

2009-2010 UCLA Parent PLUS Loan Guide



This guide will provide the borrower (parent) with information for Federal Parent PLUS Loan. UCLA works with private lender partners to deliver federal loans under the Federal Family Education Loan Program (FFELP). For 2009-2010, UCLA will not participate in the Direct Lending Program (DLP), which offers federal loans through the Department of Education. Your electronic Financial Aid Notification (eFAN) will let you know the amount of PLUS Loan that you are eligible to borrow.

Before you decide to accept a federal PLUS Loan, please read this guide.

Parent PLUS Fact Sheet

Program Description	PLUS Loans are available to natural or adoptive parents, stepparents and legal guardians of dependent undergraduate students who are enrolled at least half time (6 units). Parents may borrow up to the full cost of student's education for the academic year less any other aid received by the student for that year.
Eligibility	The borrower must be a U.S. citizen or a permanent resident in order to qualify. A credit check is required before the lender can determine borrower's eligibility for PLUS. If the federal credit requirements are not met, the borrower may still be able to receive a PLUS loan by applying with an endorser (co-signer). If denied, please contact the lender for instructions on providing an endorser. Free Application for Federal Student Aid (FAFSA) must be completed annually.
Interest Rate	8.50% fixed. Interest starts accruing at disbursement.
Fees*	3% Origination fee charged by US Dept. of Education. Up to 1.0% loan default fee charged by the guarantor.
Repayment	PLUS will enter repayment 60 days after the loan is fully disbursed. Borrower can contact the lender to request deferment of payments while the student is enrolled at least half-time and for 6 months after the student graduates or drops below half time enrollment. Standard repayment period of 10 can be extended. Please contact your lender to discuss different payment plan options.

In order for loan funds to be disbursed by the lender, federal loans must be certified before last day of the enrollment period, for which the loan is offered.

If you are planning to accept a PLUS loan, please apply with the lender at least 10 business days before the end of the term, in which the student is enrolled.

* Loan fees are deducted from each disbursement prior to the disbursement of funds by the lender.

PLUS Credit Requirements

Because PLUS is a federally guaranteed loan, the credit requirements used by the lenders to approve eligibility are much less stringent than those for a line of credit or a consumer loan. Credit requirements used for PLUS are:

- No delinquencies of 90 days or more on repayment of any debt.
- No debts discharged in bankruptcy during the past 5 years.
- No evidence of default, foreclosure, tax lien, repossession, wage garnishment or write-off of Title IV financial aid debt during the past 5 years.

If your PLUS application is denied for credit reasons, you may be approved, if you apply with an endorser. Please contact your lender for instructions on how to apply with an endorser.

If Parent PLUS is denied, federal regulations allow the Financial Aid Office to award additional Unsubsidized Stafford Loan to a dependent student. If parent PLUS is denied, the lender will notify UCLA Financial Aid Office. The FAO will offer additional student loan and issue a new eFAN within 5-10 business days of receiving the denial notification.

Applying for a PLUS Loan

Review the eFAN – Review your electronic Financial Aid Notification (eFAN) to determine the maximum PLUS amount that your parent can borrow for the academic year. If you do not need to borrow all of the loans offered to you, borrow maximum Stafford for which you are eligible before applying for a PLUS Loan.

Select a Lender and Contact the Lender to Apply – Ask that your parent review the [Parent PLUS Lender List](#) (link is also included on your eFAN) in order to select a PLUS lender. The lenders on the lender list are set up for electronic certification and disbursement process at UCLA. **Once the borrower selects the lender, they will need to contact that lender and apply for the PLUS Loan.** Lenders' contact information and application links are available on the PLUS Lender List. Your parent does not have to borrow from one of the electronic lenders on UCLA's lender list.

Complete a Master Promissory Note (MPN) – New PLUS borrowers and those who decide to borrow through a different lender than in the past must complete a Master Promissory Note with the lender. Please refer to UCLA's [Parent PLUS Lender List](#) for our lender's links. (The links are also provided on the eFAN 'Thank You' page). If your parent selects a lender not on UCLA's Lender List, please have them contact the lender directly for instructions on how to complete an MPN. Once completed, the MPN is valid for 10 years so continuing lenders do not have to complete one each year.

Loan Certification – Once the loan is approved and the lender is in possession of the borrower's MPN, the lender will contact UCLA to request PLUS certification. The Financial Aid Office will certify your eligibility for PLUS and notify the lender. The request and certification will be done electronically (3-5 business days) for lenders on UCLA's PLUS Lender List and via paper process (5-15 business days) for lenders with which we do not work electronically.



You have the right to request a cancellation or a reduction of your loan provided that you submit a written request to the Financial Aid Office.



Loan Disbursements

The total PLUS loan requested by the borrower will be disbursed equally among the terms of your enrollment at UCLA.

If the borrower applies with one of UCLA's electronic lenders and authorizes electronic disbursements, PLUS will be disbursed to UCLA electronically and applied to student's BAR account to cover any outstanding charges (i.e. fees). Any funds left after BAR charges are paid, will be refunded to the student.

If the borrower chooses a non-electronic lender or does not authorize electronic disbursement of funds, paper checks will be mailed to Student Loan Office at the beginning of each quarter. The checks will then be mailed to the borrower once student's enrollment is verified. Funds disbursed via a paper check will not be applied to BAR to cover outstanding charges.

The student must be enrolled at least half time (6 units) in order for parent PLUS loan to be disbursed at the beginning of each quarter. If the student drops below half time enrollment or withdraw from school, you will be billed for all or part of the loan(s) disbursed to you for that term.

If your loans are not disbursed because of non-enrollment, insufficient units or holds on your account, Student Loan Office will return all loan funds within 10 business days of receiving them from the lender, in order to stay in compliance with federal regulations. If your loans are returned to the lender, the Financial Aid Office can request reissue of your disbursements *per request from the borrower*. The reissue process will take 2-3 weeks.

Selecting a Lender

In order to facilitate the application process for our borrowers and to allow for electronic disbursement of funds, UCLA has set up electronic processes with various partners listed on our Lender List.

You can access UCLA's Lender List at <http://www.fao.ucla.edu/publications.html>. In addition to viewing the benefits offered by each of the lenders, please refer to the list for the loan fee information, contact information for your lender and information on who will service your loan. It is very important that you know not only which lender will originate and disburse your loan but also who will be your point of contact while your loan is serviced after it is fully disbursed and during repayment.

Listing of the lenders on the lender list is does not constitute the guarantee of benefits offered as the benefits are subject to change without notice, at lender's discretion. To verify benefits being offered, please contact your lender directly. You do not need to borrow from one of the lenders listed on UCLA's Lender List. If you prefer to borrow from a lender with which we do not work electronically, please contact them directly to obtain benefits information and application instructions.

If you have additional questions about the Stafford Loan, please contact the Financial Aid Office at 310-206-0400 or finaid@saonet.ucla.edu

If you have questions about the availability of disbursements issued via a paper check, contact Student Loan Office at 310-825-9864

