2020-2021 Federal Direct PLUS Loan Fact Sheet

PLUS = Parent Loan for Undergraduate Student

An applicant is eligible for a Federal Direct PLUS Loan if the applicant:

- Is the biological or adoptive parent of a dependent undergraduate student who has completed a valid Free Application for Federal Student Aid (FAFSA)
- Is a U.S. citizen or eligible non-citizen (permanent resident)
- Does not have an adverse credit history (An applicant is considered to have an adverse credit history if the applicant is 90 days or more delinquent on any debt or during the five years preceding the credit report, the applicant has been in default on debt, debts have been discharged in bankruptcy or the applicant has been the subject of a foreclosure, repossession, tax lien, wage garnishment or write-off on federal student aid debt.)
- Has an adverse credit history, but obtains a credit worthy endorser or documents extenuating circumstances that are accepted by the U.S. Department of Education
- Is not in default on a federal student loan or, if the applicant is in default, the applicant has made satisfactory repayment arrangements to rehabilitate the defaulted loan

Loan amounts and interest rates:

- The maximum amount the applicant may borrow is the total cost of attendance less all financial aid awarded to the student.
- Through September 30, 2020, a 4.236% origination fee is deducted from the Federal Direct PLUS Loan resulting in a net disbursement of 4.236% less than the total loan amount requested. On October 1, 2020 the origination fee will change.
- The interest rate is fixed at 5.30%.
- It is recommended that the applicant apply for the loan for the entire academic year.
- It is suggested that the applicant confirm with Student Accounts the total loan amount required to satisfy the balance due plus the origination fee. Student Accounts can be reached at (508)421-3801 or at saaccounts@clarku.edu.

Disbursements:

- If the loan period is for the full academic year, the Federal Direct PLUS Loan will be disbursed in two equal payments, one for each semester.
- If the loan period is for only one semester, the full amount of the Federal Direct PLUS Loan will be disbursed for that semester.

Terms of repayment:

- The first payment is due 60 days after the final disbursement for the loan period is made. The borrower may elect to defer payments of a Federal Direct PLUS Loan until six months after the date the student ceases to be enrolled on at least a half-time basis. The borrower must contact the loan servicer to request a deferment.
- Interest begins to accrue on the date of the first disbursement. The borrower may elect to pay the accrued interest monthly or quarterly. If the accrued interest is not paid it will capitalize quarterly, adding to the principal balance borrowed.
- There are three options for repayment of the Federal Direct PLUS Loan:
  - Standard Repayment Plan – fixed monthly payments of at least $50 a month for not more than 10 years
  - Extended Repayment Plan – fixed monthly payments of at least $50 a month; number of years of repayment varies based on the total amount of the loan but may not exceed 30 years
  - Graduated Repayment Plan – monthly payments that graduate to a higher level at least twice over the years of repayment; number of years of repayment varies depending based on total amount of the loan but may not exceed 30 years
2020-2021 Federal Direct PLUS Loan Application Instructions

Complete the Federal Direct PLUS Loan Application and return it to the Office of Financial Assistance. The Federal Direct PLUS Loan Application should be submitted by postal mail or secured fax. Please do not submit the application by email as email is not a secure method of transmitting personally identifiable information.

Mailing Address: Clark University
Office of Financial Assistance
950 Main Street
Worcester, MA 01610

Fax: (508)793-8802

If approved for the Federal Direct PLUS Loan, the borrower will be notified by the U.S. Department of Education regarding approval of the loan and instructed to complete a Master Promissory Note. All first-time borrowers must complete a Federal Direct PLUS Loan Master Promissory Note online at https://studentaid.gov/. The parent borrower will be required to use his/her U.S. Department of Education issued FSAID username and password to complete the Master Promissory Note. This step is required for the loan to disburse to the school and be applied to the student’s account.

If denied for the Federal Direct PLUS Loan, the student will be awarded an additional amount in the Federal Direct Unsubsidized Stafford Loan based on the student’s grade level. The student will be notified by the Office of Financial Assistance of the Federal Direct PLUS Loan denial and additional amount in the Federal Direct Unsubsidized Stafford Loan. Additionally, the borrower has the option to appeal or resubmit the Federal Direct PLUS Loan Application with an endorser. The U.S. Department of Education will provide further information. If the applicant is approved for the Federal Direct PLUS Loan after initially being denied, the Federal Direct Unsubsidized Stafford Loan increase will be revoked.

Please contact the Office of Financial Assistance by phone at (508)793-7478 or by email at finaid@clarku.edu with any questions. The office is open weekdays from 8:30 AM to 5:00 PM.

Direct Lending customer service representatives are also available to assist applicants/borrowers at (800)557-7394 weekdays from 8:00 AM to 8:00 PM Eastern Standard Time.
2020-2021 Federal Direct PLUS Loan Application

Section A: Student Information – Please Print Clearly

Name (Last, First, Middle Initial): ____________________________ ____________________________ ____________________________

Clark ID Number: ____________________________ Social Security Number: ____________________________

U.S. Citizenship Status: ☐ U.S. Citizen ☐ Eligible Non-Citizen, please provide alien registration #: ____________________________

Year in School: ☐ Freshman ☐ Sophomore ☐ Junior ☐ Senior Expected Year of Graduation: ____________________________

By signing below, I authorize the Office of Financial Assistance to award an additional amount in the Federal Direct Unsubsidized Stafford Loan based on my current grade level if the Federal Direct PLUS Loan is denied. If the Federal Direct PLUS Loan is approved at a later date, I understand that the Federal Direct Unsubsidized Stafford loan increase will then be revoked.

Student’s Signature: __________________________________________________ Date: ____________________________

Electronic signatures are not accepted

Section B: Borrower Information (Parent) – Please Print Clearly

Name (Last, First, Middle Initial): ____________________________ ____________________________ ____________________________

Social Security Number: ____________________________ Date of Birth: ____________________________

U.S. Citizenship Status: ☐ U.S. Citizen ☐ Eligible Non-Citizen, please provide alien registration #: ____________________________

Permanent Home Address: ____________________________ ____________________________ Apt # ____________________________

City: ____________________________ State: ____________________________ Zip Code: ____________________________

Telephone Number: ____________________________ Email Address: ____________________________

Driver’s License Number: ____________________________ Driver’s License State: ____________________________

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Amount Requested $ ____________________________ Loan Period: ☐ Full Year ☐ Fall 2020 ☐ Spring 2021 (Recommended)

Whole Dollar Amounts Only

By signing below, I consent to the U.S. Department of Education and its agents obtaining a report of my credit record and using the information from that report to determine whether or not to lend a Federal Direct PLUS Loan to me. I understand that I will be notified in writing of the results of the credit check with respect to my loan application. I also confirm that I, the parent borrower, am not in default on any loan or repayment of grants offered through Federal Student Aid.

Applicant Signature: __________________________________________ Date: ____________________________

Electronic signatures are not accepted