

## 2024 – 2025 Federal Direct Parent PLUS Loan Instructions (Dependent Students Only)

In order to obtain a Federal Direct PLUS loan, the student must first complete the Free Application for Federal Student Aid (FAFSA). Parents may borrow up to the cost of attendance less any other aid received by the student annually. They may also opt to borrow less than the maximum amount for which they are eligible. We recommend parent borrowers apply for the entire academic year if the student will be enrolled in both semesters so they will not need to re-apply.

### Completing the Online Application:

Apply for Federal Direct PLUS loan at [www.studentaid.gov](http://www.studentaid.gov). If you have problems with the online PLUS application process, you can contact Direct Loan Applicant Services at 1-800-557-7394 for assistance.

- Do not submit application before June 1, 2024.
- Credit check is good for 180 days.
- Sign in with your FSA ID and password. Important – The parent borrower must sign-in using their information, FSA ID, and password.
- Click on: “Apply for a PLUS loan”.
- Under Select the loan type click on Direct PLUS Loan Request for Parent Borrowers.

#### **Step 1. School and Loan Information**

- Select Award Year 2024-2025
- Complete Student Information Section
- Select Deferment Option
- Authorize Use of Loan Funds
- Credit Balance Option (Please note that a parent will designate whether the school pays any credit balance to the student or to you.)
- Complete School and Loan Information Section

**Note:** All Federal Direct PLUS loans have a **4.228% loan fee** assessed to them after 10/1/2020 but may change after 10/1/2024. All Federal Direct PLUS Loans have an interest rate of **9.083%**. This loan fee is **deducted proportionately from each disbursement**. In determining the loan amount, you need to borrow, you would need to take the loan fee into consideration. You may also borrow additional funds to cover book expenses. We generally estimate books to cost up to \$2,000 an academic year as long as the cost of attendance budget allows it.

- Select Loan period for Loan:  
8/26/2024 – 5/07/2025 \* Full Academic Year Loan (RECOMMENDED)  
8/26/2024 – 12/17/2024 \* Fall Only Loan  
1/13/2025 – 5/7/2025 \* Spring Only Loan  
8/26/2024 - 8/14/2025 \* Fall - Summer (YEAR ROUND PROGRAMS)

#### **Step 2. Borrower Information**

- Complete all sections for Borrower Information.

#### **Step 3. Review Request**

- Review all information under School and Loan Information and Borrower Information. Click Edit to update any information.

#### **Step 4. Credit Check and Submit**

- Review and check consent for credit check and certification information.

If the PLUS loan is credit approved, it will be added to the student’s financial aid award once Cedar Crest receives the approval and a valid Parent PLUS MPN is on file.

- A Master Promissory Note (MPN) must be completed for all parents approved to borrow a Federal Direct PLUS loan. The Parent PLUS MPN can be completed at [www.studentaid.gov](http://www.studentaid.gov). The Parent PLUS MPN needs to be completed if you have never signed a Direct PLUS Loan MPN, if you signed an MPN more than one year ago but no loan was disbursed, you signed an MPN more than 10 years ago or you obtained an endorser due to adverse credit history. Parent borrowers must complete and sign a separate MPN for each student for whom they are borrowing.

If the PLUS loan is credit denied, you may choose to proceed by selecting one of the following credit actions. The PLUS Loan will then be processed based on the chosen credit action.

- Obtain an endorser. An endorser is someone who does not have an adverse credit history and agrees to repay the loan if the borrower becomes delinquent in making payments or defaults on the loan. Please contact SFS if you plan to apply with an endorser. Provide documentations of extenuating circumstances to appeal the credit decision to applicant services for further instructions please call 1-800-557-7394.
- Beginning March 29, 2015, any parent who is denied for the PLUS loan but approved on appeal or with an endorser must complete Entrance Counseling before the loan can be processed by Cedar Crest. Entrance Counseling is available by logging into [www.studentloans.gov](http://www.studentloans.gov) with your FSA ID and password and clicking the “Complete PLUS Credit Counseling” option, select parent of an eligible dependent undergraduate student.
- Will not pursue Direct PLUS Loan. If you choose not to pursue, the student may be eligible to receive additional unsubsidized loan funds.
- Undecided. If undecided is chosen, the student will be packaged with additional unsubsidized loan.

**Once the PLUS Application is submitted, an electronic confirmation will be transmitted to Student Financial Services. Please be aware that it may take 24 – 48 hours for Cedar Crest to receive your submitted application.**