

GUIDE TO PLUS

(PARENT LOANS FOR UNDERGRADUATE STUDENTS)



Who Is Eligible?

PLUS loans are available to natural or adoptive parents, stepparents or legal guardians of dependent students. Parents/legal guardians must be U.S. citizens or eligible residents. UCLA requires the Free Application for Federal Student Aid (FAFSA) to be completed and processed before PLUS loan eligibility can be determined.

How Much Can I Borrow?

Parents may borrow up to the full cost of their dependent's college education, less any other aid received by the student during the academic year.

Interest and Other Costs

The variable interest rate (91 day T-Bill + 3.1%) for PLUS is calculated annually and is capped at 9% for the life of the loan. A guarantee fee* of up to 1% is paid to the agency that insures the loan. An origination fee of 3% is charged by the federal government. Both fees are deducted from the loan proceeds prior to disbursement by the lender.

Advantages and Benefits of PLUS Loans

- Interest rate on the loan will never go higher than 9%.
- In cases of economic hardship, payments may be deferred for up to three years.
- In the event of death of the borrower or student, or permanent disability of the borrower, the loan will be forgiven in full.
- PLUS loans may be repaid in full or in part at any time without prepayment penalty. To keep payments affordable, PLUS loans may be consolidated into one account without any additional origination or guarantee fees.

* Currently, EdFund has reduced their guarantee fee to 0%. The guarantee fee is subject to change without notice.

Credit Requirements

Federal standards of creditworthiness are substantially more flexible than required under non-federally guaranteed programs. If you do not meet the federal credit requirements, you may still receive a loan if you obtain an endorser (cosigner) who does meet the minimum requirements.

Maintaining Eligibility

The student must be enrolled in a minimum of six units per quarter. If at least half-time enrollment is not maintained, or if the student withdraws from a quarter, the parent may be required to repay all or part of the PLUS loan.

Repayment

Repayment typically begins within 60 days after the last disbursement of the loan. The standard repayment term is 10 years. If necessary the repayment of PLUS principal and, with some lenders, interest can be deferred.

- **Sallie Mae's Select Step® Accounts** – When you borrow a PLUS with any of the lenders listed on page 3 of this guide you can request to make interest only payments for 2 or up to 4 years, followed by standard principal and interest payments for the remaining term. Sallie Mae will send additional information about this benefit to the borrower at repayment.
- **Chase PLUS** – When you borrow a PLUS with Chase Manhattan you can defer principal and interest payments for up to 5 years, followed by standard payments for the remaining term of the loan. The “no payment” option must be requested annually any time after the loan is fully disbursed by calling Sallie Mae.

Disbursements

All PLUS funds will be disbursed equally among the quarters of enrollment at UCLA. The student must be enrolled in a minimum of 6 units for the quarter in order for PLUS to be disbursed.

APPLICATION PROCESS

Loan application process is handled by Sallie Mae for all UCLA's preferred lenders.

New—Beginning in December of 2003, UCLA began using a PLUS Master Promissory Note (MPN). Once an MPN has been completed, additional PLUS funds can be requested by calling Sallie Mae, without the parent having to complete additional promissory note paperwork. An MPN is valid for 10 years from the date of completion as long as the parent continues to borrow from the same lender.

Applying for PLUS

1. Application The parent can apply for a PLUS loan:

- **Via the Web at <http://opennet.salliemae.com>**
UCLA strongly recommends that the borrower apply for PLUS funding via the web, in order to expedite the process. Borrowers can request and receive approval for the loan, complete the application and sign their Master Promissory Note (first time borrowers only) electronically via the OpenNet web site.
- **Via Phone at 888-272-5543**
The borrower can request a PLUS over the phone. If approved, first time borrowers can sign their Master Promissory Note on the web (opennet.salliemae.com) or request that promissory note is mailed to them by Sallie Mae. Once completed, the promissory note must be returned to Sallie Mae.

2. School Certification Once Sallie Mae approves the PLUS request and they are in possession of the Master Promissory Note, Sallie Mae will request certification of PLUS eligibility from UCLA. Once PLUS eligibility is certified by UCLA, disbursements will be made (refer to the "Disbursements" section of this guide.).

PLUS SuccessSM

If Sallie Mae is unable to pre-approve your PLUS loan, your application will be automatically evaluated to determine if the credit issues resulting in your denial can be resolved. Sallie Mae may ask you to submit additional information in order to get your PLUS loan approved. If you select to go through this process and are approved, a PLUS promissory note will be mailed to you. Complete the promissory note and return it to Sallie Mae.

If your loan is not approved, Sallie Mae will notify UCLA. The Financial Aid Office will determine if you qualify for any other types of aid (usually an Unsubsidized Stafford Loan), and will mail you a new offer letter reflecting new eligibility.

CHELA Financial and All Student Loan Corp. do not participate in PLUS Success.

Access to Your Loan Information

Go to <http://opennet.salliemae.com> to:

- Obtain PLUS pre-approval and sign your promissory notes electronically.
- Get real-time information on the status of your loans.
- Print out duplicate promissory notes.
- Update your information with the lender.

You have the right to request a cancellation or a reduction of your PLUS loan provided you submit written notification to the Financial Aid Office. You will be mailed additional information regarding all applicable deadlines.

UCLA'S PREFERRED LENDERS

Below is a list of lenders participating in UCLA's electronic process for the delivery of Federal Family Education Loans. Sallie Mae will be your primary point of contact throughout the life of your loan.

<ul style="list-style-type: none"> ■ Chase Manhattan Bank ■ Bank of America 	<ul style="list-style-type: none"> ■ Nellie Mae ■ Wells Fargo Bank 	<ul style="list-style-type: none"> ■ Bank One
<ul style="list-style-type: none"> ■ University Credit Union ■ College Credit 	<ul style="list-style-type: none"> ■ ALL Student Loan Corp ■ ASAP/Union Bank ■ SunTrust Bank Education Loans 	<ul style="list-style-type: none"> ■ CHELA Financial ■ First Union Bank/EDUCAID

You may contact Sallie Mae by: **MAIL** Sallie Mae Loan Servicing Center
P.O. Box 59012
Panama City, FL 32412-9012

PHONE 888-272-5543
FAX 800-848-1949

You can access your loan information, complete and e-sign promissory notes and get additional information at <http://opennet.salliemae.com>

CHOOSING A LENDER—LOOK FOR WAYS TO SAVE*

Before you select a lender for your PLUS loan, please take a look at the different repayment incentives that are offered by UCLA's preferred lenders.

Nellie Mae Bank One Chase Manhattan Wells Fargo Bank of America University Credit Union College Credit ASAP/Union Bank Sun Trust Education Loans	These lenders work with Sallie Mae to offer you the Sallie Mae Direct Repay benefit, if you authorize automatic debit from your bank account to Sallie Mae for your monthly education loan payments. With Direct Repay , borrowers will receive 0.25% interest rate reduction on their loans as long as they make on-time payments through automatic debit. For additional details, contact Sallie Mae at 888-272-5543 or www.salliemae.com
CHELA Education Financing	CHELA will rebate the 3% origination fee back to the borrower in the form of payment to principal after the loan is fully disbursed. This lender offers an interest reduction at repayment that is 0.75% lower than what other lenders charge. Interest rate ceiling with this benefit is 8.25% (compared to 9% without this benefit). Additional 0.25% discount will be offered when you authorize automatic debit to cover payments. To qualify, PLUS borrowers must have a minimum principal balance of \$7,500. The benefit is lost if the account becomes 30 days past due. For additional details, contact CHELA at 800-347-4352 or log on to www.loans4students.com .
ALL Student Loan Corp.	0.50% interest rate reduction immediately upon repayment and another 1.00% for authorizing automatic debit for the loan payments. To qualify, PLUS borrowers must have a minimum principal balance of \$5000. The benefit is lost if the account becomes 15 days past due or in the unlikely event that the loan is sold. For additional details, contact ALL Student Loan Corp. at 888-271-9721.
First Union Bank/EDUCAID	Triple Payback – Borrowers receive 1% rebate at repayment, another 1% rebate after first 12 on time payments and additional 1.5% rebate after the first 24 on time payments. Rebates can be automatically applied to the outstanding loan balances and are based on the original principal balance of the loan. Borrower must sign up for automatic debit of loan payments in order to qualify.

* Benefits described above are available for loans distributed after July 1, 2004.

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Sallie Mae reserves the right to modify, continue or discontinue borrower benefit programs at any time without notice. Terms and conditions apply. Please call 1-888-2SALLIE. Sallie Mae, Great Rewards®, Sallie Mae Cash Back, and Laureate are registered services marks and Nobody lends you more support, Direct Repay, and Manage Your Loans are service marks of Sallie Mae, Inc. SLM Corporation and its subsidiaries, other than the Student Loan Marketing Association, are not sponsored by or agencies of the United States. Sallie Mae, Inc. is a wholly owned subsidiary of the SLM Corporation. Copyright © Sallie Mae. All rights reserved 4/2003