Parent PLUS Loan Guide

If the total amount on your award letter is not enough to cover the amount owed to the Menlo College Student Accounts Office (e.g. for tuition/fees and/or Room and Board), you may want to take out a Parent PLUS Loan.

This loan is available to the parents of dependent students and will require a credit check. Your PLUS loan eligibility is based on the following formula: Budget Total - Total Awards = PLUS eligibility. Use the worksheet below to help you figure out your total PLUS eligibility.

When determining the balance owed to the College, the Student Accounts Office will only deduct PLUS loans that are approved with a completed PLUS Loan Master Promissory Note.

- The 2017-2018 PLUS Loan interest rate will be increasing to 7% for loans first disbursed on or after July 1, 2017.
- The Federal Direct Loan Program will withhold 4.276% as a net origination fee from the amount it releases to the school, so please factor this into the amount as you determine how much you need to borrow.
- The repayment period for all PLUS Loans begins on the date the loan is fully disbursed (applied to your student’s school account), and the first payment is due within 60 days of the final disbursement.
- Parent PLUS Loan borrowers may choose to have repayment deferred (postponed) while the student for whom the parent borrowed is enrolled at least half-time, and for an additional six months after that student is no longer enrolled at least half-time. You must contact the servicer of your loan to request deferment.

Instructions to Apply for a PLUS Loan

- Deciding how much to borrow – A worksheet follows to help you decide on an amount.
- Any time after June 1, 2017, log in to www.studentloans.gov using the parent’s FSA login and PIN. Select “Parent Borrows” and then “Apply for a PLUS Loan”. Once you complete the application, a credit check will be completed.
- If approved, you will need to complete the Parent PLUS Loan Master Promissory Note (MPN) online at www.studentloans.gov.

If a PLUS Loan is Denied

- If the parent is denied the PLUS loan due to credit reasons, based on federal regulations, the school is allowed to offer an additional Unsubsidized Direct Loan to the student of up to $4,000 for freshmen and sophomores or $5,000 for juniors and seniors (per academic year).
- Menlo College will revise the student’s award package and offer the additional Unsubsidized Direct Loan to the student, which the student will need to accept or decline.
- You may also appeal the credit decision or apply with a credit-worthy endorser to continue with the PLUS loan process, and complete a PLUS Credit Counseling.
## PLUS LOAN WORKSHEET

(This sheet is for your records only)

Use this worksheet if you want to receive a loan that meets Tuition and standard Room & Board charges as well as other educational expenses (e.g. books/supplies, and miscellaneous living expenses)

<table>
<thead>
<tr>
<th>Cost of Attendance (COA)</th>
<th>A</th>
<th>First, you will need to know your Cost of Attendance (COA) at Menlo College, which depends on your housing status. For Line A, enter one of the following: $58,018 for Living on Campus $60,494 for Living Off Campus $53,564 for Living with Parent or Relative</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Total Free Aid (grants and scholarships)</td>
</tr>
<tr>
<td></td>
<td>C</td>
<td>Total Student Direct Loans (if student will be taking advantage of these guaranteed loans)</td>
</tr>
<tr>
<td></td>
<td>D</td>
<td>Federal Work-Study</td>
</tr>
<tr>
<td></td>
<td>E</td>
<td>Other Aid (DO NOT INCLUDE PLUS LOANS)</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Aid Subtotal (Add Lines B, C, D, AND E)</td>
</tr>
<tr>
<td></td>
<td>G</td>
<td>LOAN AMOUNT COA less Aid Subtotal (Line A minus Line F) This is the MAXIMUM amount that you can borrow in a PLUS loan.</td>
</tr>
</tbody>
</table>

Remember that you need to allow for the fact that the Federal Direct Loan Program for Parents will withhold 4.276% from the amount it releases to the school.

For your records, note here: $_________ Amount Requested