



## **Eligibility**

### **Student must:**

- Be fully admitted as a degree seeking student at ISU.
- Be enrolled at least half – time when the loan is expected to be disbursed.
- Maintain Satisfactory Academic Progress standards.
- Be either a U.S. Citizen or eligible non-citizen (as defined by federal financial aid regulations).
- Not be in default on an educational loan or owe an overpayment on a federal education grant, or other federal debt, or you have made satisfactory arrangements to repay that debt.

### **Parent Borrower Requirement:**

- Must be a natural or adoptive parent of the student or a step-parent whose income is reported on the student's completed FAFSA application.
- Must not be in default on an educational loan or owe an overpayment on a federal education grant, or other federal debt, or have made satisfactory arrangements to repay that debt.

## **How Much Can You Borrow?**

A parent may borrow the student's cost of attendance minus any financial aid (e.g., grants, scholarships, work-study, federal student loans) the student is already receiving for the school year.

## **What Are The Interest Rates and Fees**

The Interest Rate is fixed at 7.9%.

Loan fee is 4% with front end 1.5% rebate. If parent fails to make 12 consecutive loan payments on time, loan fee will revert to 4%.

## **Repayment Information**

A payment begins 60 days after the loan is fully disbursed. A deferment is available if the student remains enrolled at least half-time, but interest continues to accrue.

## **How to Apply for a Federal Direct Parent PLUS Loan**

### **1. File the 2010-2011 Free Application for Federal Student Aid (FAFSA)**

You can file the FAFSA at [www.fafsa.gov](http://www.fafsa.gov). All requested documents will need to be submitted to the Financial Aid Office.

### **2. Complete the Federal Direct Parent PLUS Loan Application**

The Federal Direct Parent PLUS Loan Request Form must be completed and signed by the parent (borrower) in whose name the loan application will be made. Please mail or fax the form back to the Office of Student Financial Aid.

### **3. Complete the Parent PLUS Master Promissory Note (MPN)**

Complete the on-line Master Promissory Note (MPN) for Parent PLUS Loans at [www.StudentLoans.gov](http://www.StudentLoans.gov).

### **4. Receive Approval/Denial**

You will receive notification directly from the U.S Department of Education on your approval/denial status.

If you are denied a PLUS Loan you have the following options:

- Parent may be approved with an endorser (co-signer).
- Student may apply for an Unsubsidized Direct Loan based on student's eligibility. They will need to submit the Additional Unsubsidized Loan Request Form (Due to PLUS Denial) along with proof of the PLUS denial.

## **Customer Service contact for Federal Direct Lending**

Direct Loan Program Customer Service phone number: (800)-848-0979 or online at [www.StudentLoans.gov](http://www.StudentLoans.gov).