



Federal Direct Parent PLUS Loan Instructions & Request Form

We encourage you to submit your **Federal Direct Parent PLUS** request form 2-4 weeks prior to the payment deadline to allow time for processing and approval.

DIRECTIONS TO APPLY

1. Parent submits the 2016-17 Federal Direct Parent PLUS Loan Request form to LBC Financial Aid Office.
2. The Financial Aid Office will submit the information provided on the PLUS Loan Request Form to the U.S. Department of Education for credit approval.
3. Parent completes the **Master Promissory Note** electronically at www.studentloans.gov
 - a. Login to www.studentloans.gov with **parent FSA ID and password**
 - b. Click on "Request PLUS Loan" and select "Parent PLUS" – "PLUS Master Promissory Note"
 - c. Submit information on the PLUS MPN
4. The PLUS Master Promissory Note is valid and may be used to process subsequent Federal Direct PLUS Loans for up to **10 years** after the original PLUS note is signed.
5. Therefore, parents who previously borrowed a Direct Parent PLUS Loan and completed an MPN will not need to complete another promissory note.

PLUS LOAN PROGRAM OVERVIEW & TERMS

Eligibility: Parent and student must be US Citizens or eligible non-citizens and not be in default on prior educational loans. Student must be considered dependent by federal standards, enrolled at least half-time in a diploma or degree program, and must be making satisfactory academic progress.

Creditworthiness: Parent must have a clean credit history for approval.

Fees: **4.292% origination fee deducted prior to loan disbursement to school** (may increase due to sequestration)

Interest Rate: **6.31% fixed for the life of the loan (effective July 1, 2016)**

Repayment Terms: Begins 60 days after full disbursement of loan. There are several repayment plans available from 10-25 years. The loan repayment may be deferred while your child is enrolled at least half-time and during the 6 month period after your child graduates or is no longer enrolled at least half-time. If you would like to postpone repayment of your PLUS Loan based on your child's enrollment status you can select this option during the application process or you can contact your Federal Loan Servicer. You can find more information about the different repayment plans and deferment options by visiting www.studentloans.gov.

Loan Consolidation: Existing PLUS Loans may be consolidated which may lower your monthly payment. See www.studentloans.gov for more information.

Additional Information and Resources:

Direct Loans for students and parents: www.studentloans.gov

FAFSA: www.fafsa.gov

Lancaster Bible College offices:

Financial Aid Office: 717-560-8254 or email: financialaid@lbc.edu

The Solutions Center: 717-560-8254 or email: solutions@lbc.edu

2016-17 Federal Direct Parent PLUS Loan Request Form

Student Information

Has the student filed a 2016-2017 FAFSA? Yes No *(The student is now required to complete a FAFSA in order to receive this loan.)*

Is the student dependent on the FAFSA? Yes (required)

Name _____ LBC Student ID# _____
Last Name First Middle Initial

Parent Borrower Information (to be completed by ONE parent borrower)

Borrower _____ Date of Birth _____
Last Name First Middle Initial
Social Security Number _____ Email _____

Driver's License # _____ State of License _____

Home Address _____
Street City State Zip

Phone Number _____

Citizenship Status: U.S. Citizen or National Permanent Resident: Alien Registration
Number: A _____

Relationship to Student: Mother Father Stepmother Stepfather

Total PLUS Loan Amount Requested: \$ _____ (use whole dollars)

- Please note that the maximum amount that you may apply for is the full cost of education – (minus) any other financial aid received, including other educational borrowing by you or the student.
- Remember to account for the **origination fee** in your requested amount. For any PLUS loan, there is currently a **4.292% origination fee** that is **deducted prior to** loan disbursement. For example: requesting a \$10,000 PLUS loan will result in a net amount of \$9,570.80.
- To factor the fee into your loan amount, use this formula: $\text{Net loan amount needed} / \text{divide by } .9570 = \text{gross amount you need to borrow}$

Loan Period (choose one):

- Full Academic Year 2016-2017 (loan will be disbursed in two equal payments, half for each semester)
- Fall 2016 only
- Spring 2017 only
- Summer 2017 only

*If after submission of this form additional funds are needed, please contact the LBC Financial Aid Office.

Parent authorization: Your signature authorizes the initiation of the mandatory credit review required for the Parent PLUS Loan. In addition, the Privacy Act of 1974 (5 U.S.C.552a) requires that the following notice be provided to you. The authority for collecting the information requested on this form is section 451 et. Seq. of the Higher Education Act of 1965, as amended. Your disclosure of information is voluntary. However, if you do not provide this information, you cannot be considered for a Parent PLUS Loan. The information on this form will be used to determine your eligibility for a Parent PLUS Loan.

Parent Signature _____ Date _____

Student Signature _____ Date _____
(Optional)