



Parent PLUS Loan Frequently Asked Questions

What is a Parent PLUS Loan and why should I apply?

Parent PLUS loans are federal loan funds made available to parents to assist the student with paying for school. An approved PLUS application allows you to assist your child with their educational expenses. *If you are not approved, the student becomes eligible for additional loan funds in his/her name. Freshmen and sophomore students can receive up to \$4000 in an unsubsidized loan. Junior and senior level students may receive up to \$5000 in an unsubsidized loan.*

Can the student take out the PLUS loan?

No. Only biological and step parents are allowed to borrow PLUS funds. Parent PLUS payments will be made in the parent’s name.

How do I apply for the Parent PLUS Loan?

Starting on **May 1, 2018**, the Parent PLUS application can be completed online. Parents will need to log in to the www.studentloans.gov website using **their FSA ID and password** and follow the *Request a Direct PLUS Loan* link. Further instructions can be found online at chowan.edu/faloans. An FSA ID can be created at fsaid.ed.gov.

If I am approved, what do I do next?

Once approved, you are required to complete the Parent PLUS Master Promissory Note online at studentloans.gov. Chowan also requires that PLUS Borrowers sign a new award response accepting the Parent PLUS Loan. **Note: Some PLUS borrowers will be required to complete PLUS Counseling.**

How do I know how much to borrow?

The following represents a breakdown of our total college budget (direct and indirect costs). **This is a standard, full time cost of attendance (COA).** *All costs are estimated and subject to the approval of the Board of Trustees.* **If your intentions are for your Parent PLUS Loan to pay ONLY tuition, and residential fees (if applicable), please call the Business Office at 252-398-1228 to determine the appropriate Parent PLUS Loan amount.**

| Direct Cost Budget Item – Per Semester | Cost Allowance | Indirect Cost Budget Item - Per Semester | Cost Allowance |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Tuition, Fees, Residential Fees (On Campus) | \$17,190 | Books & Supplies | \$500 |
| Tuition & Fees (Commuter) | \$12,490 | Transportation | \$250 |
| ***** | | Other Items | \$382 |
| Direct Cost Items are fees that are billed by the University. These amounts may vary based on your individual room assignment and meal plan choices. The On Campus Costs listed above are based on a traditional double occupancy room and a 19 meal plan. | | Indirect Costs are not actual amounts paid to the University. They are simply estimates of other expenses that may be incurred throughout the academic year. | |
| *The Total Cost of Attendance listed is the maximum amount of aid a student can receive from any source for the academic year.* | | | |
| Total Cost of Attendance \$37444 | | | |

Use the chart below to determine your maximum Parent PLUS Loan amount by subtracting your financial aid offer.

| | | |
|-------------------------------------------------------------------------------------------------------------|---------|-----------------------------------------------------------------------------------------------------|
| Total Cost of Attendance | \$37444 | Origination Fee 4.264% -- You should consider increasing the amount you borrow by that much! |
| Total Financial Aid Offer (Note this may include work study which is NOT applied to the student’s account.) | - | |
| Estimated Maximum Parent PLUS Loan** | | |

When is the money sent to the school?

Funds are disbursed directly to the school once all necessary documents are submitted, the student is enrolled, and their credit hours have been confirmed. **Note: Loans borrowed on a TERM basis will require secondary disbursement halfway through the semester.**

When do I have to repay the loan?

PLUS loan repayment begins ***immediately*** following the final disbursement of the PLUS funds. Parents have between 10-25 years to repay the borrowed PLUS funds. *Deferment is only available through the online PLUS request application.*

I applied for the Parent PLUS Loan but I wasn’t approved. What happens now?

Students whose parents are ineligible for the Parent PLUS Loan will be offered additional unsubsidized loan funds in his/her name. **If a previously ineligible parent becomes eligible through appeal or by adding an endorser, the student cannot receive the additional unsubsidized loan funds.**

I want to borrow the Parent PLUS Loan but I wasn’t approved. What happens now?

Parents may appeal the credit decision through the studentloans.gov website or by contacting the Department of Education at (800)557-7394. Parents may also choose to add an endorser (co-signer) to potentially obtain approval for the Parent PLUS loan.