



REQUEST FOR FEDERAL DIRECT PLUS LOAN AND CONSENT TO OBTAIN CREDIT REPORT

Please complete all fields or application will be returned to you unprocessed.

I consent to the U.S. Department of Education and its agents obtaining a report of my credit record and using the information from that report to determine whether to make a Direct PLUS Loan to me. I understand that I will be notified of the results of the credit check with respect to my loan application. **INCOMPLETE applications will NOT be processed. Please complete all information below legibly and in ink.

Student Last Name Student First Name MI Student Social Security Number Student Date of Birth

Parent Last Name Parent First Name MI Parent Social Security Number Parent Date of Birth

Parent Street Address City State Zip Code

Parent Home Phone Number Parent Work Number Parent Email

Parent Driver License Number Parent Driver License State

Parent Citizenship Status (complete one):

U.S. Citizen or Permanent Resident/Eligible Non-Citizen (Alien Registration Number) A:

Are you (the parent) incarcerated? Yes No Are you (the parent) in loan default? Yes No

Relationship to student: (check one): Mother Father Stepparent

Amount of PLUS loan requested:

(Maximum amount is the Cost of Attendance less all other aid)

Fall 2020 \$ Spring 2021 \$ Summer 2021 \$ Total Loan Amount \$

In the event that my PLUS loan is denied due to the result of my credit check, I would like to (check one):

- I will seek a co-signer (endorser) if I am denied the PLUS Loan.
If I am denied the PLUS Loan I will not seek a co-signer. Please allow the student to be considered for additional Federal Direct Unsubsidized Loan.
Take no further action.

PLUS loan funds are to be applied to the University charges prior to any student aid. If the PLUS loan is approved and creates a credit balance on the student account AFTER all charges have been paid, I authorize Cumberland University to release the credit balance to (you MUST check one):

Student OR Parent

Signature of Parent Borrower

Today's Date

Please keep a copy of this form for your records and return the original to the Cumberland University Office of Financial Aid along with a copy of your photo ID (Driver's license or military ID).

PLEASE READ IMPORTANT INFORMATION ON THE REVERSE SIDE OF THIS FORM

PRIVACY DISCLOSURE NOTICE

The privacy Act of 1974 (5U.S.C.552a) requires that the following notice be provided to you. The authority for collecting the information requested on this form is §451 et sec. 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. The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called "Title IV Program Files" (originally published on April 12, 1994, Federal Register, Vol. 59 p. 17351) and "National Student Loan Data System" (originally published on December 20, 1994, Federal Register, Vol. 59 p. 65532) Thus, this information may be disclosed to federal and state agencies, private parties such as relatives, present and former employers and creditors, and contractors of the department of Education for purposes of administration of the student financial assistance program, for enforcement purposes, for litigation where such disclosure is compatible with the purposes for which the records were collected, for use by federal, state, local, or foreign agencies in connection with employment matters or the issuance of a license, grant or other benefit, for use in any employee grievance or discipline proceeding in which the Federal Government is a party, for use in connection with audits or other investigations, for research purposes, for purposes of determining whether particular records are required to be disclosed under the Freedom of Information Act, and to a Member of Congress in response to an inquiry from the congressional office made at your written request.

Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) provides that in order to receive any grant, loan, or work assistance under the Title IV of the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so that data may be recorded accurately.

IMPORTANT INFORMATION ABOUT THE PARENT LOAN PROCESS

The Federal Direct Parent Loan for Undergraduate Students (PLUS) is offered by The U.S. Department of Education. When this request for a PLUS Loan and Consent to Obtain a Credit Report is received by the Student Financial Services, the application will be checked for completeness and accuracy and the data entered into our system. Parent and student information is sent to the U.S. Department of Education's Common Origination and Disbursement Center (COD) where a match of all parent information and a credit check are performed to determine if the loan is approved. The interest rate is fixed and is adjusted each year on July 1st. It will never be higher than 10.5%. The interest rate as of July 1, 2019 is **7.08%**.

GENERAL ELIGIBILITY FOR A PLUS LOAN

- The student must be matriculated, enrolled at least half-time and making academic progress for federal aid
- The loan may be in the name of either parent or a stepparent. The parent borrowing the loan must be a U.S. Citizen or eligible non-citizen
- The parent or stepparent may seek an endorser (cosigner) if their credit is denied.
- The student must be a dependent undergraduate and a U.S. Citizen or eligible non-citizen

You may borrow any amount up to the cost of your child's education, minus any other financial aid he or she may receive. A 4.236% loan origination fee (on or after Oct. 1, 2019, and before Oct. 1, 2020 and is subject to change) is deducted from the amount requested prior to disbursing the funds. Example: The parent requests \$2,000; approximately \$1,919 will be credited to the student's account after the origination fee is deducted by the Department of Education.

The Federal Direct PLUS Loan utilizes a Master Promissory Note (MPN). The MPN allows a parent to complete a note that, in most cases, is active for all subsequent PLUS loans for up to 10 years. Although the parent should not have to sign a new note for each new loan, the parent still needs to request the specific dollar amount to be borrowed and must authorize a credit check each academic year. If the parent borrower does not have an active MPN on file, He/she may complete one online at <https://studentaid.gov>. NOTE: The parent completing the PLUS LOAN Request MUST be the same parent that signs and completes the MPN.

DISBURSMENTS

U. S. Department of Education regulations state that federal aid may be disbursed no earlier than 10 days before the start of the academic year for which the aid is awarded. In addition, PLUS loans must be disbursed in at least two disbursements. The second disbursement may not be earlier than half way through the academic year or loan period.

REPAYMENT

You will begin repaying your PLUS loan 60 days after the full amount you have borrowed for a school year has been disbursed. In some circumstances you can postpone repaying the loan. You are responsible for contacting Borrower Services for information. Contact information can be found at <https://studentloans.gov>.

ADDITIONAL INFORMATION

Extensive information about the PLUS loan program is available on the Federal Student Aid web site at <http://studentaid.ed.gov>. On the menu select "Federal Student Aid Programs" then "Plus Loans (Parent Loans)".