

PLUS LOAN INFORMATION SHEET

The Federal Parent PLUS Loan enables you to pay the education expenses of your dependent student who is enrolled at least half time. The PLUS loan can help bridge the gap between the financial aid that your student receives, and the charges on his/her account.

- You may borrow the total cost of undergraduate education including tuition, room and board, and lab fees, minus any other aid received. This allows for a parent to borrow extra funds for books and living expenses. However, the PLUS loan may not be used to cover balances from a previous academic year.
- To be eligible to borrow a PLUS loan, you must not have adverse credit. If you are denied for the PLUS loan, your student will be eligible for an additional unsubsidized Stafford Loan.
- The interest rate is a fixed 7.9%.
- There is an origination fee of 4% on the PLUS Loan. However, you will be given an automatic rebate of 1.5%, which brings the fee to 2.5%. You must make 12 on-time payments on the loan to maintain the lower origination fee. The origination fee of 2.5% is deducted from your loan amount prior to disbursement. That means that while you borrow \$5000 for the fall term, \$4875 is actually sent to the school.
- There is no penalty for early repayment. Repayment begins 60 days after the final disbursement of the loan is received by North Park, and the repayment term is up to 10 years. However, there are flexible repayment options available. Please contact Direct Loan Servicing for more information, 800-848-0979 or www.dl.ed.gov.
- Completion of the FAFSA is not required (but recommended). The FAFSA can be completed online at www.fafsa.ed.gov. You and your student will need your PIN's to sign the form electronically. Apply for a PIN at www.pin.ed.gov. Remember that the FAFSA is completed in your student's name.
- There must be a PLUS promissory note on file for each student. You may not use the same PLUS promissory note for more than one student.
- The loan funds will be sent electronically to North Park to pay your student's charges. Should s/he have credit on his account (more aid than what s/he is being charged), then a refund check will be issued to the student.
- While this is a loan in your name (the parent), and some families would rather the funds all be in the student's name, this is a very good loan program. It has a low fixed interest rate and comes with flexible repayment options and consumer protection from the federal government. Overall, it is a better loan than a private loan for which your student may apply.

There are two forms required in order to obtain a PLUS Loan:

1. The PLUS Loan Request Form (back side of this information sheet)
2. A PLUS Loan Master Promissory Note (MPN), which is to be completed online at www.dlenote.ed.gov.

A note to the parents of returning students: North Park has decided to join the Direct Loan program, starting in the fall of 2009. This means that rather than individual banks for federal student/parent loans, we will be using the federal government as our lender. The interest rates and fees are lower in the Direct Loan program, and the servicing is more streamlined with the federal government. If you have had a PLUS Loan in the past, you **MUST** complete the two forms referenced above. The PLUS Loan Master Promissory Note (MPN) that you completed with a bank for PLUS Loans in previous academic years (i.e. Citibank, Sallie Mae, etc.) can no longer be used to process new loans. Since North Park is now a Direct Loan school, we **CANNOT** process MPN's from individual banks.

Questions about the PLUS Loan? Contact the Financial Aid Office at financialaid@northpark.edu.

PLUS Loan Request Form

Student Name: _____

Student SSN: _____

Student Date of Birth: _____

Borrower Name: _____

Borrower SSN: _____

Borrower Date of Birth: _____

Borrower Citizenship Status: (circle one) Citizen/National Eligible Noncitizen

If borrower is an eligible noncitizen, please indicate Alien Registration Number: _____

Is the borrower in default on any loan under Federal Title IV Programs? (Circle one) Yes No

Borrower's Relationship to the Student: (circle one) Parent Non-custodial Parent Legal Guardian

Borrower's Permanent Street Address: _____

Borrower's City, State, Zip Code: _____

Borrower's Telephone Number: _____

Borrower's Email Address: _____

2009-2010 Loan Amount Requested (To estimate the balance for the entire year, double the balance listed on the current bill. Make sure the 2.5% origination fee is taken into account as well):

Submission of this form authorizes the initiation of the mandatory credit review required for the Direct 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.seg. 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 Direct PLUS Loan. The information on this form will be used to determine your eligibility for a Direct PLUS Loan.

Borrower Signature, which indicates that the above terms have been accepted, and the information submitted is accurate:

This form can be faxed to 773-279-7997, emailed as an attachment to financialaid@northpark.edu, or mailed to:

North Park University Financial Aid Office
3225 W. Foster Ave, Box 9
Chicago, IL 60625