

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 **ONLY** 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 2024-2025 FAFSA 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 2024-2025 school year.**

THE APPLICATION PROCESS

Please Note Your student's 2024-2025 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. You must complete an MPN for each student.

Your MPN is your promise to pay back the loan. To complete the MPN, please go to: 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 2024-2025 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
Phone: 509-682-6810
Fax: 509-682-6811
Email: 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 the loan is denied, see second page for further information.

You will be assigned a loan servicer on behalf of the ED (Department of Education). 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 preferred email listed with the school. 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 the 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 REPAID**, 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%. The interest rate for the loan is 9.08 % and is set by the federal government each year. *(These are the current interest rates as of now, to find the most updated interest rates you can visit the studentaid.gov website)*

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, which is the 1st week of the quarter. If your loan has been 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 any time 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

Please read carefully and complete every item. **An incomplete form will delay processing of your loan.**

PARENT (BORROWER) INFORMATION *(Please Print)*

Last Name _____	First Name _____	MI _____	Social Security Number _____
Address _____	Date of Birth _____	Phone Number _____	
City _____	State _____	Zip Code _____	Parent Driver's License # _____ State Issued _____

Please check one box below:

☐ U.S Citizen ☐ Eligible non-Citizen (you must submit a legible copy of your permanent resident card with this form)

Marital Status: Single ☐ Married ☐ Head of House ☐ Separated ☐ Widow ☐

STUDENT INFORMATION *(Please Print)*

CTC ID Number _____ Phone Number _____

Last Name _____	First Name _____	MI _____
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Check the quarter(s) you wish to receive a loan in AND write number of credits your student plans on taking:

<input type="checkbox"/> Fall 2024	<input type="checkbox"/> Winter 2025	<input type="checkbox"/> Spring 2025	<input type="checkbox"/> Summer 2025
# 6+ credits: _____	# 6+ credits: _____	# 6+ credits: _____	# 6+ credits: _____

Students must be enrolled in a minimum of 6 eligible credits each quarter to receive loans.

PARENT AUTHORIZATION, CERTIFICATION AND SIGNATURE

Enter amount you wish to borrow: \$ _____ **OR** check box: ☐ Maximum Allowed

You can request a specific dollar amount or request the maximum allowable. Either way, the parent loan will be processed only for the student's cost of attendance for the academic year minus any other financial assistance they may be receiving.

I understand that Wenatchee Valley College will first apply my Federal Direct PLUS Loan to any outstanding amounts of my student's tuition and related fees incurred during the academic year and that the funds will be sent to the college first before disbursement.

Any remaining credit balance should be disbursed to: (Check only one box below)

- ☐ **My dependent student** (the quickest process to disburse funds to the student)
- ☐ **Me, the parent.** I understand the funds will be sent to the address provided in the parent's section of this form and may take up to 5 additional business days to process.

With my signature below I authorize the US Department of Education to perform a credit check required for this loan. I certify under the penalty of perjury under the laws of the United States of America that the above information is true and correct to the best of my knowledge. I also certify that I am the natural, adoptive or stepparent of the student named above. The proceeds of any loan made as result of this application will be used for educational purposes only for the student named above.

****If electronically signed, I understand that a digital or electronic typed signature has the same legal effect and can be enforced in the same way as a handwritten signature.****

Parent (Borrower) Signature: _____ **Date:** _____