

## Federal Direct Parent Loan to Undergraduate Students (PLUS Loan)

Please read through this information carefully prior to completing the PLUS Loan Worksheet. If you have any questions, please contact the financial aid office.

A parent of an eligible undergraduate dependent student can choose to borrow a Federal Direct PLUS loan to help pay educational expenses for their student. The lender is the U.S. Department of Education (ED) rather than a bank or other financial institution. This packet contains important instructions and information for processing your federal PLUS loan. To apply for a Federal Direct PLUS loan, your student must complete and submit the 2022-2023 FAFSA application and you must submit the PLUS Loan Worksheet. A parent can request a loan up to the cost of attendance for their student minus any financial aid (including scholarships) that the student receives. Parents are encouraged to only apply for what they feel is necessary to pay for their student's college expenses and what they can reasonably afford to repay. All PLUS loan applicants must meet eligibility requirements to a receive loan. The worksheet is your written permission for the financial aid office to process the loan request and send necessary loan information to the ED. **This loan request is only valid for the 2022 – 2023 school year.**

### THE APPLICATION PROCESS

**\*Please Note\*** Your student's 2022-2023 FAFSA needs to be completed, received and processed by both the ED AND our financial aid office.

1. **Complete the Online Master Promissory Note (MPN)** if you are a first time direct PLUS loan borrower. If you recently have had a Federal Direct PLUS loan for the same student, you only need to submit the loan worksheet.

Your MPN is your promise to pay back the loan. To complete the MPN, please go to: [www.studentaid.gov](http://www.studentaid.gov) . Sign-in using your FSA ID and password. It is the same FSA ID and password you used to sign your student's FAFSA. Click on "I'm a Parent" and then "Complete MPN for Parent PLUS Loan" and then select "Start".

If you do not have Internet access, you may use the computers next to the financial aid office or the WVC library to complete this process. We will receive electronic confirmation from the ED when your MPN has been completed.

2. **Complete and submit the loan worksheet.** Fill out the 2022-2023 Direct PLUS Loan worksheet completely and submit it to the WVC Financial Aid Office. Incomplete forms will not be processed.

You can submit the loan worksheet by mail, fax or email.

Wenatchee Valley College  
Financial Aid Office  
1300 Fifth Street  
Wenatchee, WA 98801

Fax: 509-682-6811  
Email: [financialaid@wvc.edu](mailto:financialaid@wvc.edu)

3. **Your loan request is processed after steps 1 and 2 are completed.** Processing time can take up to 3 – 5 weeks depending on the volume of applications our office receives.
4. **The ED will perform a credit check.** Once we have processed your loan request, we will send your information to the ED for certification and credit check. If loan is denied, see second page for further information.

You will be assigned a loan servicer on behalf of the ED. The loan servicer manages your loans and is your point of contact regarding repayment of your loans.

## FINANCIAL AID NOTIFICATION

Your student will receive a financial aid notification from the financial aid office. It will be sent to their email. The letter will detail your loan amount(s) for which you are eligible for. You will also receive information from your loan servicer.

## LOAN ELIGIBILITY

You must be the natural parent, adoptive parent or stepparent of the dependent student that is attending WVC. You must also be a US citizen or eligible non-citizen and not be in default of an educational loan or owe a refund on an educational grant.

For each quarter you wish to receive a loan, your student must be enrolled in an eligible degree or certificate program, taking at least 6 or more eligible credits and maintain satisfactory academic progress.

You must not have adverse credit history. If your PLUS loan is denied, you can appeal the credit decision or add an endorser (co-signer) to the loan. You will need to contact Federal Direct Loan Program at 1-800-557-7394. The last option is to have your student contact our office to see if they qualify for additional student loan funds.

Remember, this is a loan and it **MUST BE REPAYED**, regardless of whether your student completes their education or not. The parent is the borrower rather than the student, so responsibility for repayment rests with the parent. Do not borrow more than you need to help pay for your student's expenses. There are no set limits, although Parent PLUS loans cannot exceed a student's "Cost of Attendance" minus any other financial assistance they may be receiving.

You can defer payments on a PLUS loan until six months after the date the student ceases to be enrolled at least half-time.

## DISBURSEMENT INFORMATION

Your loan will be issued in multiple disbursements. If you are funded for one quarter only, then ED requires us to separate your loan into two equal payments; one at the

beginning of the quarter and one half-way through. If you check two or more quarters, the loan will be divided among all checked quarters for which your student is eligible. We can divide your loan between prior quarters in the same academic year IF your student was eligible during the prior quarters.

The loan funds will be sent to the college first and applied to any outstanding tuition and any related fee charges. The remaining funds will be disbursed to either you or your dependent student based on what you indicate on the loan worksheet. Remaining funds will not be disbursed before the quarter begins.

## LOAN PROCESSING FEES

All Federal Direct loans are subject to fees. The fees are paid to the ED to offset administrative costs and to guarantee loans. This loan origination fee is deducted before you receive any loan money, your net loan amount will be the amount you were funded minus the origination fee. The fee is 4.228%. Interest rate for the loan is 7.54% and is set by the federal government each year.

When you repay your loan, you will be repaying the gross amount of the loan, not the net disbursed amount. The loan fees are part of your loan repayment.

## RIGHTS AND RESPONSIBILITIES

You have the right to cancel your parent loan at any time. If you want to cancel a future disbursement, you should notify our office two weeks before the expected disbursement date. If your loan has disbursed, you are committed to repaying the loan. You can send the funds directly back to your loan servicer as a payment. You can make repayments to your loan at anytime without penalty.

You can also increase or decrease a future disbursement. Again you will need to notify our office at least two weeks before the scheduled disbursement date. To make any adjustments or cancellations to your loans you will need to complete and submit a *PLUS Loan Adjustment Request* form.

For your Direct loan servicer info & account balance contact: **US Department of Education**  
**Phone:** 1-800-433-3243 **Website:** [www.studentaid.gov](http://www.studentaid.gov)

