

Heartland Community College

2011-2012 Federal Parent PLUS Loan Information Sheet

To apply for the PLUS, the parent borrower must complete the PLUS application which is available from the Heartland Community College (HCC) Financial Aid Office. The form can also be downloaded from the Heartland web site at www.heartland.edu/documents/financialAid/forms02/F02plusApplication.pdf.

What is the Federal PLUS Loan?

The Parent Loan for Undergraduate Students (PLUS) is an educational loan that the parent borrows to pay the educational expenses of a child who is a dependent undergraduate student enrolled at least half time.

Who may borrow a Parent PLUS Loan?

To borrow a PLUS loan for a student, the parent must be the natural parent, stepparent whose information is reported on the FAFSA, or adoptive parent of the child for whom you are borrowing.

How much can I borrow in a PLUS loan?

The minimum loan amount at HCC is \$200. The maximum loan amount is based on the student's Cost of Attendance less any other financial aid received. The Cost of Attendance for the enrollment period is determined by the Heartland Financial Aid Office. Cost of attendance figures for full-time students can be found on the Heartland web site at www.heartland.edu/financialAid/affordability.jsp.

What is the loan approval/notification process?

Once the loan application is submitted, the Heartland Financial Aid Office will determine the loan amount for which you are eligible. The loan application will be electronically submitted to the U.S. Department of Education for a credit check. The U.S. Department of Education will send you either an approval or denial notification. Unless you notify the Heartland Financial Aid Office, we will assume that you are accepting the PLUS loan as awarded.

How will the loan be disbursed to my student's account?

The loan will be divided equally between the semesters that the loan covers. If the loan is only for one semester, the loan will be disbursed in two disbursements, one at the beginning of the semester and the other after the midpoint of the semester. Disbursement will be delayed if you have not completed your promissory note.

I have completed the loan application. What's next?

Once you have submitted your completed application to the Financial Aid Office, you must complete your Direct PLUS Master Promissory Note (MPN) online at www.studentloans.gov. The MPN is required for all borrowers. If you do not complete the MPN, the application process is not complete and your PLUS loan will not disburse.

Who receives any credit balance refund from the PLUS loan?

After the loan is applied to your student's Heartland account and all institutional charges have been paid, any credit balance refund will be made according to the refund preference you indicated on your PLUS application (either paid to the student or to the parent borrower). Please make sure you indicate a preference for question #14 on the PLUS application.

Repayment Information

After you have accepted the PLUS loan, a "Disclosure Statement" will be sent to you by the U.S. Department of Education indicating the amount you are borrowing, the loan period and the loan fees for 2011-2012. Repayment of principal and interest begins 60 days after the final loan disbursement for the academic year is made. Interest begins to accrue at the time the first disbursement is made. The interest rate for Parent PLUS loans is 7.9% fixed, plus a 4% origination fee, minus a 1.5% interest rebate.

For more information about interest rates, repayment plan options, and monthly payment estimators, visit the Department of Education web site at www.studentloans.gov.

Can I postpone payments on a PLUS loan?

Yes, if your student is enrolled at least half time at an eligible school, payment can be postponed. You must apply for an In-School Deferment with your PLUS loan servicer.

Questions? Call the financial aid office at 309-268-8020 or send an email to finaid@heartland.edu.