

FEDERAL DIRECT PLUS LOAN 2011-2012

The University of Virginia participates in the William D. Ford Federal Direct PLUS Loan Program (Direct PLUS). The lender is the U.S. Department of Education (“the Department”) rather than a bank or other financial institution. The Direct PLUS Loan program is a non-need based, low-interest loan made to parents of **dependent undergraduate students**. Parents may borrow an amount up to the cost of attendance less any financial assistance. When calculating the amount you wish to borrow, please consider all expected expenses for the entire academic year. Also, please note that each new loan you receive requires a separate payment each month. The interest rate is fixed at 7.9%. Repayment begins 60 days after the full disbursement of the loan, and any changes to the loan must be executed by the University’s Financial Aid Office within 120 days of disbursement of the loan. Parents may also request a deferment of payment until six months after the student leaves school. For more information, please go to <http://studentloans.gov>. Parents (including adoptive or stepparents) must be U.S. citizens or permanent residents to apply for the loan.

Additional information about Direct PLUS loans can be found at <http://www.finaid.org/loans/parentloan.phtml>.

Application Process – Please note that this process requires the submission of a FAFSA, two applications and the signing of a Master Promissory Note by the parent. Please see timeline below for more details on what happens after you complete your application.

1. Complete the Free Application for Federal Student Aid (FAFSA) at <http://www.fafsa.gov>. The student and the parent must both have a federal PIN, which can be obtained, if need be by going to <http://www.pin.ed.gov>.
2. In order to complete the application process, parents must also go online to complete a Master Promissory Note (MPN) and PLUS loan application, both of which can be found at <http://studentloans.gov>. To complete the application, click on “Request a PLUS Loan”.
3. Parents interested in applying for Direct PLUS Loan funds must complete the UVA Direct PLUS Loan application and fax it to 434-924-7636 or 434-982-5203. Alternatively, the application may be sent by mail to: Student Financial Services PO Box 400204 Charlottesville, VA 22904-4204.

If Your Direct PLUS is Denied by the Department

Federal regulations require credit checks for the parent applicants. Parents with adverse credit history, those who have high debt ratios, or have filed bankruptcy in the past may be denied the Direct PLUS. Parent borrowers will be notified if the application is denied, the reason for the denial, and the name of the credit bureau from which the denial was obtained.

If a parent is denied on their application, they may still obtain a PLUS loan by having a qualified co-signer on the loan. Parents wishing to reapply with a co-signer should send an email to faid@virginia.edu requesting their PLUS loan application id. Once the parent has this number, they can reapply with the co-signer information at studentloans.gov.

Students of parents who are denied the Direct PLUS may be eligible for an additional Federal Direct Unsubsidized Loan. The additional Direct Unsubsidized Loan amount available each academic year is \$4,000 for first and second year students, and \$5,000 for third and fourth year students. Students must complete the Unsubsidized Loan Increase Request Form and submit it to Student Financial Services for processing. This form is available at: <http://www.virginia.edu/financialaid/forms>.

Disbursement Procedure

After loan approval, the Direct PLUS funds will be available for disbursement, no earlier than 10 days before the start of the term. Funds will be applied toward the student’s University billing statement once the student has enrolled in sufficient credit hours. Please note that interest on the loan begins to accrue at the time of disbursement.

A financial aid award notice will be available in the Student Information System (SIS) on the Student Center, indicating the total loan amount of the Direct PLUS awarded. The actual amount disbursed will be the gross amount minus origination fees (2.5%). Direct PLUS proceeds are applied to tuition charges before any other financial assistance. In the event that tuition

charges have already been paid by the time the PLUS loan is disbursed, any cash payments made will be replaced on the student account by PLUS loan proceeds, and a refund of the cash payments that were replaced by the PLUS proceeds will be made **to the student**. By federal regulation, unless parents request otherwise, additional credits that are a direct result of the PLUS loan proceeds are refunded to the parent instead of the student. However, you may indicate on the application that you prefer that the refund be sent to the student.

Please note: if additional financial assistance or other educational resources are received by the student after the Direct PLUS application is certified, one or both of the loan disbursements may be reduced or cancelled to prevent over-awards. Similarly, if tuition charges are reduced because of a change in enrollment, one or both of the loan disbursements may be adjusted.

Timeline for Processing the Direct Parent PLUS Loan

1. Once the University receives the FAFSA, we will determine if the student is eligible for federal aid only or for federal, state, and institutional aid. In the event the student is eligible for more than federal aid only, the University will request additional documentation, communicated through the student's To Do List in the SIS, about the family's financial situation.
2. Once the student has been awarded, which typically takes 2-4 weeks from the date we receive the last requested document, the student must accept or decline the offered aid in the SIS. Failure to do so will delay the processing of the Direct Parent PLUS Loan.
3. Once the student has accepted or declined the offered aid in the SIS, Parent PLUS Loan eligibility is calculated, and the loan is processed. After loan approval, the Direct Parent PLUS funds will be available for disbursement, no earlier than 10 days before the start of the term.

We encourage families considering the Direct Parent PLUS Loan to complete the entire application process well in advance of the start of the academic year. Late applications are unlikely to be completed before the start of the January term bill due date, and families who find themselves applying late should plan to use other means to cover the cost of attendance while their Direct Parent PLUS Loan application is pending.

PLUS

UNIVERSITY OF VIRGINIA
DIRECT PLUS LOAN APPLICATION
January 2012 ONLY

For January term 2012-only PLUS loan, your complete application must be in by January 10, 2012.

For the University to process your Parent PLUS Loan application, you must complete 1) the FAFSA (available at <http://www.fafsa.gov>), 2) the Federal Direct Parent PLUS Promissory note, 3) the Federal Direct Parent PLUS Loan application (both are available at <http://studentloans.gov>) and 4) this Direct Parent PLUS Loan application. PLEASE PRINT ALL INFORMATION ON THIS FORM.

PARENT BORROWER INFORMATION - ONLY ONE (1) PARENT BORROWER PER LOAN

Student's Full Name: _____
(LEGAL NAME – PRINT LEGIBLY) first middle last

Student's University ID: - or SIS ID:

Parent's Name: _____ Parent's Social Security Number: _____-_____-_____
(Social Security Number Required)

Parent's Relationship to Student: _____ Mother _____ Father _____ Stepmother _____ Stepfather

Parent's Driver's License # (Required): _____ Issuing State: _____

Parent's Permanent Address (please include House Number, Street, City, State, ZIP Code):

(House Number) (Street)

(City) (State) (ZIP Code)

Parent's Date of Birth: _____ Home Phone: _____

Email address: _____

Parent's Citizenship Status: _____ U.S. Citizen _____ Permanent Resident (Alien Registration # _____)

January Term 2012 Study Abroad January Term 2012

Loan Amount Requested: \$ _____ The loan amount received by the parent will be minus the 2.5% net origination fee charged by the lender. Would you like the requested amount increased to cover the origination fee? YES NO

CONTINUE TO NEXT PAGE

Have you completed a FAFSA for the student? YES NO

For students who intend to apply ONLY for the Direct Parent PLUS loan for the 2011-2012 academic year. Do not complete this section if you wish to be considered for other forms of financial aid.

I certify that I do not wish to be considered for any other federal, state, or institutional need-based aid. I understand that to be considered for other aid at a later time, I must contact Student Financial Services with such a request, in writing.

STUDENT Signature

Today's Date

**(Direct PLUS loans are always used as the first source to pay tuition, fees, room & board)
Once my student's University bill has been paid, send any residual Direct Parent PLUS loan proceeds to:**

Student at his/her mailing address ***Parent Borrower at above address***

STATEMENT OF EDUCATIONAL PURPOSE: I CERTIFY THAT I WILL USE ANY FEDERAL TITLE IV HEA FUNDS I RECEIVE DURING THE AWARD YEAR COVERED BY THIS APPLICATION SOLELY FOR EXPENSES RELATED TO ATTENDANCE AT THE UNIVERSITY OF VIRGINIA. I FURTHER CERTIFY THAT I AM NOT IN DEFAULT ON AN EDUCATION LOAN NOR DO I OWE A REFUND ON A FEDERAL GRANT.

Parent Borrower's Signature

Today's Date