How do I apply for a Parent PLUS Loan?

A Parent PLUS Loan is a loan from the federal government to the parents of dependent undergraduate students. Parent PLUS loans are credit based using the provided parent's financial information to determine if the loan will be approved. Parents who are not approved for the Parent PLUS Loan may appeal the credit decision or apply with a co-signer (also called an endorser).

To be eligible to apply for a Parent PLUS Loan an individual must be:

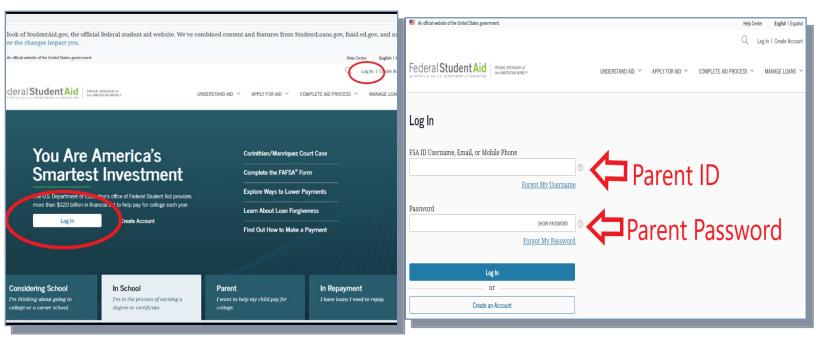
- Student's biological or adoptive parents (regardless of if they have custody of the student or not)
- A Stepparent if the stepparent's financial information is required to be reported on the FAFSA

The following individuals are not eligible to apply for a Parent PLUS Loan:

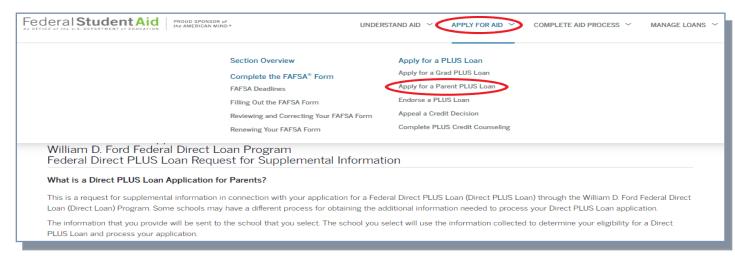
- Legal Guardians
- Non-Citizens
- Individuals who are in default on a federal student loan or owes a federal student grant overpayment
- Individuals whose property is held in a lien by the federal government or who are incarcerated
- Individuals with adverse credit history as determined by the Department of Education

To apply for a Parent PLUS loan the Parent borrower must go to <u>studentaid.gov</u> and "Log In" using their FSA ID and password.

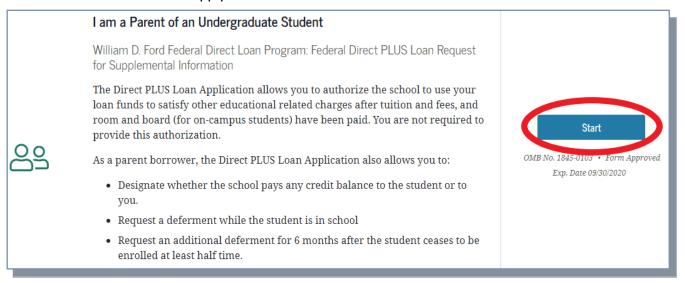
Note: If the student logs in using their information, the student will be the borrower and will not be eligible for the loan. This will result in an invalid application that will not be processed.



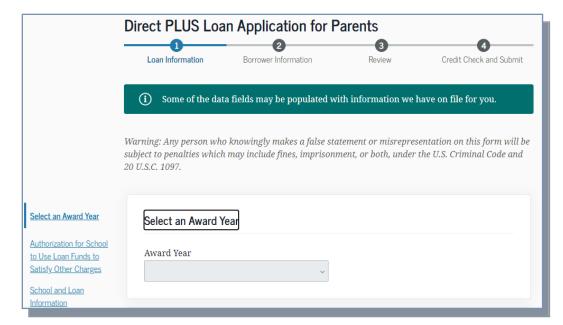
Move your mouse to the top of the page and hover over the "APPLY FOR AID" drop-down. Click on the link that says: "Apply for a Parent Plus Loan" when it appears.



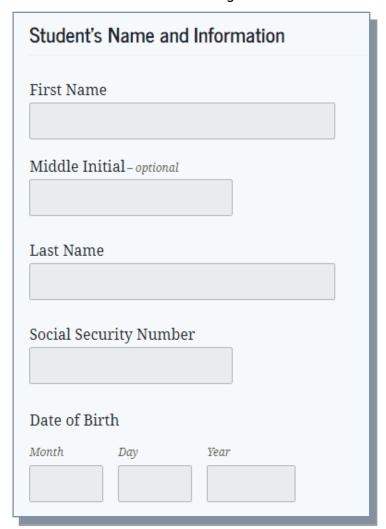
Click the "Start" button under Apply for a Plus Loan.

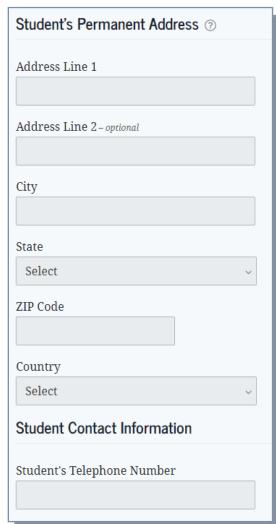


Select the award year that the student will be attending. For example, if your student is starting in the Fall of 2021, Spring of 2022, or Summer of 2022, the award year will be 2021-2022.

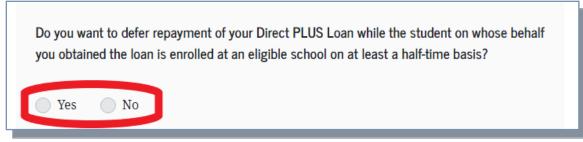


Enter the student's Name, Personal Information, and Contact Information. You may be able to select a student and have the system fill in the data fields for you. Verify the information entered is correct before moving on.

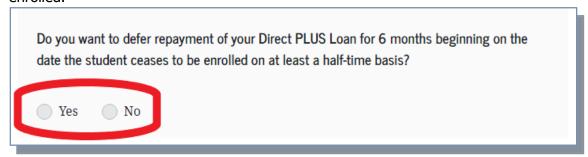




Select if you wish to defer payment of the PLUS loan while the student is in school. *Note: Interest will continue to accrue.*



Select if you wish to defer payment of the PLUS loan for 6 months after the student is no longer enrolled.



Check the box if you want to authorize the loan to pay for additional charges.

I authorize the school to use my Direct PLUS Loan to pay for other educationally related charges that the student incurs at the school, as described above.

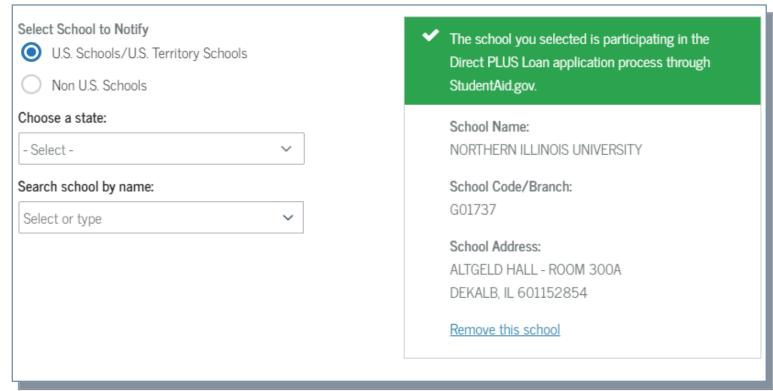
Select who should receive any payments if the student has a credit balance; parent or student.

If there is a credit balance after your Direct PLUS Loan has been applied to the student's school account, to whom do you want the school to pay the credit balance?

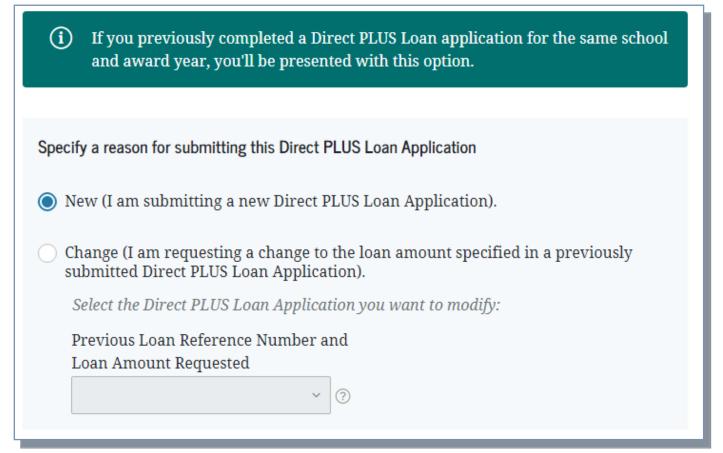
Me The Student

(see Page 9 for Direct Deposit Options)

Search for the school by selecting "Illinois" as the state and "Northern Illinois University" as the school name. When the school has been selected your screen should look like the one below on the right.



If this is your second plus loan application for the aid year, you need to select if this is a new loan or if you are trying to change the previous loan. (Please note, it may be significantly easier to email the financial aid office if you want your loan adjusted.)



Select the "Loan Amount Requested" as either:

• "I want to borrow the maximum Direct PLUS for which I am eligible, as determined by the school."

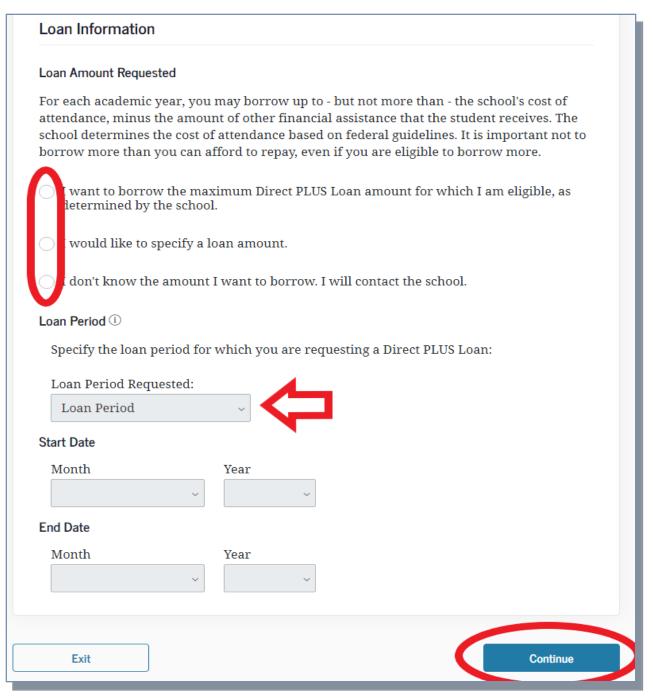
Note: Selecting this option may result in a reduction of federal work study.

• "I would like to specify a loan amount" then type in the loan amount you want. (You can contact the financial aid office for a recommended amount based on your student's other aid and charges.)

Note: An amount must be specified, or the application process will be delayed while the school requests this information from the parent.

"I do not know the amount I want to borrow. I will contact the school."

Note: If you choose this option, it is important you contact the school or the application process will be delayed while the school requests the information from the parent.



Select the Loan Period from the drop-down list:

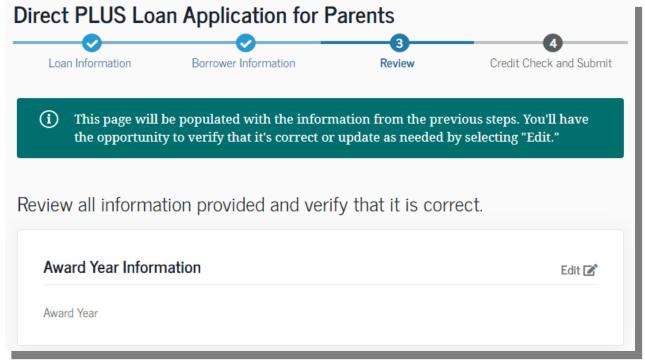
- For most borrowers we recommend choosing a full year loan if the student will be enrolled in both the Fall and Spring semesters.
- If the student is graduating in Fall 2021 or you only want a Fall semester loan select Fall only.
- If the student is starting in the Spring 2022 or you only want a Spring semester loan select Spring only.
- Note: Contact the Student Financial Aid Office if you are unsure when you will be attending.

Click "Continue" at the bottom to move on to the next step.

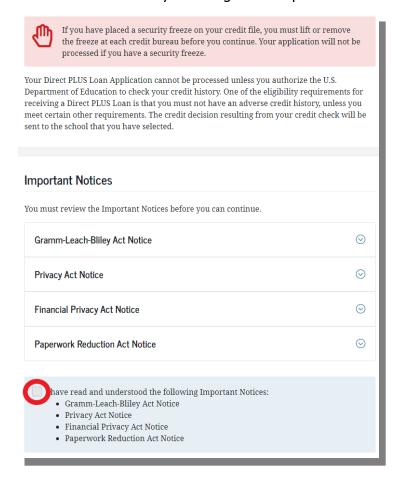
Enter your (The Parent) information into the Borrower section. Some of the data fields may be populated with information that is already on file for you. Verify the information is correct

before moving on. Borrower's Permanent Address ③ 3 Loan Information Borrower Information Credit Check and Submit Review Address Line 1 (i) Some of the data fields may be populated with information we have on file for you. Address Line 2 - optional Borrower's Loan Default Status (i) State Your loan default status will be displayed based on your loan information in the National Student Loan Data System (NSLDS). ZIP Code Country Borrower's Citizenship Status ① his is my current permanent address. If permanent address information is incorrect, U.S. Citizen or National Permanent Resident/Other Eligible Non-Citizen Is your mailing address different than your permanent address? ③ Neither of the above Yes No Borrower's Mailing Address Enter your (The Parent) employer information into the fields. If you are not employed check the box. Address Line 1 Employer's Information ③ Address Line 2-optional I am not employed Employer's Name Borrower's Contact Information Address Line 1 **Email Address** Address Line 2-optional City Mobile Phone Select ZIP Code Telephone Number Country Select Employer's Telephone Please visit your <u>Account Settings</u> to update your contact information. Click "Continue" at the bottom to move on to the next step. Exit Demo Previous

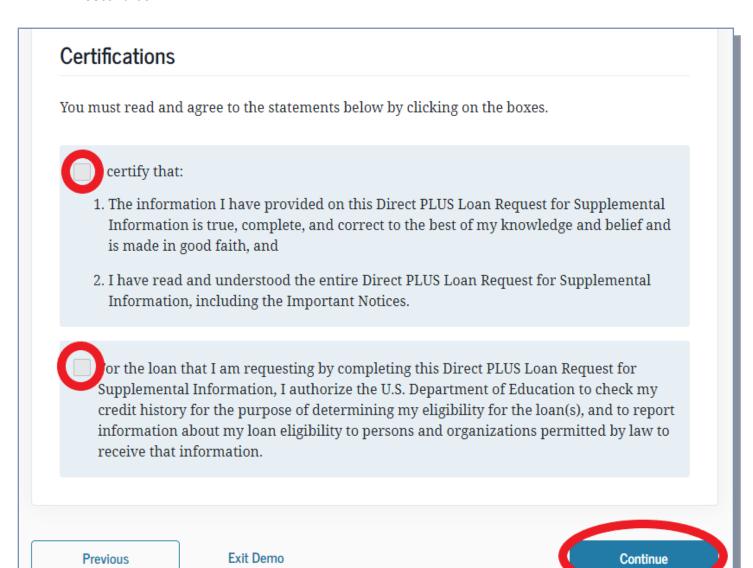
Review the student and borrower information and update if necessary, then click "Continue".



Review the "IMPORTANT NOTICES" by selecting each drop down then click the box to confirm.



Certify the accuracy of the information on the application by checking the first box. Authorize the Department of Education to check the credit of the parent borrower by checking the second box.



Upon selecting "Continue" the results of the PLUS application will be displayed.

Loan funds are disbursed to the Bursar account after the add/drop period is closed. If the Federal Direct Parent PLUS disbursement generates a refund after University charges are paid, the refunded amount will go to the parent unless the parent borrower indicates on the PLUS application that they authorize any refund to be sent to the student.

If the disbursement generates a parent refund, the parent borrower has the option of signing up for direct deposit. Direct Deposit offers a timely, reliable, and safe way to deliver your refund to your checking or savings account. Complete the <u>Direct Deposit PDF</u> and return it to the Bursar Office. For more information on refunds, please see the <u>Bursar Office Website</u>.

What happens if the Parent PLUS Loan is denied?

- <u>Apply with an endorser</u>—allows the borrower to reapply with a co-signer. If after reapplying with an endorser, the borrower is still denied, or the parent decides not to pursue an endorser, the student may receive additional Direct Unsubsidized loans up to the independent amount for the student's grade level.
- <u>Appeal the credit decision</u>—allows the borrower to provide documentation to the Department of Education to prove extenuating circumstances that may override the initial credit decision. If after appealing the credit decision, the borrower is still denied or the parent decides not to appeal the credit decision, the student may receive additional Direct Unsubsidized loans up to the independent amount for the student's grade level.
- <u>Do not pursue the Parent PLUS Loan</u>—the borrower acknowledges the denial of a Parent PLUS loan. Using this option allows the student to receive additional Direct Unsubsidized loans up to the independent amount for the student's grade level.
- <u>Undecided</u>—NIU will offer the additional Direct Unsubsidized loans if this option is selected.

 NIU will be automatically notified if an endorser or credit appeal is approved at a later date and will make adjustments to the loans as necessary.



Based on the results of the credit check, we are unable to approve your request for a Direct PLUS Loan.

You may still be eligible to receive a Direct PLUS Loan.

To become eligible, you must:

- Obtain an endorser and complete PLUS Credit Counseling OR
- Document <u>extenuating circumstances</u> to the satisfaction of the U.S. Department of Education and complete PLUS Credit Counseling.

All other <u>eligibility requirements</u> must also be met before your loan can be awarded and your school will tell you what loans, if any, you are eligible to receive.

