

FEDERAL PARENT PLUS LOAN 2008-2009

The University of Virginia participates in the Federal Family Education Loan Program (FFELP) Loan for Undergraduate Students (PLUS) Program. The Federal PLUS Program is a non-need based, low-interest loan made to parents of dependent undergraduate students. Parents may borrow an amount up to the cost of attendance less any financial assistance. When calculating the amount you wish to borrow, please consider all expected expenses for the entire academic year. It is easier to reduce your loan later, if you overestimate. **Also, please note that each new loan you receive requires a separate payment each month.** The interest rate is fixed at 8.5%, but the lenders may offer a better rate. Repayment begins 60 days after the full disbursement of the loan. Parents or legal guardians must be U.S. citizens or permanent residents to apply for the loan.

Parents are free to choose any lender that participates in the Federal Family Education Loan Program. A preferred lender list for The University of Virginia will be available on our website after May, 2008 for use after July 1, 2008. You may use this list for comparison as you choose the lender that is best for you.

Application Process

1. Parents interested in applying for PLUS Loan funds should complete the UVA PLUS application and return it to: Student Financial Services PO Box 400204 Charlottesville, VA 22904-4204. The application is available on our web page at: <http://www.virginia.edu/financialaid/loans.php>. Upon receipt of this application, Student Financial Services will certify the loan.
2. Parents must have a completed Master Promissory Note (MPN) with your preferred lender. This could be a paper application or an online application.

If Your PLUS is Denied by the Lender

Federal regulations require credit checks for the parent applicants. Parents with adverse credit history, those who have high debt ratios, or have filed bankruptcy in the past may be denied the 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 PLUS may be eligible for an additional Federal Stafford Unsubsidized Loan. The additional Unsubsidized Loan amount available each year is \$4,000 for first and second year students, and \$5,000 for third and fourth year students. Students must complete the Federal Stafford Unsubsidized Loan Application and submit it to Student Financial Services for processing. The application is available on our web page at: <http://www.virginia.edu/financialaid/loans.php>

Disbursement Procedure

After loan approval, the PLUS funds will be available for disbursement. These funds are normally payable in two disbursements, one-half of the total each semester. Funds will be applied toward the student's University billing statement once the student has enrolled in sufficient credit hours. All undergraduates at the University must be enrolled full-time (at least 12 credit hours each semester) to receive these funds.

A financial aid award letter will be sent to you indicating the total loan amount of the PLUS awarded. The actual amount disbursed will be the gross amount minus origination fees and/or guarantor fee where applicable. PLUS proceeds are applied to tuition charges before any other financial assistance. 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 the refund be sent to the student. Due to manual processing requirements, a refund to the parent will take longer than if you elect to send the refund to the student.

Please note: if additional financial assistance or other educational resources are received by the student **after the 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.

**PARENT LOAN FOR UNDERGRADUATE STUDENTS
(PLUS Application)**

***** 2008-2009 ACADEMIC YEAR *****

I. PARENT BORROWER INFORMATION - ONLY ONE (1) PARENT BORROWER PER LOAN: (PLEASE PRINT)

University ID _____
or

Student's Full Name: _____ Social Security # XXX-XX-_____
(LEGAL NAME – PRINT) first middle last (Required, last four digits)

Parent's Name: _____ Parent's Social Security Number: ____/____/_____
(Social Security Number Required)

Parent's Driver's License # (Required): _____

Parent's Permanent Address: _____

Parent's Date of Birth: _____ Home Phone: _____ Email address: _____

Parent's Citizenship Status: ____ U.S. Citizen ____ Permanent Resident (Alien Registration # _____)
____ Fall term only ____ Spring term only ____ Full year

Loan Amount Requested: \$_____ The loan amount received will be minus the 3% origination fee charged by the lender. Would you like the requested amount increased to cover the origination fee? YES NO

Completed FAFSA YES NO

(PLUS loans are always used as the first source to pay tuition, fees, room & board)

Once my student's University bill has been paid, send any residual PLUS loan proceeds to:

Student at his/her local address **Parent Borrower at above address**

STATEMENT OF EDUCATIONAL PURPOSE:

I CERTIFY THAT I WILL USE ANY FEDERAL TITLE IV, HEA FUNDS I RECEIVE DURING THE AWARD YEAR COVERED BY THIS APPLICATION SOLELY FOR EXPENSES RELATED TO ATTENDANCE AT THE UNIVERSITY OF VIRGINIA. I FURTHER CERTIFY THAT I AM NOT IN DEFAULT ON AN EDUCATION LOAN NOR DO I OWE A REFUND ON A FEDERAL GRANT.

Parent Borrower's Signature

Date

LENDER INFORMATION REQUIRED

LENDER _____ **LENDER #** _____ **GUARANTOR #** _____
(Six Digit Number) (Three Digit Number)

To receive your PLUS Loan, **Complete** and **Return** this application to our office. A Master Promissory Note (if required) and further instructions will be sent to you for completion by the lending institution, upon receipt of this form. In most cases you will not need to sign another promissory note for future PLUS Loans.

PLEASE PRINT ALL INFORMATION ON THIS FORM