



To the Parent(s) of First Year WPI Students,

As part of an earlier mailing, we included links to several private loans on our website at <https://www.wpi.edu/admissions/tuition-aid/types-of-aid/loans-financing> to help you manage the cost of education at WPI. If an education loan will be part of your financing strategy, you are welcome to borrow from the lender of your choice. Borrowers mostly request education loans for a single academic year at a time. Our Bursar's Office will send fall eBills to each student's WPI email address in early July with an early August payment deadline. **If you are interested specifically in the federal Direct PLUS Loan as a financing option, step-by-step instructions are included on page 2 of this letter outlining how a parent would apply for this parent loan online.**

#### **PLUS Loan Details**

The Direct PLUS Loan Program is a government loan with a fixed 7.595% interest rate for the 2018-19 academic year accruing immediately that 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. A loan origination fee of 4.264% 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 2018-19 Free Application for Federal Student Aid (FAFSA) for the student at <https://fafsa.ed.gov/>. 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. When completing the PLUS application at <https://studentloans.gov>, first, you will provide the school and loan information. Second, you will enter your information as the borrower. Third, you will review the details of your entries. Last, you will consent to a credit check and then submit the request. 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 4.264% origination fee. If you have any questions regarding this information, please do not hesitate to contact the WPI Office of Student Aid & Financial Literacy at (508) 831-5469.

## **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 the student's 2018-19 FAFSA has been done:

**1. Apply for the Federal Direct Parent PLUS Loan at <https://studentloans.gov>**

- 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, 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://studentloans.gov>**

- 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://studentloans.gov> .

**If you require help with the [www.studentloans.gov](http://www.studentloans.gov) website,  
contact Federal Direct Applicant Services at 1-800-557-7394.**