



Office of Student Financial Aid

2400 University Capitol Centre
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319-335-1450
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financial-aid@uiowa.edu
financialaid.uiowa.edu

2020-2021 Parent PLUS Loan Information

(Please provide this to your parent)

The PLUS Loan is a federal loan available to the parents of dependent undergraduate students. The “parent” in a Federal Direct Parent PLUS Loan references a biological, adoptive parent, or step-parent that was listed on the FAFSA. It features a low fixed interest rate and long-term repayment options. While parents of all income levels are eligible, a credit check is done by Federal Direct Loans after the PLUS Master Promissory Note (MPN) has been completed. PLUS Loans feature the following:

- **Borrowing limits:** Parents may borrow up to the cost of attendance minus any other aid received by the student annually.
- **Fees:** All PLUS Loans are subject to fees that are withheld from the amount received. Fees are deducted from the loan proceeds at the time funds are disbursed.
- **Disbursement:** After the PLUS Loan has been approved, the funds will apply to the student’s U-Bill. Any excess PLUS Loan funds will be refunded to the parent or the student depending on what was selected on the PLUS application.
- Exact terms of the disbursement will be sent by the Federal Direct Loan Servicer to the parent on a disclosure statement.

University of Iowa policy requires that all excess financial aid refunds from the student’s U-bill be electronically deposited to a financial institution account. This policy also covers refunds from PLUS Loans to parents. Parent PLUS Loan borrowers should print and complete a direct deposit authorization from the University Billing website (under *Non-Student Forms* heading):

ubill.fo.uiowa.edu/forms-and-waivers

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Application Process for a PLUS Loan

This application process must be completed **each semester/session (fall, spring, winter, summer)**.

1. PLUS loans must be requested for **each semester/session**.
 - **If parents are divorced or separated** and more than one parent wants to borrow the PLUS, complete a separate form for each parent.
 - **If parents are married**, generally only one parent will borrow the PLUS because if both parents request the PLUS, repayment on both loans will begin at the same time.
2. After submitting the PLUS loan request form, if the parent borrower **has not** previously completed a Master Promissory Note (MPN), the parent borrower should complete one on-line at studentaid.gov. After accessing the site, click on the "Parent" tab.

If the parent borrower **has** previously completed a MPN, in most cases, a new promissory note is not required. Exception: If the parent borrower used an endorser, a new MPN is required for each endorsed loan and should be completed on-line at studentaid.gov.

The MPN serves only as a promissory note. **It does not automatically generate the PLUS Loan for future years.** Parent borrowers must complete a *Request for PLUS (Parent) Loan* form **each semester/session**.

The PLUS MPN is parent-to-student specific and valid for ten years (except for parents who use an endorser). Credit checks will be performed if one has not been performed in the past 180 days.

3. We encourage parents to only borrow the amount of money they need.

PLUS Repayment Information

The PLUS Loan must be repaid to your servicer. Please remember the following:

- The interest rate on PLUS Loans is a fixed rate. Interest rates are provided on our web site at financialaid.uiowa.edu/types/loans/parentplus.
- The minimum monthly payment on a PLUS Loan is \$50 per loan but could be higher depending on the amount you borrow.
- Repayment begins 60 days after the PLUS Loan is fully disbursed.
 - When completing the PLUS Request/Application, parents can request that payment be deferred while the student is enrolled at least half-time and for six months after their student ceases to be enrolled at least half-time.
 - Deferment can also be requested by contacting your PLUS Loan Servicer after the loan funds have disbursed. The borrower will be notified of their loan servicer at the time of disbursement; the OSFA will not be notified of this information. If the borrower is unsure of their servicer, the borrower can log onto www.nslds.ed.gov using their Federal Student Aid ID (FSA ID) to view this information.
 - Interest will be charged while the loan is deferred.

Additional Information

For more details about the PLUS Loan, go to the Department of Education web site at studentaid.gov.



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2020-2021 Academic Year Request for PLUS (Parent) Loan

(This form is not to be completed by graduate/professional students.)

Complete this form **after** receiving the 2020-2021 Financial Aid Offer from the Office of Student Financial Aid (OSFA).

After submitting this request form, if the parent borrower has not previously completed a Master Promissory Note (MPN), the parent borrower must complete one on-line at studentaid.gov. A credit check will be run after the PLUS MPN has been completed.

The parent borrower will receive information from the federal processor confirming their loan request after our office processes this loan request form and if an MPN is on file, or after the parent submits their completed MPN. The parent borrower will not receive further confirmation of this loan from The University of Iowa.

Print clearly using black ink.

Student's Name:	Student's UI ID Number:
<p>Provide parent borrower information for the parent who is borrowing the loan. Only ONE parent may fill out this request. If more than one parent wants to borrow on the student's behalf, each parent must fill out a separate request and repayment on each loan will begin 60 days after the loans have been disbursed. The minimum payment for each loan will be \$50 and each parent will be making a payment on their loan at the same time. If only one parent takes out a loan, there will be only one loan to repay.</p>	
Parent's Social Security Number*	
Parent's Name	
Parent's Address <input type="checkbox"/> Check this box if this is a new address	Street: City: State: Zip:
Parent's Telephone Number	EXT:
Parent's E-mail Address	
Parent's Drivers License Number	
State That Issued Parent's Drivers License	
Parent's Date of Birth	
Parent's Citizenship	<input type="radio"/> United States Citizen <input type="radio"/> Eligible Noncitizen--If eligible noncitizen, Alien Registration Number: <div style="text-align: center;">A</div>

*The U.S. Department of Education requires the use of my social security number because I am applying for federal financial aid. The University of Iowa is committed to ensuring the privacy and confidentiality of student records and will not disclose my social security number without my consent for any purpose except as allowed by law.

<input type="radio"/> This is my first PLUS Loan request for 2020-2021. Indicate the amount you are requesting for each semester. <input type="radio"/> I am requesting an additional PLUS Loan for 2020-2021. Indicate the additional amount you are requesting for each semester.	Fall 2020 \$	Spring 2021 \$
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Parent's Signature: _____ **Date:** _____

Allow one week for mailing time or 48 business hours after faxing before confirming receipt.