BALL STATE UNIVERSITY.
OFFICE OF SCHOLARSHIPS & FINANCIAL AID

Lucina Hall, Room 245
Muncie, IN 47306
1-800-227-4017 or 765-285-5600
Fax: 765-285-4247
Web site: www.bsu.edu/finaid

Federal Direct Parent Loan for Undergraduate Students (PLUS)

What is the PLUS loan?

The PLUS loan enables you to borrow to pay the educational expenses of each child who is a dependent undergraduate student enrolled at least half time. It is available through the Federal Direct Loan Program.

Who receives the PLUS loan funds?

Your PLUS loan funds will be delivered directly to Ball State University. One-half of the net loan proceeds will be applied to the student's first semester charges, while the second half will be applied to the second semester charges. For a one semester only PLUS loan, there will be one disbursement. If there are excess funds remaining after each disbursement, a refund check will be sent to the student or parent (depending upon the refund option you select).

What is the interest rate?

The interest rate is fixed at 7.9%.

Is there a charge for a PLUS loan?

The Federal Direct Loan Program charges a 4% loan fee (minus a 1.5% rebate). As a result, any PLUS loan funds applied to the student account will reflect a 2.5% reduction.

When do I begin repaying a PLUS loan?

Repayment of principal and interest begins 60 days after the final disbursement for the academic year.

What if I don't pass the credit check?

If you don't pass the credit check, you will be notified in writing by the Direct Loan Center. The letter will notify you of the following options:

• **Appeal**: If you believe the denial was an error, you may work with the Direct Loan Center to reverse the credit decision.

• **Endorsement**: You may have someone endorse the loan. This person would be responsible to repay the loan if you are unable to make the payments.

• **Federal Direct Unsubsidized Loan** (in place of a PLUS denied): The student can request additional loan funds only after the PLUS loan is denied. The additional Unsubsidized loan maximum is $4,000 for freshmen/sophomores and $5,000 for juniors/seniors. This loan request form may be obtained from the Office of Scholarships & Financial Aid (OSFA). Only one parent must apply for a PLUS and be denied based on adverse credit. However, if both parents apply independently and one is approved, the student is not eligible for the increased loan amount.

Steps to process the PLUS loan

1. Thoroughly complete the loan request.
2. Submit it to the Office of Scholarships & Financial Aid.
3. The OSFA will electronically submit your application to the Direct Loan Center.
4. Complete the Promissory Note online at www.bsu.edu/finaid/directloans. Be sure the parent who applied for the loan is the parent completing the promissory note.
5. The Direct Loan Center will perform a credit check. You will receive a letter from them regarding the approval or denial of your loan.
6. Loan funds will be disbursed upon receipt of a complete Promissory Note and credit approval.

For more information

Loan and repayment calculators:
www.finaid.org/finaid/calculators
Repayment begins 60 days after the loan has been fully disbursed.

General PLUS loan information:
Direct Loan Servicing Center
1-800-848-0979 or TDD 1-800-848-0983

Credit check:
Direct Loan Center
1-800-557-7394

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Federal Direct Parent Loan (PLUS)
Summer 2012 Application

Student: Complete this section

Student's Social Security Number: _____ Anticipated College Grad Date (mm/yy):_____/_____

Student's name: _____
Last First MI

Permanent Home Address: _____
Street City State Zip

Permanent Home Phone Number: _____ Date of Birth: Month _____ Day _____ Year_____

Driver's License: State _____ Number _____

Student Citizenship Status: ☐ U.S. Citizen or National ☐ Permanent Resident/Eligible Alien--Registration #: A-_____
Expected Enrollment Status (credit hours per term): Summer Semester _____ 1SS _____ 2SS _____

If enrolled in Study Abroad, list name of program: _____

Will you be living with your parent(s) during the 2012 summer? Yes ☐ No ☐

Parent Borrower: Complete this section (provide **one** parent's information only)

Parent's name: _____
Last First MI

Permanent Home Address: _____
Street City State Zip

Parent's Social Security Number: _____ Date of Birth: Month _____ Day _____ Year _____

Parent Citizenship Status: ☐ U.S. Citizen or National ☐ Permanent Resident/Eligible Alien--Registration #: A-_____

Permanent Home Phone Number: _____

Driver's License: State _____ Number _____

Requested Loan Period: ☐ Summer Semester ☐ 1st Summer Session ☐ 2nd Summer Session

Requested Loan Amount: No more than $_____ (specific amount required)

Office use only:

$_____
PLUS Amount

_____
Year in College

Divorced Parent Borrowers

If divorced from the student's other parent, will the other parent be borrowing a PLUS loan? ☐ No ☐ Yes, then please apply at the same time.

If two parents are borrowing, neither parent has the option of receiving excess funds. The excess must be released to the student. Therefore, you must check the box in the section below providing permission to release the excess to the student.

Federal Direct PLUS Loan
Release of Excess Funds Authorization

The U.S. Department of Education requires that the funds from your PLUS loan be applied directly to the student's university account. If the amount of the PLUS loan exceeds the charges, a refund check will be issued to either the student or the parent. If you choose to release the excess funds to the student, check the box below. Otherwise, the excess will be sent to the parent borrower.

☐ Please release any excess funds to the student.

Certification

I, the student, certify by signing below that:
- I have never been convicted of possessing or selling illegal drugs; and
- I am registered with the Selective Service or I am not required to be registered with the Selective Service because (check one):
  - ____ I am female.
  - ____ I am in the armed services on active duty. (Note: This does not apply to members of the Reserves and National Guard who are not on active duty.)
  - ____ I have not reached my 18th birthday.
  - ____ I am a resident of the Federated States of Micronesia or the Marshall Islands or a permanent resident of the Trust Territory of the Pacific Islands (Palau).

We, the student and parent, certify by signing below that:
- we will use federal student financial aid only to pay the cost of attending an institution of higher education;
- we are not in default on a federal student or parent loan or have made satisfactory arrangements to repay it;
- we do not owe money back on a federal student grant or have made satisfactory arrangements to repay it; and
- we will notify Ball State University Financial Aid Office if we default on a federal student or parent loan.

If either of you are unable to certify any of the above conditions, please check here _____ and attach an explanation.

Student Signature: _____ Date: _____

Parent Signature: _____ Date: _____

Master Promissory Note Requirement

First-time PLUS borrowers must complete an Electronic Master Promissory Note (MPN) at https://dlenote.ed.gov/empn/index.jsp. The PIN used to sign the MPN must belong to the parent applying for the loan.

Steps to Process the PLUS loan

1. Thoroughly complete the front and back of this loan application.
2. Submit it to the Office of Scholarships & Financial Aid (OSFA).
3. The OSFA will electronically submit your application to the Direct Loan Center.
4. The Direct Loan Center will perform a credit check. You will receive a letter from them regarding the approval or denial of your loan.
5. Loan funds will be disbursed upon completion of a Master Promissory Note and credit approval.

For more information

General PLUS loan information:
Direct Loan Servicing Center
1-800-848-0979 or TDD 1-800-848-0983

Credit check:
Direct Loan Center 1-800-557-7394