



## **2020-21 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. Online: Parent login to <https://studentaid.gov>, click on Parent tab and select "Apply for a Parent PLUS Loan" option and follow the instructions.
2. Paper: Complete the form on the reverse side and submit to the LBC Financial Aid Office.
3. Complete the **Master Promissory Note** electronically at <https://studentaid.gov>
  - a. Login to <https://studentaid.gov> with **parent FSA ID and password**
  - b. Click on Parent tab and select "Complete a *Master Promissory Note* for a Parent PLUS Loan"
  - c. Submit information on the PLUS MPN
  - d. The PLUS Master Promissory Note may be used to process subsequent Federal Direct PLUS Loans for up to 10 years after the original PLUS note is signed.

### **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:** **4.248% origination fee (for 19-20) deducted prior to loan disbursement to school** (This may increase due to sequestration)

**Interest Rate:** **7.079% fixed rate for 19-20**

**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 <https://studentaid.gov>.

**Loan Consolidation:** Existing PLUS Loans may be consolidated which may lower your monthly payment. See <https://studentaid.gov> for more information.

#### **Additional Information and Resources:**

Direct Loans for students and parents: <https://studentaid.gov>

FAFSA: [www.fafsa.gov](http://www.fafsa.gov)

#### **Contact Lancaster Bible College:**

Financial Aid Office: 717-560-8254 or email: [financialaid@lbc.edu](mailto:financialaid@lbc.edu)

The Solutions Center: 717-560-8254 or email: [solutions@lbc.edu](mailto:solutions@lbc.edu)

## 2020-21 Federal Direct Parent PLUS Loan Request Form

### Student Information

Have you filed the 20/21 FAFSA?  Yes (Required)

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 (19-20) a **4.248% origination fee** that is **deducted prior to** loan disbursement. For example: requesting a \$10,000 PLUS loan will result in a net amount of **\$9,574.00**
- To factor the fee into your loan amount, use this formula: Net loan amount needed / divide by .9570 = gross amount you need to borrow

#### Loan Period (choose one):

- Full Academic Year- Aug 2020- May 2021 (loan will be disbursed in two equal payments, half for each semester)
- Fall 2020 only
- Spring 2021 only
- Summer 2021 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)