

Federal Direct Parent Loan for Undergraduate Students (PLUS)

A parent or stepparent of a dependent student may borrow under the PLUS program. PLUS applicants are subject to a credit check before funds are approved.

Loan Maximum

Parents may borrow up to the student's cost of attendance minus other financial aid received for the loan period. Parents determine the amount to borrow based on the portion of the bill to be financed. The Expense Planner at <http://www.hope.edu/admission/financialaid/documents/forms/expenseplannerweb.pdf> may help.

Interest Rate and Fees

The interest rate varies annually but cannot exceed 9%. A 2.5% origination fee is withheld from the gross amount borrowed. The loan disclosure notice indicates the interest rate and fees in effect at the time of the approval. Interest accrues from the date of the first disbursement.

Repayment

Payment on a PLUS begins 60 days after the loan is fully disbursed. Therefore, a loan covering both fall and spring semesters becomes due after the spring disbursement is made in December.

Application Process

The parent borrower and student must complete and sign the application on page 1 and submit it to the Hope College Office of Financial Aid. It may be faxed. *All information must be complete and legible or the application will be returned to you.*

The Office of Financial Aid transmits the information to the Direct Loan Servicer where the credit check is processed. The approval or denial is transmitted back to the Office of Financial Aid.

If the credit check is declined, the Direct Loan Servicer notifies the borrower that the loan may still be approved with an endorser. If the borrower foregoes an endorser, the student may be eligible for a Federal Direct Unsubsidized Loan. The Office of Financial Aid notifies the parent of this eligibility.

Promissory Note

A parent borrowing the first time for a student must complete an electronic master promissory note. See page 3 for instructions on completing the note. Once we receive acknowledgment of the signed note, the funds disburse to the student's account (but no earlier than 10 days prior to the start of the semester).

Instructions for Completing the Application

Complete the information carefully and accurately. The first section of the form requires *the student's information*. The second part of the form is for information on ***only the ONE parent who is borrowing the loan.***

Parent's address: The address information prints on the promissory note and is where the Direct Loan Servicer directs all correspondence concerning the loan. *The Servicer will not accept a Post Office Box for an address.*

Submitting the PLUS Application

Mail the completed application to:

Hope College
Office of Financial Aid
100 East 8th St, Suite 110
PO Box 9000
Holland, MI 49422-9000

Or fax to:
616-395-7160

NOTICE:
The Hope College Office of Financial Aid must receive this form by November 15th for Fall semester only, and April 1st for Spring semester only or Academic Year loans to insure receipt of funds by the end of the term. No application can be accepted after the student has completed the present Academic Year or has ceased enrollment.

Office of Financial Aid
Phone: 616-395-7765 or
888-439-8907

PLUS Master Promissory Note Information and Checklist

A promissory note is what a borrower signs as a promise to repay a loan. A Master Promissory Note (MPN) is used to make one or more loans to the same borrower over one or more academic years. The Direct Loan Disclosure Statements and disbursement notices indicate the amounts of the individual loans you are taking under the MPN. This allows you to sign only one MPN for all PLUS loans for the student on whose behalf you are borrowing. There is a ten year limit on the life of the note.

You are agreeing to repay the U.S. Department of Education all loans made to you under the terms of the MPN and you understand that multiple loans may be made to you under this same MPN.

Because the MPN covers current and future loans, individual loan information cannot be displayed. You will receive a Disclosure Statement from the Federal Direct Loan Program for each new loan. This statement provides comprehensive information about the loan type, the amount, loan period and *expected* disbursements. It is important that you keep all of the Disclosure Statements you receive. When loan proceeds are disbursed, you will receive a disbursement notice from the Federal Direct Loan Program.

Signing the Note

- The parent borrower may electronically sign the Master Promissory note at any time. You do not have to wait for the PLUS Application to be processed.
- The parent borrower of the loan obtains a Federal PIN (www.pin.ed.gov)
- The parent borrower of the loan accesses the Direct Loan Master Promissory Note website at <https://dlenote.ed.gov/empn/index.jsp>
- Click on “Complete New MPN for Parent PLUS Loans” toward the bottom of the left column
- The parent borrower uses his or her Federal PIN to access the MPN process.

Tips for Accessing the MPN Website

When you access the MPN website main page, select the section entitled “What You Need” from the left side menu. Here you will find technical information about what types of internet browsers work best for this site, a reminder to close pop-up blockers so that you will be able to access all necessary web pages, and how to obtain Adobe Reader if you do not have it installed on your computer. There is also a link to site assistance should you have further questions about technical aspects.

Tips for Successful MPN Signing

- The parent borrower information used to complete the MPN must match *exactly* the information on the PLUS Application submitted to the Office of Financial Aid (page 1). Refer to your copy of the application when completing the MPN.
- Do not confuse parent borrower information with student information. You must provide student name, social security number, and date of birth separately from the parent borrower information.
- Recheck the input of social security numbers and birth dates for accuracy. If the MPN information cannot match that in the loan system, the promissory note will not be valid.
- **After receiving a Confirmation Number in Step 8, there are two more steps.** Minimize the Confirmation screen and proceed with the remaining screens. You are done when you see "Success! Now print your MPN."
- Print a copy of the note for your records.