How to Obtain a Federal Parent PLUS Loan

Parents must go to https://studentloans.gov and apply for a Parent PLUS Loan. The site will require you to provide personal information and will perform a credit check to determine your eligibility. Once approved you need to complete your master promissory note (MPN) if you are a new borrower for this student. The results will then be sent electronically by the school for certification and final approval.

Below are things you should know prior to requesting a Parent PLUS Loan for your student at St. Louis Community College.

What is a master promissory note?

A promissory note is a binding legal document that lists the conditions of your loan and the terms of repayment. Instead of completing an MPN every year, we utilize a multi-year MPN that only has to be completed once while your student is attending St. Louis Community College. Contact the Customer Service Line for MPNs at 800-557-7394 if you have questions.

How do I sign an MPN?

You will need a federal PIN to complete the MPN; this may be obtained online at www.pin.ed.gov. If you electronically signed the FAFSA you should already have a PIN. If you do not have a PIN or you need to request a duplicate PIN, visit www.pin.ed.gov. Go to www.studentloans.gov to complete the Parent PLUS MPN.

What is the interest rate?

Federal Parent PLUS Loans have a fixed interest rate of 6.41%.

Other than interest, are there any fees or charges to get a Federal Parent PLUS Loan?

Yes, the loan fee is 4.288%.

When will repayment begin?

Repayment begins right after the last disbursement of the loan. Interest accrues as soon as the first disbursement is made. There is no grace period for this loan; parent borrowers repay both principal and interest while their student is in school. The repayment term will be 10 to 30 years, depending upon the repayment plan selected. Parents have the options to defer payments for PLUS Loans originated after July 1, 2008, provided the designated student is enrolled at least half-time each semester (six or more credits). Parents can contact the school or the servicer of their loan to request a deferment. Visit the National Student Loan Data System (www.nslds.ed.gov) to see who is currently servicing your loan.

When will the Federal Parent PLUS Loan disburse?

In accordance with federal loan regulations and St. Louis Community College disbursement schedule, the loan will be applied to your student’s account once all requirements are met. Loan funds (less the fees) are evenly disbursed at the beginning of each semester; unless the loan is for a single term.
What if additional financial aid is received and I want to reduce or cancel my Federal Parent PLUS Loan?

If your student receives additional aid and you wish to reduce or cancel your Federal Parent PLUS Loan, it is important that you notify SFS in writing as soon as possible. You have the right to cancel or reduce your Federal PLUS Loan at any time during the loan period. If the additional financial aid received by the student results in aid that is in excess of your student’s cost of attendance, our office will automatically reduce the appropriate loan fund.

What if I want to apply for additional Federal Parent PLUS Loan funds?

Contact the Financial Aid office to apply for additional Federal Parent PLUS Loan funds. The total amount of a PLUS Loan may not exceed the cost of attendance minus all other financial aid. Please note your credit history may be reviewed again.

What am I consenting to by signing the credit authorization?

Your consent verifies that you have read the privacy act disclosure as follows and gives St. Louis Community College permission to authorize the U.S. Department of Education to review your credit report:

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 §451 et seq. of the Higher Education Act of 1965, as amended. Your disclosure of this information is voluntary. However, if you do not provide this information, you cannot be considered for a Parent PLUS. The information on this form will be used to determine your eligibility for a Parent PLUS. The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called “Title IV Program Files” (originally published on April 12, 1994, Federal Register, Vol. 59 p. 17351) and “National Student Loan Data System” (originally published on December 20, 1994, Federal Register, Vol. 59 p. 65532). Thus, this information may be disclosed to federal and state agencies, private parties such as relatives, present and former employers and creditors, and contractors of the Department of Education for purposes of administration of the student financial assistance program, for enforcement purposes, for litigation where such disclosure is compatible with the purposes for which the records were collected, for use by federal, state, local, or foreign agencies in connection with employment matters or the issuance of a license, grant, or other benefit, for use in any employee grievance or discipline proceeding in which the Federal Government is a party, for use in connection with audits or other investigations, for research purposes, for purposes of determining whether particular records are required to be disclosed under the Freedom of Information Act, and to a Member of Congress in response to an inquiry from the congressional office made at your written request. Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 U.S.C. 1091(a)(4) provides that, in order to receive any grant, loan, or work assistance under Title IV of the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so that data may be recorded accurately.

What if my credit is denied?

If your application is denied due to credit, you will receive notification from the Direct Loan Servicer with the reason for the credit decision. If you want to pursue the Parent PLUS Loan, you have several options available to you. Please contact your campus Financial Aid office if you are selecting any of the options listed below.

- You may try to have a credit status override completed by the servicer. Please contact the Direct Loan Servicer at 800-557-7394 and Equifax (their credit bureau) at 800-685-5000.
- You may provide documentation to the Direct Loan Servicer if you have extenuating circumstances (800-557-7394).
- You may have a third party endorser co-sign the PLUS Loan application with you.

If you choose not to pursue any of the options, your student can apply for additional unsubsidized loan funds based on the denial.