

2011-2012 Parent PLUS Loan Information & Request Form

The Federal Direct Parent PLUS Loan is a loan for the parent of a dependent undergraduate student to help pay for the student's education-related expenses. The parent borrower is responsible for repaying the Parent PLUS Loan. PLUS loans are not subsidized by the Federal Government; therefore, interest begins accruing as of the disbursement date – on the disbursed amount.

Interest Rate: The Direct PLUS Loan has a fixed interest rate of 7.9%. This rate remains in effect throughout the life of the loan.

Loan Fee: There is a 4% origination fee on the PLUS Loan. Direct Loans provides an immediate 1.5% rebate on this origination fee – resulting in a net fee of 2.5%, which is deducted from the gross amount of the loan borrowed. The fee is deducted prior to the loan proceeds being sent to CSULB.

Loan Limit: The annual maximum that can be borrowed is the student's cost of attendance, minus any other aid received. For current cost of attendance figures, refer to our website at www.csulb.edu/financialaid.

Repayment: The standard repayment term is 10 years. Parents have the option to choose from a number of repayment plans, and may have the option to extend repayment up to 25 years.

Repayment of the PLUS Loan begins 60 days after the loan has been fully disbursed. Parents may choose to defer payments on their PLUS Loan until six months after the date the student ceases to be enrolled at least half-time.

Application Process

To request / borrow a Parent PLUS Loan, the following steps must be taken:

- ❖ **Step 1:** The student must complete a 2011 – 2012 Free Application for Federal Student Aid (FAFSA), at www.fafsa.gov; the FAFSA must be filed even if you are only interested in applying for the Federal Parent PLUS Loan. The full name and address of California State University, Long Beach must be listed in Step 6 (our school code is **001139**).
- ❖ **Step 2:** Complete and submit the 2011 – 2012 Federal Parent PLUS Loan Request Form to CSULB's Office of Financial Aid.
- ❖ **Step 3:** Complete and sign the Federal Direct Parent PLUS Loan Master Promissory Note (MPN) at www.studentloans.gov.
 - **PLEASE NOTE:** the Parent PLUS Loan will not be finalized until the MPN has been completed on the MPN website.

After the above steps have been taken, and the loan credit-approved, the Department of Education will transmit the PLUS Loan funds electronically to CSULB. Loan funds are applied towards any outstanding charges on the student's account. Excess – or leftover – funds will be mailed to the parent-borrower. The earliest date that funds are transmitted to CSULB is 10 days prior to the first day of each semester.

- ❖ In the event the PLUS Loan is credit-denied, the Direct Loan Servicing Center will notify the parent borrower with an explanation as to why the loan was credit denied. The Servicing Center will also provide the name and address of the credit bureau that supplied the information. The parent-borrower has the following options:
 - Appeal the decision with the Direct Loan Servicing Center (1-800-848—0979)
 - Reapply for the loan with an endorser (co-borrower)
 - Have the student borrow additional unsubsidized loan funds.

If choosing to have the student borrow additional Unsubsidized Direct Loan funds, please note that the loan will be added to the student's awards on MyCSULB in an "offered" status. The student will need to log on to MyCSULB and accept the additional loan amount.

Eligibility Criteria

To receive a Federal Parent PLUS Loan, the following criteria must be met:

- Both the parent and the student must be U.S. citizens or eligible non-citizens
- Neither the student nor the parent borrower can be in default on a prior educational loan
- The student cannot be independent for the purposes of receiving federal financial aid (including being over the age of 24)
- The student must be enrolled as an undergraduate at least half-time (6 units) in a degree-granting program
- The student must maintain Satisfactory Academic Progress (SAP)
- The student must maintain eligibility for the loan in her or his financial aid package
- The parent borrower must meet the federally established minimum credit criteria. The Direct Loan Servicer will perform a credit check when CSULB notifies them of your loan request/eligibility

2011 – 2012 Federal Parent PLUS Loan Request Form

Student Information:

STUDENT ID# _____

LAST NAME _____ FIRST NAME _____ M.I. _____

Parent Borrower Information: To be completed by the parent applying for the PLUS Loan

LAST NAME _____ FIRST NAME _____ M.I. _____

Date of Birth _____ SSN _____

Street Address _____ Apt/Unit# _____

City _____ State _____ Zip Code _____

Phone _____ Email Address _____

Are you, the parent borrower, in default on a prior educational loan or owe a refund on a federal education grant? _____

Citizenship Status (check one): Citizen Eligible Non-Citizen (Alien Registration Number) _____

Please note: If you are neither a U.S. Citizen or an Eligible Non-Citizen, you are not eligible for the Direct PLUS Loan. The student may check with the Office of Financial Aid for information about other sources of funding.

Loan Request: This loan is for the 2011 – 2012 Academic Year (August 29, 2011 – May 19, 2012)

The student the PLUS loan is for must be enrolled at least half-time and be making Satisfactory Academic Progress towards her/his degree in order for the parent to obtain a Federal Parent PLUS Loan.

Loan Period: 2011 – 2012 Academic Year Fall 2011 Only Spring 2012 Only

Requested Loan Amount: Maximum PLUS Eligibility **OR** PLUS Loan Amount \$ _____

CSULB reserves the right to certify less than the requested amount should the requested amount exceed the student's eligibility. The student's eligibility is based on CSULB's cost of attendance minus all other types of financial aid the student is receiving.

PLUS Loan Denial Options (In the event the PLUS loan is credit-denied. Please check only one)

- Allow the student to receive additional Federal Direct Unsubsidized Loan funds. Additional loan funds are: freshman & sophomores up to \$4,000 per academic year; juniors & seniors up to \$5,000 per academic year. The student will have to indicate acceptance of the additional loan funds by logging on to MyCSULB once the loan has been awarded.
- Use an endorser (credit-worthy co-signer). By checking this option, I understand it is my responsibility to contact the Direct Loan Servicer at 1-800-557-7394 to obtain the necessary paperwork for the endorser.
- Cancel the PLUS request. I will pursue other options.

Parent Borrower's Consent & Signature

By signing this document, I consent to the U.S. Department of Education and its agents obtaining a report of my credit record and using the information from that report in determining whether to make a Federal Direct PLUS Loan to me. I understand that the Department of Education will notify me in writing of the results of the credit check with respect to my loan application.

PARENT SIGNATURE: _____ **DATE:** _____

Return completed forms to CSULB's Office of Financial Aid

PLUS Loan Disclosure Notices

Loan Disclosures

Credit Approval & Notification

Credit approval is based on federally mandated criteria – not a credit score. In order to qualify, you must not have any of the following items on your credit report: (1) Any current delinquency of 90 days or more on any credit account or loan; (2) Any of the following items within the preceding five years of the date of the credit report: Default, Bankruptcy, Discharge, Foreclosure, Repossession, Tax Lien, Wage Garnishment, Write-off of a debt, Open Collection Account.

You will be notified of credit approval or denial directly from the Direct Loan Servicing Center. Credit approval is valid for 6 months.

Credit Denial

If you are denied a PLUS Loan on the basis of adverse credit, you can do one of the following:

- Appeal the denial with the Direct Loan Servicing Center at (800) 557-7394
- Apply for a PLUS Loan with an endorser
- Review the information on your credit report; correct any invalid information that may have led to the denial
- Choose to not pursue the PLUS Loan. You can notify CSULB's Office of Financial Aid and have your dependent student awarded additional Unsubsidized Stafford Loan funds.

Direct Loan Disclosure Statement

You will receive a Federal Direct Loan Disclosure Statement from the Direct Loan Servicing Center, up to 30 calendar days before the first anticipated disbursement. The Disclosure Statement identifies the loan type, anticipated loan disbursement amounts and dates, anticipated net disbursement amounts, loan fee and fee rebate amount, and gives other important information regarding your loans.

Disbursement of Funds

Funds from the Direct Parent PLUS Loan are disbursed directly to CSU Long Beach once for each semester borrowed. Exact disbursement dates will be stated on the Official Loan Disclosure Statement (see above). Loan proceeds are received electronically and are credited towards any outstanding registration fees and/or housing charges. Any remaining funds are then issued to the **parent borrower** as a refund.

Use of Loan Funds

Funds received from the Federal Direct PLUS Loan are to be used solely for expenses related to the student's attendance at CSU Long Beach. Expenses include tuition, room and board, books, transportation costs, etc.

Loan Cancellation

Before your funds are disbursed, you may cancel or reduce the amount of your loan by notifying CSU Long Beach's Office of Financial Aid in writing. If your loan has already been disbursed, you can still cancel the loan in one of two ways: (1) You may contact CSU Long Beach (in writing) within 14 days of the date the loan has been applied to your account, or (2) You can pay back all or a part of your loan within 120 days of the date Direct Loans disburses your loan funds to the university. Your loan will be adjusted to eliminate any interest, loan fee, and rebate amount that applies to the amount of the loan that you cancel/return during this timeframe.

Information you must report

While you or your dependent student are still in school, you must notify the CSU Long Beach if (1) you change your address or telephone number; (2) you change your name (for example, maiden name to married name); (3) you or

your dependent student do not enroll at least half-time for the loan period certified by the university; (4) you or your dependent student stop attending CSU Long Beach or drop below half-time enrollment; or (v) you or your dependent student graduate or transfer to another school.

You must also notify the Direct Loan Servicing Center of any of the above changes at any time after you receive your loan. In addition, you must notify the Direct Loan Servicing Center if you (1) change employers, or if your employer's address or phone number changes; or (2) have any other change in status that affects your loan (for example, if you received a deferment but no longer meet the eligibility requirements for that deferment).

Privacy Act Disclosure Notice

The Privacy Act of 1974 (5 U.S.C.552a) requires that the following notice be provided to you. The authority for collecting the information requested on this form is §451 et seq. of the Higher Education Act of 1965, as amended. Your disclosure of this information is voluntary. However, if you do not provide this information, you cannot be considered for a Direct PLUS Loan. The information on this form will be used to determine your eligibility for a Direct PLUS Loan. The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called "Title IV Program Files" (originally published on April 12, 1994, Federal Register, Vol. 59 p. 17351) and "National Student Loan Data System" (originally published on December 20, 1994, Federal Register Vol. 59 p. 65532). Thus, this information may be disclosed to federal and state agencies, private parties such as relatives, present and former employers and creditors, and contractors of the Department of Education for purposes of administration of the student financial assistance program, for enforcement purposes, for litigation where such disclosure is compatible with the purposes for which the records were collected, for use by federal, state, local, or foreign agencies in connection with employment matters or the issuance of a license, grant, or other benefit, for use in any employee grievance or discipline proceeding in which the Federal Government is a party, for use in connection with audits or other investigations, for research purposes, for purposes of determining whether particular records are required to be disclosed under the Freedom of Information Act, and to a Member of Congress in response to an inquiry from the congressional office made at your written request.

Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) provides that, in order to receive any grant, loan, or work assistance under Title IV of the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so that data may be recorded accurately.