



WPI

Federal Direct PLUS Loan Instructions for Parents of Dependent Undergraduate Students

In order to borrow a Federal Direct PLUS loan, you must be the dependent student's biological or adoptive parent or the stepparent on the FAFSA, if the biological or adoptive parent has remarried at the time of application. The **parent borrower** who is borrowing the PLUS Loan must complete these steps after submitting the student's FAFSA:

- 1. Apply for the Federal Direct Parent PLUS Loan at <https://studentaid.gov/app/launchPLUS.action>**
 - Scroll down to the header "Direct PLUS Loan Application for Select the blue "Log In" icon and provide the requested information to include your FSA ID. Frequently Asked Questions about the FSA ID are answered at <https://fsaid.ed.gov/npas/pub/faq.htm>.
 - Click on "Apply for a PLUS Loan"
 - Select the "Parent PLUS" icon
 - Provide this information: school name, loan information, student information, your (parent) personal information, and your (parent) employer information
- 2. Complete your Federal Direct Parent PLUS Loan Master Promissory Note (MPN) at <https://studentaid.gov/app/launchMpn.action?mpnType=parentPlusMpn>**
 - Select the blue "Log In" icon and provide the requested information to include your FSA ID. Frequently Asked Questions about the FSA ID are answered at <https://fsaid.ed.gov/npas/pub/faq.htm>.
 - Click on "Complete Loan Agreement for a PLUS Loan (MPN)"
 - Select the "Parent PLUS" icon
 - Provide this information: your (parent) personal information, your (parent) employer information, school name, reference information for two people with different U.S. addresses who have known you for at least three years, and student information
 - If you have adverse credit history and are either 1) approved for the PLUS Loan with an endorser (cosigner) or 2) approved for the PLUS Loan based upon documented extenuating circumstances, you will be required to complete "PLUS Credit Counseling" at <https://studentaid.gov/app/counselingInstructions.action?counselingType=plus>.

If you require help with the <https://studentaid.gov> website,
contact Federal Direct Applicant Services at 1-800-557-7394.

ADDITIONAL INFORMATION

PLUS Loan Details

The Direct PLUS Loan Program is a government loan with a fixed interest rate for the academic year with interest accruing immediately. It allows U.S. citizens and eligible noncitizens who are biological or adoptive parents or stepparents in the custodial unit on the FAFSA to borrow funds for the educational expenses of their dependent undergraduate children. Details on interest rates and loan fees for the PLUS Loan are online at <https://studentaid.ed.gov/sa/types/loans/interest-rates>. The loan fee is deducted proportionately from each loan disbursement. At WPI, the Office of Student Aid & Financial Literacy administers this program and works with the U.S. Department of Education to offer this loan. Full details are at <https://studentaid.ed.gov/sa/types/loans/plus>.

PLUS Loan Application

The application for the Federal PLUS Loan assumes that you have already filed a current Free Application for Federal Student Aid (FAFSA) for the student at <https://studentaid.gov/h/apply-for-aid/fafsa>. Parents may borrow a maximum of the cost of education less any other financial aid for the academic year. To qualify for the PLUS Loan, you must not have an adverse credit history. The PLUS application is online at <https://studentaid.gov/app/launchPLUS.action>, and full directions are on page 2 of this letter. Please contact our office for your options if your PLUS Loan request is denied.

PLUS Loan Master Promissory Note (MPN)

All parents who borrow the PLUS Loan are required to complete and sign an electronic PLUS Loan Master Promissory Note (MPN). The MPN is a legal document explaining the terms and conditions of your loan whereby you promise to repay it and any accrued interest and fees to the Department of Education. Be sure to print a copy of the MPN. A parent will only be required to sign the promissory note once for each dependent student, as long as that same parent continues to borrow the PLUS Loan and there is no endorser on the loan.

PLUS Repayment Options

The Department of Education offers some repayment options for borrowers, which can range from interest rate reductions for automated payments to deferment and forbearance. Generally, you will have 10 to 25 years to repay the PLUS Loan. For more information on these features, please visit <https://studentaid.ed.gov/sa/repay-loans/understand/plans>.

Shortly after the PLUS Loan is approved and you have signed the Master Promissory Note, the student's WPI account will reflect the PLUS Loan amount less its loan fee. If you have any questions regarding this information, please do not hesitate to contact the WPI Office of Student Aid & Financial Literacy by emailing finaid@wpi.edu or call us at (508) 831-5469.