible for up to \$4,000, while juniors and seniors may be eligible for up to \$5,000. The additional Unsubsidized Loan can only be processed after we have received a copy of the Federal Direct PLUS Loan denial. PLUS Loan denials are only valid for one year from the date of the denial letter.

What are the options after a PLUS Loan is denied?

At the time of a Federal Direct PLUS Loan denial, a notification is sent to both the parent and to the Financial Aid Office. Eligibility for the additional Federal Direct Unsubsidized Loan is contingent on several factors, including the total amount of aid the student has already received. Depending on whether the student's initial Direct Loan has already been processed, the student may have to complete another Direct Loan Request. The student should contact the Financial Aid Office for specific application instructions and to confirm that we have received the Federal Direct PLUS Loan denial.

PLUS Loan Application Process

- To complete the application for a PLUS loan, go to www.StudentLoans.gov and sign in using the same pin you used to sign the FAFSA. Click on the link "Start PLUS Application Process". Then continue by selecting the link "Parent PLUS" and correctly enter your information.
- The Federal Department of Education will conduct a credit check to determine eligibility for the Direct PLUS Loan.
- If the Direct PLUS Loan is approved, you should then complete the required Master Promissory Note (MPN) at www.StudentLoans.gov. The first time a parent borrows under the Federal Direct PLUS Loan Program an MPN must be completed, and is valid for ten years.