

## 2011-2012 Federal Direct Parent Loan for Undergraduate Students (PLUS)

The Sage Colleges participates in the William D. Ford Direct Loan program for all federal educational loans, including the Federal Parent PLUS loan. A Parent PLUS loan is a Federal loan that is an option for parents of dependent undergraduate students who are attending school at least half-time. The PLUS loan is in the parent's name and a credit check is required.

The interest rate on a PLUS Loan is usually better than many of the alternative student loans and currently has a fixed interest rate of 7.9% set by the Federal government. PLUS Loans are subject to a 4% origination fee. However, an up-front rebate of 1.5% is offered for borrowers as a repayment incentive. In order to keep the up-front rebate, a borrower must make their first twelve monthly payments on time.

### **Instructions**

Parents wishing to borrow a PLUS loan for the 2011-2012 academic year must take the following steps.

- Complete the 2011-12 Free Application for Federal Student Aid (FAFSA).
- Complete and return to the Financial Aid Office the PLUS Loan Supplemental Form. *The Office of Financial Aid will begin processing these forms after July 1, 2011 for the Fall semester.*
- Complete the **Direct Loan Master Promissory Note (MPN) for Parent PLUS Loans** online. Consent for a credit check will be involved in the application process.

The Department of Education will notify the Financial Aid Office once the MPN has been completed and the credit check has been approved. Sage will then certify the loan. Loan funds will be disbursed directly to the school.

*Please note: If you would like to borrow a PLUS Loan but an offer was not included on your award letter, you must first complete the Free Application for Federal Student Aid (FAFSA) and notify the Financial Aid Office of your intent to borrow the loan.*