

Federal Direct PLUS Loan (parent loan)

Parents have the option of deferring PLUS repayment until six months after the student leaves school.

PLUS Loans are offered through the William D. Ford Federal Direct Loan Program, which enables families to borrow directly from the federal government to pay college costs. Loan funds are provided by and repaid to the U. S. Department of Education.

Eligibility: Parents who have no adverse credit history may borrow for their dependent children. Applications are subject to approval by the Federal Direct Loan Origination Center, based on a credit bureau check. While eligibility is not based on financial need and families at all income levels may apply, the FAFSA is required.

Interest Rate: 7.9% (*fixed rate*). Interest charges begin on the date of the *first* PLUS disbursement.

Loan Fees: A fee equal to 2.5% of the loan amount (4% loan fee minus 1.5% up-front interest rebate) will be withheld from PLUS proceeds. To retain the rebate, you must make your first twelve monthly payments on time—see *Repayment*, below.

Annual Limits: PLUS funds may be used to pay both *direct costs* of attendance—such as tuition—and *indirect costs*—for example, books, supplies, and personal expenses. Parents may borrow up to the full annual costs of attendance minus any financial assistance awarded to the student.

Disbursement: PLUS Loans are disbursed directly into the student's University account in *two payments*—typically, half the loan amount for fall and half for spring. The student must be enrolled at least half time (six units per semester) for a PLUS to be disbursed. If there are funds left over in the student's account after University bills are paid, the excess funds may be withdrawn for use in meeting other education-related expenses.

Repayment: Begins 60 days after the *final* disbursement for the school year and may be extended over a period of up to 10 years (standard plan). Extended and graduated repayment plans are also offered.

DEFERMENT OPTION: You may postpone repayment while the student is enrolled at least half time *and* during the six-month period after half-time enrollment ends.

How to Apply: Complete and sign the PLUS Loan Request form and mail it to the Financial Aid Office, University of the Pacific, Stockton, CA, 95211, or fax your request to (209)946-2758. We will transmit your application to the Federal Direct Loan Origination Center.

Promissory Note: After a PLUS is approved, *new borrowers and repeat borrowers who are borrowing on behalf of a different student must complete an online promissory note.* (If you took out a Direct PLUS Loan for the same student in the prior academic year, you have already completed a Master Promissory Note and may not have to fill out a new note this year.)

MONTHLY REPAYMENT EXAMPLES • FEDERAL DIRECT PLUS LOAN

<i>Principal Amount</i>	<i>Number of Payments</i>	<i>Monthly Payment</i>
\$4,000	114	\$50.00
\$8,000	120	\$97.00
\$12,000	120	\$138.00
\$20,000	120	\$242.00
\$40,000	120	\$483.00
\$50,000	120	\$604.00

These figures are based on the maximum PLUS interest rate of 7.9% with a minimum monthly payment of \$50 and a maximum repayment term of 10 years (Standard Repayment Plan).

