



**IMPORTANT LOAN INFORMATION FOR
PLUS/PRIVATE LOAN OPTIONS
FOR UNDERGRADUATES
2019-2020
TU SCHOOL 003185**

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Important Loan Information for PLUS/Private Loan Options

PLUS/Private loan options are available for students who need additional funding. The parent of a dependent student may apply for a Direct Parent PLUS Loan from the U.S. Department of Education or a dependent student may borrow a private loan in the student's name. An independent student only has the option to apply for a private loan.

DIRECT PARENT PLUS LOAN: A FAFSA must be filed on behalf of the student (listing TU's school code 003185) before TU can determine eligibility for a Direct Parent PLUS Loan (PLUS). Only a parent (or a stepparent whose income was supplied on the FAFSA) can apply for this loan. To request a PLUS loan, the parent must log in to <https://studentloans.gov>, click on "Apply for a Direct PLUS Loan" and select "START" and "Direct PLUS Loan Application for Parents." The PLUS loan is administered by the U.S. Department of Education and approval is based on no adverse credit within the last five years and not credit worthiness. The U.S. Department of Education will run a credit check and notify the parent and Student Financial Services of the credit decision. If the PLUS loan is approved, the parent may electronically sign the PLUS Master Promissory Note (MPN) at the completion of the application process or at a later date at the same website. The PLUS MPN is used for loans borrowed for a dependent student and is valid for ten years. If the PLUS loan is denied, the student has the option of accepting an additional Direct Unsubsidized Loan up to \$4,000 annually for freshmen and sophomores or up to \$5,000 annually for juniors and seniors. If the PLUS loan is later approved due to a credit appeal or an approved endorser, the additional Direct Unsubsidized Loan will be cancelled and the PLUS loan will be processed. If approved with an endorser, the PLUS MPN cannot be used for multiple PLUS loans, but is only good for the academic year or term the endorsed loan was approved for by the U.S. Department of Education. If the PLUS loan is denied and later approved with a credit appeal, a new PLUS MPN is not required. PLUS credit counseling must be completed for PLUS loans approved with an endorser or credit appeal. PLUS credit counseling is completed at <https://studentloans.gov>. The current interest rate for a PLUS loan is determined each June for new loans being processed for the upcoming award year, which runs from July 1 to the following June 30. The fixed interest rate will be for the life of the loan. Interest begins accruing at the time of disbursement. The government will deduct an origination (processing) fee from each PLUS loan disbursement. Refer to <https://studentaid.ed.gov/sa/types/loans/interest-rates> for the actual interest rate and origination fee for your PLUS loan. A PLUS loan is made in two equal disbursements for a two-semester loan. At least one-half of the loan period must elapse before the second disbursement can be released. The PLUS loan amount will credit to the student's Bursar account no earlier than the first day of class each semester. A disbursement letter is mailed to the parent's address once funds are credited. A parent has the right to cancel all or any portion of the loan within 14 days of the loan crediting the student's Bursar account. After all university charges have been paid in full, any excess loan proceeds will be refunded by the Bursar's Office within 14 days to the parent or student as indicated by the parent during the online application process and in coordination with the Bursar's Office refund guidelines. Repayment on a PLUS loan begins once the loan is fully disbursed. The first payment is due 60 days after the final disbursement. A parent may choose to defer repayment while the student for whom the parent borrowed is enrolled at least half-time and for an additional six months after the student ceases to be enrolled at least half-time. Refer to <https://studentaid.ed.gov/sa/repay-loans/understand/plans> for repayment plans.

PRIVATE LOAN: Applicants must complete and submit a separate online loan application to apply for preapproval and initiate the loan process. A private loan is a nonfederal loan issued by a lending institution (bank or credit union) and based on credit worthiness. Interest rates will vary depending on your credit score and the usage of a co-signer. Co-signers can be used to reduce the interest rate or to help obtain a loan due to credit problems. The Student Financial Services website provides a current and comprehensive list of lenders commonly used over the past three years. Go to <https://admission.utulsa.edu/private-loan-lenders/> for this listing. A private loan application is completed online with the lender of your choice. Contact the lender for information regarding eligibility requirements, terms, benefits, and repayment options before applying for a private loan. Be prepared to wait a minimum of thirty days to receive a private loan. The lender will communicate with you via email or mail, requesting multiple documents as they guide you through their application process.

In Summary:

- 1-Decide if you want to borrow a Direct Parent PLUS Loan or student to borrow a private loan
- 2-For a Direct Parent PLUS Loan, complete the Direct PLUS Loan process and the PLUS MPN at <https://studentloans.gov>
- 3-For a private loan, complete the private loan application electronically with the lender of your choice

This document was prepared based on the best information available at the time it was printed (2/22/2019). All information is subject to change without notice or obligation.

Direct Parent PLUS Loan Frequently Asked Questions

- 1. What is a Direct Parent PLUS Loan?** The parent of a dependent student may apply for a Direct Parent PLUS Loan (PLUS). A parent with no adverse credit within the last five years can use a PLUS loan to help pay for educationally related costs, including but not limited to tuition, room/board, books/supplies, fees and miscellaneous personal expenses. Eligibility is not contingent upon financial need. This loan must be repaid.
- 2. How much can a parent borrow?** The maximum amount a parent may borrow is the difference between the student's cost of attendance and all other aid the student will receive. The maximum includes miscellaneous expenses, which adds up to more than the cost of TU's tuition, room and board. A parent may borrow less than what is listed on the electronic award letter. Awards received after the PLUS loan eligibility is determined could adjust this loan.
- 3. What is a Master Promissory Note?** To receive the first PLUS loan, a parent borrower will electronically sign a PLUS Master Promissory Note (MPN), which is retained and updated by the U.S. Department of Education and used for multiple loans throughout the student's education at TU. If a parent is borrowing a PLUS loan for more than one student, a separate PLUS MPN will be completed for each student. If the PLUS loan is approved with an endorser, the PLUS MPN cannot be used for multiple loans, but is only good for the academic year or term the endorsed loan was approved for by the U.S. Department of Education. The parent electronically signs the PLUS MPN at <https://studentloans.gov> using the parent's FSA ID received from the U.S. Department of Education. If a parent does not have an FSA ID, one can be created at <https://fsaid.ed.gov>.
- 4. How do I complete loan counseling?** Loan counseling is only required to be completed for a PLUS loan approved with an endorser or credit appeal. Go to <https://studentloans.gov> and select "Complete PLUS Credit Counseling" and "START." Select PLUS credit counseling type for "Parent of an eligible dependent undergraduate student(s)."
- 5. How do we receive the Direct Parent PLUS Loan funds?** The PLUS loan is electronically credited to the student's Bursar account in two equal disbursements for a two-semester loan. At least one-half of the loan period must elapse before the second disbursement can be released. The PLUS loan amount will credit to the student's Bursar account no earlier than the first day of class each semester. A disbursement letter is mailed to the parent's address once funds are credited. PLUS loan funds that exceed student charges will be refunded by the Bursar's Office to the parent or student as indicated by the parent during the online application process and in coordination with the Bursar's Office refund guidelines. Since your student's cost of attendance for determining financial aid eligibility includes personal and miscellaneous expenses, the refund can be used for any associated educational expenses.
- 6. What is the interest rate?** The U.S. Department of Education will send you a [Disclosure Statement](#), introducing the assigned federal PLUS loan servicer, detailing the loan amount and interest rate, estimating the amount of interest that may be charged, and estimating monthly loan payments. The PLUS loan is treated like an Unsubsidized loan. Interest begins to accrue when the first loan disbursement is sent to TU. The current interest rate for a PLUS loan is determined each June for new loans being processed for the upcoming award year, which runs from July 1 to the following June 30. The fixed interest rate will be for the life of the loan. The government will deduct an origination (processing) fee from each PLUS loan disbursement. Refer to <https://studentaid.ed.gov/sa/types/loans/interest-rates> for the actual interest rate and origination fee for your PLUS loan.
- 7. How will the parent repay the Direct Parent PLUS Loan?** Repayment on the PLUS loan begins once the loan is fully disbursed. The first payment is due to the PLUS loan servicer 60 days after the final disbursement. The parent selects the repayment plan that fits their financial circumstances. Repayment plans can be changed at any time, without penalty, by contacting the PLUS loan servicer. Refer to <https://studentloans.gov> for repayment plans.
- 8. Is it ever possible to postpone the repayment of the Direct Parent PLUS Loan?** Yes. A parent may choose to defer repayment while the student for whom the parent borrowed is enrolled at least half-time and for an additional six months after the student ceases to be enrolled at least half-time. The parent can choose this option during the online application process or contact the PLUS loan servicer. The interest will accrue and be capitalized if not paid by the parent during the deferment. Refer to <https://studentaid.ed.gov/sa/repay-loans/understand/plans> for repayment information.