

# Request for Federal PLUS Loan

2008-2009

*To be completed by the parent borrower*

Please read the reverse side of this form for information on the Federal PLUS Loan, borrower eligibility, and the application process.

**Student:** \_\_\_\_\_ **Last four digits of SSN:** xxx-xx-\_\_\_\_\_

**School:** \_\_\_\_\_ **Loan Period:** \_\_\_\_\_

**Parent:** \_\_\_\_\_ **Parent Social Security No:** \_\_\_\_\_

**Relationship to Student:** \_\_\_\_\_ **Parent Date of Birth:** \_\_\_\_\_

## Parent Address –

If your address is the same as the student's, check here:

If your address is not the same as the student's, please provide your complete address and telephone number:

\_\_\_\_\_ ( ) \_\_\_\_\_  
Street State Zip Code Telephone

**Citizenship**  U.S. Citizen  Eligible Non-Citizen (*attach documentation*)

**Requested Loan Amount\*** \$ \_\_\_\_\_  Year  Semester

\*4% of the loan amount you borrow is typically deducted for loan fees. Use the following example to help you calculate a requested loan amount that includes the loan fees.

**Example:** If you need \$5,000 for education expenses, your requested loan amount would be \$5,210 (\$5,000 divided by 96%, rounded up to the nearest whole dollar).

The maximum loan amount is the difference between the cost of attendance and the student's financial aid; therefore, the amount certified by the financial aid office may be less than your requested amount.

**Lender Name:** (*To be completed if you are a first time borrower or you wish to change your lender*)

\_\_\_\_\_

## Certification

*By signing below I certify that I am an eligible borrower, according to the criteria on the reverse side of this form, and that all of the information provided on this form is complete and correct. I understand I will receive a Federal PLUS Loan Master Promissory Note to complete and sign if I do not have one on file for this student.*

**Parent Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

## Return completed form to:

New England Culinary Institute

Financial Aid Office

5 Franklin Street

Essex Junction, VT 05452

Phone: 802 764-2172 or 802 764-2173 Fax: 802 764-2181

## Federal PLUS Loan

The Federal PLUS Loan is designed for parents of dependent students enrolled at least half-time in eligible degree or certificate programs.

- The maximum loan amount is the difference between the cost of attendance (tuition, books and living expenses) and the student's financial aid.
- The interest rate is 8.5% (fixed). Interest accrues from the first disbursement date.
- Funds are disbursed directly to the school, generally at the beginning of each term.
- Repayment begins when the loan is fully disbursed. The standard repayment term is 10 years.

### Borrower Eligibility

An eligible borrower must:

- be: 1) the student's parent (natural or adoptive), or 2) the student's stepparent whose information is included on the student's Free Application for Federal Student Aid (FAFSA), and
- be a U.S. citizen, a permanent resident or other eligible non-citizen (in the U.S. for a purpose that is not temporary, with the intention of becoming a citizen or permanent resident), and
- not be in default on a federal education loan, or have made satisfactory payment arrangements with the holder of the defaulted loan, and
- not owe an overpayment on a federal education grant or have made repayment arrangements to repay the amount owed.

### Application Process

1. Student submits the Free Application for Federal Student Aid (FAFSA) and any supporting documentation as requested by the Office of Financial Aid Services.
2. The School determines the student's financial aid eligibility and sends the student an award letter.
3. Credit Pre-Approval (**optional**): Parent borrowers may contact their lender and request a PLUS Loan pre-approval before completing this Request for Federal PLUS Loan.
4. The parent determines how much Federal PLUS Loan he or she needs to borrow for the academic year, completes the Request for Federal PLUS Loan form and submits it to the Financial Aid Office.
5. The Financial Aid Office certifies the PLUS Loan and submits the loan information to the lender.
6. If the borrower does not have a Federal PLUS Loan Application and Master Promissory Note (MPN) on file, the lender mails an MPN to the borrower. The borrower completes the MPN and returns it to the lender. The MPN includes complete information on the terms of the loan and the borrower's rights and responsibilities.
7. The lender performs a standard credit check. If the borrower has adverse credit, the borrower has the opportunity to resolve the adverse credit items or obtain a credit-worthy endorser.
8. When the loan is approved the lender mails a Notice of Loan Guarantee and Disclosure Statement to the borrower. The loan is disbursed to the school according to disbursement rules that govern the Federal PLUS Loan program. The Business Office typically notifies the parent borrower when Federal PLUS Loan funds are received and credited to the student account.

### Master Promissory Note

Multiple loans for the same dependent student may be made to a borrower under a single Master Promissory Note (MPN) over a maximum ten-year period. The parent borrower requests additional loans by completing a Request for Federal PLUS Loan form.