

2019-2020 FEDERAL DIRECT PARENT PLUS LOAN

The student must complete the Free Application for Federal Student Aid (FAFSA) prior to requesting a Federal Direct Parent PLUS loan. The FAFSA can be filed on-line by going to www.fafsa.gov .
A first-time Federal Direct Parent PLUS loan borrower must complete the Federal Direct Parent PLUS Master Promissory Note (MPN) at https://studentloans.gov/myDirectLoan/index.action using the Federal Student Aid (FSA) ID assigned to the borrower. The borrower can create or retrieve their FSA ID at https://studentaid.ed.gov/npas/index.htm .
Submit the completed Direct Parent PLUS Loan Request Form to the Financial Aid Office at least 30 days prior to the time loan funds are needed. Please allow for additional processing time during peak periods.

IMPORTANT NOTES

- It is not necessary to select a lender for the Federal Direct Parent PLUS loan. Germanna Community College is a direct lending school and the Parent PLUS Loan is available through the Federal Direct Loan Program with the U.S. Department of Education. Information regarding the loan will be submitted to the National Student Loan Data System (NSLDS), and will be accessible by guaranty agencies, lenders, and schools determined to be authorized users of the data system.
- 2. The Parent PLUS loan will accrue interest once the loan is disbursed and repayment will begin approximately two months after the loan fully disburses. If uneven loan amounts are requested in the fall and spring semesters, repayment will begin earlier. Parent PLUS loan borrowers have the option of deferring repayment until after the student ceases to be enrolled half-time (6 credit hours). This deferment may be extended into the 6-month grace period after the student ceases to be enrolled at least half-time. Parent borrowers must call the Direct Loan Servicing Center (DLSC) at 800-848-0979 to request a deferment.
- 3. Please note that the Bipartisan Student Loan Certainty Act of 2013 implemented variable-fixed interest rates on newly originated Parent PLUS loans effective July 1, 2013. Interest rates are determined annually based on the Final Auction of the 10-year U.S. Treasury Bill prior to June 1st and are not to exceed 10.50%. On May 8, 2019, the Treasury Department held a 10-year Treasury note auction that resulted in a high yield of 2.479%. For the current 2019-2020 aid year, the interest rate for a Parent PLUS Loan is 7.08%.
- 4. The Parent PLUS MPN must be completed for the initial Parent PLUS loan, but not for subsequent loans until it has reached expiration. However, if the Parent PLUS borrower changes, the new borrower must complete a MPN using their assigned FSA ID and the required credit check.
- 5. The FAFSA and Parent PLUS Loan Application must be completed each year.
- 6. Approval or denial of the Parent PLUS Loan is determined by Direct Loans and <u>not</u> Germanna Community College and is based on the borrower's credit history. Credit check is completed by the loan coordinator.
- 7. For borrowers whose Direct PLUS Loan credit checks are denied based on an adverse credit history, the borrower will be required to complete a PLUS Counseling Session <u>here</u> and can either appeal the decision on extenuating circumstances or secure an approved endorser who must also pass the same credit check. If the parent receives an endorser, the parent must complete a new MPN after the endorser completes the endorser addendum. The student may also request an additional unsubsidized loan by completing the Federal Direct Student Loan Request Form available at <u>www.germanna.edu/financial-aid/financial-aid-forms/</u>.
- 8. All requirements must be completed before the Parent PLUS Loan funds can be disbursed. Failure to complete all requirements will result in a delay in loan disbursements and possible cancellations of the loan. Students can check for processing requirements through their myGCC account at http://gcc.my.vccs.edu
- 9. Parents have the right to cancel all or part of the Parent PLUS loan prior to the first day of the semester or within 14 days of notification of disbursement of the loan. Parents may also reduce the amount of the PLUS loan or cancel a future disbursement by submitting a written statement to the Financial Aid Office as soon as possible before disbursement or completing the Request Adjustment to Federal Loan Form available at www.germanna.edu/financial-aid/financial-aid-forms/
- 10. The maximum PLUS loan amount you can borrow is the cost of attendance (determined by the school) minus any other financial assistance received.





FEDERAL DIRECT PARENT PLUS LOAN REQUEST FORM

(This is **only** a request for a loan. Federal Direct Loan Program is responsible for final credit approval.)

Section A: Student Information							
First Name		M.I.		Last Name			
				Semester:	Year:		
Student ID Number (EMF	'LID)	Date of Bi	rth	Expected Graduation Dat	e (Required)		
					@email.vccs.edu		
Phone Number			Student Email Address	3	_		
Section B: Borrower Information: Please complete the information below. May only be one parent. *Note: The Financial Aid Office							
reserves the right to request additional documentation, if needed.							
First Name	M.I.		Last Name	Relatio	onship to Student		
Parent Social Security No	umber		Parent Date of E	Birth			
Parent Driver's License #	!		Parent Driver Licer	nse State			
Circle One: Home Cell	Work						
Parent Phone Number	YVOIR	Parent Email Address					
Parent Home Address		City		State	Zip		
Citizenship Status (Check one)							
U.S. Citizen or Eligible	Non-Citizen Non-Citizen	☐ Alien Reg	gistration #				
Are you in default on any Federal Parent/Student Loans or do you owe a repayment on a Federal Grant? Yes No							
Please indicate the term and loan amount requested. Please note that a loan fee is assessed resulting in a lesser amount disbursed to your account. The current fee amount is 4.236%. One term loans (i.e. Fall Only, Spring Only) and loans for new borrowers will be disbursed in two installments during the semester.							
Fall & Spring	\$	ial Request	Additional Amount				
Fall Only	\$ Ini	tial Request	Additional Amount				
Spring Only							
Opining Only	\$ Light	ial Request	Additional Amount				
If there is a refund resulting from the PLUS loan, would you like the proceeds to go to the student? If no, a check will be mailed to you at the address listed on this application. Also, by selecting no, you give Admissions and Records permission to correct any current mailing address in the VCCS system on file for you, if needed. Yes No							
Do you give consent for the student to use the Parent PLUS Loan to charge books and supplies to their student account? Yes No							
My signature below certifies that I give GCC the authority to have a credit check performed as the parent borrower by the U.S. Department of Education and that I understand that to obtain a PLUS loan at GCC, I must complete and return this form to the GCC Financial Aid Office and have completed the Master Promissory Note. By signing this Loan Request Form, I give consent to GCC to initiate the loan process for the requested loan period and if necessary, update the student's GCC student record to include only the first initial of their middle name. I understand that the student must be enrolled at least half-time for a minimum of 6 active, financial aid eligible credit hours at the time of disbursement in order to receive loan funds.							
Parent/Borrower Hand Signature Date							