

2020-2021 Request for Federal Direct Plus Loan

Frequently Asked Questions

- **What is a Direct PLUS Loan?**

Direct Parent PLUS loans are available to parents of dependent undergraduate students enrolled at least half time (6 credit hours) in an eligible program at an eligible school. These are low-interest, unsubsidized loans available to parents to supplement their children's aid package, up to the school's cost of attendance.

- **Who can apply?**

The biological or adoptive parent of a dependent undergraduate or the spouse of the parent whose income and assets were reported on the Free Application for Federal Student Aid (FAFSA). Must be a U.S. Citizen or National or Permanent Resident/Other Eligible Non-Citizen

- **What is the interest rate on a Direct Parent PLUS Loan?**

New loans disbursed on or after July 1, 2019 – June 30, 2020 have an interest rate of **7.08%**.
(Interest rates are updated annually and may differ from the stated amount.)

- **What is the Origination Fee?**

New loans that originated after October 1, 2019-September 30, 2020 will have an origination fee of **4.236%**
(Origination Fees are updated annually and may differ from the stated amount.)

- **How much can I borrow?**

Parents are eligible to borrow an amount equal to the cost of attendance minus any other financial aid your student receives. This information can be found on the students Banner Portal (my.okstate.edu).

- **What dates do I use?**

All applications are for **one academic year** at most, however applications may be completed by trimester only. This is decided by the dates entered. 9-19 to 12-20 is an example of the full academic year for 19/20. For a specific trimester use the month the trimester begins and the month that it ends. 9-20 to 12-20 for example would be for the Fall Trimester.

- **When do I start repaying a PLUS Loan?**

Generally, repayment must begin within **60** days after the loan is fully disbursed. There is no grace period for these loans. This means interest begins to accumulate at the time the first disbursement is made. Parent PLUS loans aren't automatically deferred while your child is enrolled in college and for the six-month grace period afterward. You can decide if you wish to begin repayment immediately or defer until after your child graduates or otherwise leaves school.

TO APPLY FOR A PARENT PLUS LOAN, YOU MUST COMPLETE THE FOLLOWING STEPS:

1. Go to www.studentaid.gov website. You **MUST** use **PARENT FSA ID on this site**.
2. Sign in using **PARENT FSAID**, if parent does not have one click **create account**.
3. Select the "**Apply for Aid**" then click "**Apply for a Parent Plus Loan**" Complete the application.
4. If application is approved, a **Master Promissory Note (MPN) for Parent Plus** under "**Complete Aid Process**" must be completed.
5. Should your Parent PLUS application loan be denied, you have the option to appeal the credit decision, obtain an endorser and complete PLUS Credit Counseling or student may be eligible for an additional unsubsidized loan up to \$4,000.00 per year.
6. Assistance with the studentaid.gov website, Plus application, MPN, credit decision appeal, loan counseling, endorser addendums as well as general questions please call **1-800-557-7394**.

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