

## FEDERAL DIRECT PARENT PLUS LOAN

### How to Apply

Complete the Parent PLUS application and if a first time borrower, complete the Electronic Master Promissory Note.

- You can complete the whole process at [StudentLoans.gov](https://studentloans.gov). You will need to "Sign In" using your federal PIN.

OR

- You can submit Valpo's [Parent Loan Data Sheet](#) then complete the [Electronic Master Promissory Note](#)

### Description

- A non-need-based federal loan program administered by Valparaiso University; FAFSA is not required.

### Borrower

- Parent of a dependent undergraduate student

### Eligibility Criteria

Borrower is:

- US Citizens or eligible non-citizens.
- Not in default on prior educational loans.
- Meets federally defined credit worthiness standards.
- (Student is) making satisfactory academic progress.

### Credit Worthiness Standards

To meet the credit worthiness requirements, an applicant cannot be:

- 90 days or more delinquent on the repayment of any debt
- the subject of a default determination, bankruptcy discharge, foreclosure, repossession, tax lien, wage garnishment or write-off of a Title IV debt during the last five years.

If parent fails credit test, the student may borrow additional unsubsidized loan money. Up to \$4000 more for freshman and sophomores and up to \$5000 more for juniors and seniors.

### Annual Loan Limits

Cost of attendance less other aid

## Fees

A 4.0 percent Loan Fee is deducted from the Federal PLUS loan before it is credited toward the charges. However, 1.5 percent of the fee is immediately refunded back in the form of an interest rebate. The net effect of this rebate is that you will receive the loan amount requested less 2.5 percent. If the first twelve required monthly payments are not made on time, the rebate amount will be added back to the loan.

## Interest Rate

- Fixed rate at 7.9%

## Interest Subsidy

- No federal interest subsidy; Interest begins to accrue after first disbursement.

## Repayment Terms

- Payment of principal and interest begins 60 days after the final disbursement.
- (For loans first disbursed after July 1, 2008) You can apply for an in-school deferment as long as your student is enrolled at least 1/2 time.\*
- 30 year maximum repayment period

### \*Deferment Request Process

Parent borrowers must call the Direct Loan Servicing Center at 1-800-848-0979 to request a deferment based on the dependent student's enrollment status. Be sure to request an in-school deferment and the 6 month grace period deferment. If a parent Direct PLUS Loan borrower does not request a deferment, the first payment on the loan will be due within 60 days after the loan is fully disbursed. The Direct PLUS Loan does not have to be fully disbursed in order for a parent borrower to request a deferment based on the dependent student's enrollment status. Deferment periods may vary if a parent borrower has eligible Direct PLUS Loans for more than one student. A separate deferment request must be made for each Direct PLUS Loan obtained on behalf of a different student.

- [More information](#)

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