



**THE CATHOLIC UNIVERSITY OF AMERICA**  
**Office of Student Financial Assistance**

# **FEDERAL DIRECT LOAN PARENT PLUS INSTRUCTIONS (2011-2012)**

The Catholic University of America participates in the William D. Ford Federal Direct Parent PLUS Loan Program (Direct PLUS). The Direct PLUS Loan program is a non-need based, low-interest loan made to parents (including adoptive or stepparents) of dependent undergraduate students. Parents may borrow an amount up to the cost of attendance less any financial assistance. Please note that each new loan you receive requires a separate payment each month. The interest rate is fixed at 7.9%. Repayment begins 60 days after the full disbursement of the loan, and any changes to the loan must be executed by the University's Office of Student Financial Assistance within 14 days of disbursement of the loan. Parents may also request a deferment of payment until six months after the student leaves school. For more information, please go to <http://studentloans.gov>. Parents must be U.S. citizens or permanent residents to apply for the loan.

## **Steps to Obtain a Federal Direct Parent PLUS Loan at Catholic University**

***Application Process – Please note that this process requires the submission of a FAFSA, two applications and the signing of a Master Promissory Note by the parent. Please see timeline below for more details on what happens after you complete your application.***

1. Complete the Free Application for Federal Student Aid (FAFSA) at <http://www.fafsa.gov>. The student and the parent must both have a federal PIN, which can be obtained at <http://www.pin.ed.gov>.
2. The parent borrower must complete the DOE Direct PLUS Loan application (initiates the credit check) at <http://studentloans.gov>. To complete the application, click on "Request a PLUS Loan". NOTE: If you apply for a subsequent Parent PLUS Loan during the academic year or in a future year you will have to complete another DOE Direct PLUS Loan application.
3. The parent borrower must complete the Parent PLUS Loan Master Promissory Note (MPN) at <http://studentloans.gov>. You will only be required to complete another promissory note for a subsequent application if you applied previously with a co-signer.
4. Once a credit check is approved, the parent borrower must complete the CUA Direct PLUS Loan application. It may be submitted via fax to 202-319-5573 or via mail to: The Catholic University of America, Office of Student Financial Assistance, 6 McMahon Hall, 620 Michigan Avenue, NE, Washington DC 20064.

### **If Your Direct PLUS is Denied by the Department of Education**

Federal regulations require credit checks for the parent applicants. Parents with adverse credit history, those who have accounts more than ninety days delinquent, or have filed bankruptcy in the past may be denied the Direct PLUS. Parent borrowers will be notified if the application is denied, the reason for the denial, and the name of the credit bureau from which the denial was obtained.

Students of parents who are denied the Direct Parent PLUS Loan may be eligible for an additional Federal Direct Unsubsidized Loan. The additional Direct Unsubsidized Loan amount available each year is \$4,000 for first and second year students and \$5,000 for third and fourth year students. Parents must complete the CUA PLUS Loan Denial form and submit it to the Office of Student Financial Assistance for processing. This form is available at: <http://financialaid.cua.edu/forms>.

### **Disbursement Procedure**

After loan approval, the Direct PLUS funds will be available for disbursement, no earlier than 10 days before the start of the term. These funds are normally payable in two disbursements, one-half of the total loan amount for each semester. Funds will be applied toward the student's University billing statement once the student has enrolled in sufficient credit hours. Please note that interest on the loan begins to accrue at the time of disbursement. A financial aid award notice will be available in Cardinal Station indicating the total loan amount of the Direct PLUS awarded. The actual amount disbursed will be the gross amount minus origination fees (2.5%). By federal regulation, unless parents request otherwise, credit balances are refunded to the parent instead of the student. However, you may indicate on the application that you prefer that applicable refunds be sent to the student.

**Please note:** If additional financial assistance or other educational resources are received by the student after the Direct PLUS application is certified, one or both of the loan disbursements may be reduced or cancelled to prevent over-awards. Similarly, if tuition charges are reduced because of a change in enrollment, one or both of the loan disbursements may be adjusted.

**Timeline for Processing the Direct Parent PLUS Loan**

1. Once the University receives the FAFSA, we will determine if the student is eligible for federal, state and or institutional aid. The University may request additional documentation of the family's financial situation. This will be communicated through the student's To Do List in Cardinal Station.
2. Once the student has been awarded, which typically takes 2-4 weeks from the date we receive the last requested document, the student must accept or decline the offered aid in the Cardinal Station. Failure to do so will delay the processing of the Direct Parent PLUS Loan.
3. Once the student has accepted or declined the offered aid in the Cardinal Station, Parent PLUS Loan eligibility is calculated, and the loan is processed. After loan approval, the Direct Parent PLUS funds will be available for disbursement.

**We encourage family's considering the Direct Parent PLUS Loan to complete the entire application process well in advance of the start of the academic year. Late applications are unlikely to be completed before the fall 2011 term bill due date, and families who find themselves applying late should plan to use other means to cover the cost of attendance while their Direct Parent PLUS Loan application is pending.**

**IMPORTANT: Your Federal Direct Parent PLUS Loan will not disburse unless you complete all of the steps and the loan is approved by the U.S. Department of Education.**

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When calculating the amount you wish to borrow, please consider all expected expenses for the entire academic year. *Please Note: Parents seeking to apply for a PLUS loan for the summer must complete an additional institutional application at the beginning of the summer term.* A parent may apply for a PLUS loan up to the student's estimated Cost of Attendance (COA) minus all other financial aid. The COA and the student's total amount of financial aid can be found on the student's award notice.

Student's Cost of Attendance (COA) \_\_\_\_\_

Student total financial aid award \_\_\_\_\_

Maximum you may borrow \_\_\_\_\_ (enter an amount up to this amount on the attached form)

Should you be denied for the Parent PLUS Loan, the student may request to be considered for an additional Unsubsidized Stafford Loan. The student can make this request by completing the Federal Direct Parent Plus Loan Denial Form. Freshman and sophomores may be eligible for a maximum of \$4,000 in additional funds. Junior and seniors may be eligible for a maximum of \$5,000 in additional funds. *Note: If at a later time during the academic year, either of your parents becomes eligible or is approved with a co-signer for a Parent PLUS loan, the additional Unsubsidized Stafford Loan will be cancelled.*



# FEDERAL DIRECT LOAN PARENT PLUS APPLICATION (2011-2012)

**THE CATHOLIC UNIVERSITY OF AMERICA**  
**Office of Student Financial Assistance**

For CUA to process your Parent PLUS Loan application, you must complete 1) the FAFSA (available at <http://www.fafsa.gov>), 2) the Federal Direct PLUS Promissory note, 3) the Federal Direct PLUS Loan application (both are available at <http://studentloans.gov>) and 4) this CUA Direct Parent PLUS Loan application.

ONLY SUBMIT THIS APPLICATION IF YOU HAVE BEEN CREDIT APPROVED  
AND HAVE ALSO COMPLETED A FEDERAL DIRECT PLUS PROMISSORY NOTE

**STUDENT INFORMATION (PLEASE PRINT LEGIBLY)**

Student's Last Name	First Name	MI	Student CUA ID
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**PARENT BORROWERS INFORMATION: ONLY ONE (1) PARENT BORROWER PER LOAN**

Parent Borrower's Last Name	First Name	MI	Parent's Social Security Number
Permanent Street Address			Parent's Date of Birth (MM/DD/YY)
City	State	Zip	Parent's Home Telephone Number
Parent Driver's License Number		State	Parent's e-mail address
Parent's Citizen Status (mark one) <input type="checkbox"/> U.S. Citizen or National <input type="checkbox"/> Eligible Non Citizen Alien Registration Number: A- _____			Once my student's eligible charges have been paid, send any residual Direct Parent PLUS loan proceeds to:  <input type="checkbox"/> Student <input type="checkbox"/> Parent Borrower  <small>*Refund will be sent to parent borrow if no box is checked.</small>

**LOAN INFORMATION (this information will be used to process your PLUS loan at CUA)**

Loan Amount Requested (please note that this amount may be reduced depending on eligibility)	
<input type="checkbox"/> I request the maximum amount (Your application will be processed for the maximum amount if this question is left blank)	
<input type="checkbox"/> I request the following amount \$ _____ .00	
<input type="checkbox"/> I request the following increase of \$ _____ .00 to an existing current year Parent PLUS Loan.	
Loan Period (mark <u>only</u> one)	
<input type="checkbox"/> academic year (default: one half of loan for fall; one half of loan for spring)	<input type="checkbox"/> summer term only
<input type="checkbox"/> fall term only	<input type="checkbox"/> spring term only

My signature indicates that I am and eligible parent (step-parent, adoptive parent) borrower applying for, am eligible to receive, and accept a Federal Direct Parent PLUS Loan in the amount requested above to be used for the student indicated above. I authorize the U.S. Department of Education to investigate my credit record and determine my credit worthiness for this loan. I certify that any funds received from this loan will be used for expenses related to the above named student's attendance at Catholic University, that the above named student is eligible to receive the proceeds of this loan, and that the information provided on this form is complete and accurate to the best of my knowledge. I further certify that neither I nor the student is in default on an education loan nor do we owe a refund on a federal grant.

Signature of Parent Borrower \_\_\_\_\_ Date \_\_\_\_\_

**USE ONE OF THE FOLLOWING METHODS TO RETURN THIS FORM:**

MAIL	FAX	IN-PERSON
The Catholic University of America 6 McMahon Hall 620 Michigan Avenue, NE Washington, DC 20064	202-319-5573	McMahon Hall Room 6