



## Federal Direct Parent Loan for Undergraduate Students (PLUS)

**2022-2023 School Year: Includes Fall 2022, Spring 2023 and Summer 2023.**

Parent PLUS Request applications for the 2022-2023 school year are currently available on the <https://studentaid.gov> website for the following loan periods:

### Summer 2023 Parent PLUS Requests

- Loan Period: May 2023 – August 2023
- This application is currently available online through **August 4, 2023.**

**2023-2024 School Year: Includes Fall 2023, Spring 2024 and Summer 2024.**

Parent PLUS Request applications for the 2023-2024 school year are currently available on the <https://studentaid.gov> website for the following loan periods:

- Fall/Spring: August 2023 – May 2024
- Fall Only: August 2023 – December 2023

# Middle Tennessee State University

## Federal Direct Parent Loan for Undergraduate Students (PLUS)

Middle Tennessee State University does not automatically award PLUS as part of the financial aid awards packaged. However, parents with good credit histories may borrow funds through the PLUS program to assist with educational expenses of a dependent undergraduate student enrolled at least half-time in eligible coursework for aid.

### Who May Borrow?

- Must be the biological or adoptive parent of the student.
- Step-parents may apply if married to the biological or adoptive parent and the step-parent's income and assets are listed on the FAFSA.

### Eligibility Requirements

- Student must have a [FAFSA](#) completed and on file for the appropriate award year.
- The student must be considered dependent by FAFSA and enrolled at least half-time in courses counted towards the student's degree and be admitted into an eligible degree seeking program.
- Both the student and parent must be a U.S. citizen or an eligible non-citizen.
- Student must be making [satisfactory academic progress](#) per the policies of the university.
- Both the parent and the student cannot be in default on their own federal student loans or owe a refund on any federal grant or loan.
- The parent borrower must have a good credit standing as determined by the U.S. Department of Education loan servicing agency.

### Application Process

- The application for the Parent PLUS Loan can be found online at <https://studentaid.gov>.
- The parent must log in using the parent's FSA ID Username or E-mail Address and Password.
- After logging in, click 'Apply for Aid' and choose "Apply for a Parent PLUS Loan."
- Under the *Direct PLUS Loan Application for Parents* section, click the "Start" button. Continue to follow the prompts to complete the online application. *For assistance, call 1-800-433-3243.*
- If credit is *approved*, first time PLUS Loan borrowers must complete a **PLUS MPN for Parents (Master Promissory Note)** on the same website at <https://studentaid.gov>. Once completed, **please allow 3-5 business days for MTSU to receive notification that you have satisfied this requirement and to update the status on your child's PipelineMT account.**
- Parent borrowers also can complete an '**Annual Student Loan Acknowledgment**' at <https://studentaid.gov>. This tool allows parents to see how much has been borrowed in federal loan funds before taking out additional Parent PLUS Loan funding, preview what your anticipated monthly payments may be, and understand important concepts concerning borrowing. Though not required, parents are encouraged to complete 'The Annual Student Loan Acknowledgment' to be a more informed borrower.
- If credit is *denied* and the credit decision is not appealed or an endorser is not obtained, the dependent student may apply for an additional unsubsidized loan based on grade level and remaining eligibility for aid. Typically, the additional unsubsidized amount is up to \$4,000 for freshman and sophomores annually. Juniors and seniors may be eligible for up to an additional \$5,000 annually.

## **PLUS Counseling Requirement**

Parents who are not initially credit approved for the PLUS Loan, but who qualify by documenting extenuating circumstances or obtaining an endorser, must complete **PLUS Credit Counseling**, in addition to a PLUS MPN for Parents (Master Promissory Note), at <https://studentaid.gov>. PLUS Credit Counseling must be completed before the PLUS Loan can be created and disburse.

## **How Much Can the Parent Borrow?**

Parent borrowers are eligible to borrow up to the student's cost of attendance minus other estimated financial aid. Estimated financial aid includes federal/state grants, scholarships, federal work-study, federal student loans, tuition discounts, or any other aid paid by a third-party.

### **Examples:**

	<b>Student A</b>	<b>Student B</b>	<b>Student C</b>	<b>Student D</b>
Cost of Attendance (COA) for fall/spring	\$22,448	\$22,448	\$22,448	\$22,448
– Estimated Financial Aid (EFA)	<u>\$5,500</u>	<u>\$9,000</u>	<u>\$12,000</u>	<u>\$22,448</u>
= <b>Max. Direct PLUS Loan Eligibility</b>	\$16,948	\$13,448	\$10,448	\$0

<sup>1</sup> Student A received a \$5,500 loan.

<sup>2</sup> Student B received a \$5,500 loan and a \$3,500 State Lottery award.

<sup>3</sup> Student C received a \$5,500 loan, a \$3,000 Pell Grant, and a \$3,500 State Lottery award.

<sup>4</sup> Student D received a \$5,815 Pell Grant, \$5,500 in loans, \$2,000 State Grant, \$5,000 in Lottery awards, \$4,133 work-study.

**\*Note:** Parent borrowers should work closely with the student to view the cost of attendance budget and estimated financial aid awarded through the student's [PipelineMT](#) account. Students may view their online College Financing Plan for their cost of attendance and estimated financial aid awards administered by the Financial Aid Office. The College Financing Plan is available on PipelineMT, under the Financial Aid tab.

## **Interest Rates and Fees**

PLUS Loans have a fixed interest rate for the life of the loan. In addition to interest, the U.S. Department of Education automatically deducts a loan fee from each loan disbursement before the money is credited to the student's account. For current interest rate and fee information, visit the Direct Loan website at <https://studentaid.gov/understand-aid/types/loans/interest-rates> .

## **When Does Repayment Begin?**

Repayment of the Direct Parent PLUS Loan begins approximately 45-60 days after the loan is fully disbursed. Parent borrowers may postpone repayment by requesting a deferment while the dependent student is enrolled at least half-time. During periods of deferment, interest will continue to accrue. During the online application process, the parent borrower will be given the option to select whether or not to defer the loan.

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Questions? Contact the MT One Stop by emailing [MTOneStop@mtsu.edu](mailto:MTOneStop@mtsu.edu), or visiting the MT One Stop on the second floor of the Student Services and Admissions Center (SSAC Room 210).