

Parent Direct PLUS Prequalification Form

Please **print** the following information making sure to complete ALL questions legibly:

PARENT INFORMATION (BORROWER) **only one parent may complete this form*

Call: 814-886-6368 for this amount

\$ _____ 
Loan Amount Requested (**REQUIRED**)

Full Name _____

- I am the student's mother/stepmother
- I am the student's father/stepfather
- I am the student's: _____

- Check this box if the above loan request is to cover tuition/fees and room/board (if applicable) ONLY.
- Check this box if the above loan request is to cover Tuition/fees, room/board (if applicable) AND includes extra for books.

Social Security Number _____ Date of Birth _____ Email Address (Required) _____

Full Street Address _____ City _____ State _____ Zip _____

Home Telephone Number _____ Work Telephone Number _____ Cell Phone Number _____

Loan Term

- Fall/Spring
- Fall Only
- Spring Only
- Summer

Citizenship Status

- U.S. Citizen
- Eligible Noncitizen
- Alien ID Number _____

STUDENT INFORMATION

Full Name _____ Social Security Number _____ Date of Birth _____

If you are **denied** due to adverse credit, would you like your student to receive the extra maximum unsubsidized loan?
 Yes No

Check this box only if you previously completed a PLUS Loan Prequalification Form and have decided to increase the amount you initially asked for.

I understand that this is a Parent Direct PLUS Loan prequalification, and that Mount Aloysius College will submit my information to the Department of Education via the Internet. I understand if I have never borrowed a Parent Direct PLUS Loan, I must complete and submit a Parent Direct PLUS Master Promissory Note (MPN) at studentloans.gov.

Signature of Parent (Borrower) _____

Date _____



Office of Financial Aid
7373 Admiral Peary Highway
Cresson, PA 16630
Telephone: (814) 886-6357
Fax: (814) 886-6463
School code: 003302



Mount Aloysius Financial Aid Office highly recommends that you contact the **Business Office** at (814) 886-6368 or (814) 886-6378 to determine the correct amount of Parent Direct PLUS Loan that you'll need. The amount listed on the award letter is only an estimate.



Parent Direct PLUS Loan

MOUNT ALOYSIUS COLLEGE wants to make every effort to insure that your student's education at Mount Aloysius is filled with accomplishment and intellectual growth. We would also like to assist you in making this education affordable. The College recognizes that families often need to look outside their immediate resources in order to help their students take full advantage of the Mount Aloysius experience. Therefore, we would like to recommend the Parent Direct PLUS Loan for Undergraduate Students (Direct PLUS).

Who is Eligible for a Parent Direct PLUS Loan

- Parents of dependent undergraduate students are eligible for the Parent Direct PLUS Loan if they meet the requirements set forth by the Department of Education.

In addition:

- The student must qualify as your dependent.
- Parent and student must be U.S. citizens, national permanent resident aliens or eligible noncitizens of another type.
- The student must be accepted or enrolled (at least half-time) in an undergraduate program leading to a degree, approved certificate or diploma at an eligible college or school.
- The student must maintain satisfactory academic progress.

How the Direct PLUS Program Works

A typical Direct PLUS Loan is disbursed in two installments, usually in September and late January. Typically, parents can expect the first payment to start in March, 60 days after the January disbursement.

The Department of Education offers a forbearance option, which is the temporary suspension of payments due to temporary financial hardship. Forbearance can be granted for no more than 12 months at a time. Therefore, if you wish to extend the forbearance, you must submit a new request each year for a maximum of four academic years. While you are on forbearance, you will receive quarterly interest statements. Paying the interest as it accrues each quarter will save you money over the repayment term of the loan because any accrued interest that you do not pay will be added to the principal

balance at the end of the forbearance period. When the loan enters repayment, interest will be calculated on the higher principal balance if you allow the interest to accrue. Therefore, the total amount you will repay over the life of the loan will increase.

Direct PLUS Pre-Screen

Mount Aloysius has made the process of applying for a Parent Direct PLUS Loan easier. With the Direct PLUS prequalification, parents find out sooner if they qualify for the program. Please note: if you are preapproved, you must submit a Master Promissory Note (MPN) within 180 days of notification. Otherwise, you will be subject to another credit inquiry upon receipt of the Direct PLUS MPN.

How the Process Works at Mount Aloysius College

All the parent needs to do is complete the prequalification form and submit it to Mount Aloysius Office of Financial Aid. We will review the application for accuracy and submit the information to the Department of Education on your behalf. The Department of Education will then review the parent's credit profile to determine if it meets the federal eligibility criteria for the Direct PLUS Loan. This process is done via computer and the decision is given instantly.

Credit check results:

Approved Loan – For New Direct PLUS Borrowers

Upon credit approval Mount Aloysius College Financial Aid Office will notify you to complete your PLUS Loan Master Promissory Note at studentloans.gov.

Approved Loan – For Returning Borrowers

Upon credit approval Mount Aloysius Office of Financial Aid will use the PLUS Loan Master Promissory Note you have on file to process the loan. The amount you listed on the Prequalification Form will be processed.

Denied Loan

If a parent is denied the loan, a Federal Direct Unsubsidized Loan will be added to the student's financial aid award package if the parent indicated on the PLUS Prequalification Form that the student would like to receive the additional unsubsidized portion.

OR

The parent borrower has the opportunity to work with the Department of Education to resolve credit issues or provide an endorser.

How to Apply

Simply complete the Parent Direct PLUS Prequalification Form on the next page and submit it to Mount Aloysius Office of Financial Aid, or fax to 814-886-6463. NOTE: Only one parent should complete the form.

Loan Terms

The Parent Direct PLUS Loan is guaranteed by the federal government. Interest rates are fixed annually beginning July 1st by the Department of Education. Please visit studentloans.gov to view the current interest rate. Eligible parents may borrow an amount equal to the cost of education minus other aid. This includes tuition, fees, room, board, standard allowances for books, transportation, living expenses and the 4.248 percent origination fee before Oct. 1, 2019 and 4.236 after Oct 1, 2019. Thus, the combination of aid received and the Direct PLUS Loan can cover the full cost of attendance at Mount Aloysius. Parents do need to authorize a separate credit check each academic year. The Direct PLUS Loan is typically repaid over a 10 year term.

Direct PLUS Loans vs. Alternative or Private Loans

The Direct PLUS Loan is a government backed, no collateral loan available to parents of dependent undergraduate students. As it is a federal direct loan, there are deferment privileges available. Different repayment options are available to borrowers, and multiple Direct PLUS Loans for one or more students can be consolidated. In addition, the Direct PLUS Loan is federally insured against death and disability for both the parent and the student.

Alternative loans are a type of private loan that many lenders offer to students and parents as a means of financing their education. There are parents who prefer to be a co-borrower on an alternative loan instead of being the primary borrower on the Parent Direct PLUS Loan. A co-borrower is equally liable to repay the loan obligation, and the alternative loan does show on the credit report of both the borrower and the co-borrower. Any delinquencies affect both borrowers' credit reports. Loan terms will vary by lender.