

2010-2011 UCLA Direct Parent PLUS Loan Guide



This guide will provide you (the parent) with information regarding the Direct Parent PLUS Loan. Effective July 1, 2010 changes in legislation will eliminate the Federal Family Education Loan Program (FFELP), in which UCLA currently participates in order to deliver Federal Subsidized, Unsubsidized Stafford and PLUS Loans. For 2010-11, UCLA will switch to William D. Ford Federal Direct Loan program. Under this program, we will work with the Department of Education instead of individual lenders to deliver loan funds to UCLA borrowers. Your students' electronic Financial Aid Notification (eFAN) will let you know the amount of Direct PLUS Loan that you are eligible to borrow.

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 Department of Education (DOE) can approve your PLUS application. If you do not meet the federal credit requirements, you may still be able to receive a PLUS loan applying with an endorser (co-signer). If denied, DOE will provide you with instructions on providing an endorser. Free Application for Federal Student Aid (FAFSA) must be completed annually.
Interest Rate	7.90% fixed. Interest starts accruing at disbursement.
Fees*	4% origination fee charged by US Dept. of Education. 1.5% interest rebate is applied automatically but lost if the borrower does not make 12 consecutive on time payments at repayment.
Repayment	PLUS will enter repayment 30 days after the loan is fully disbursed. Borrower can contact DOE 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 go to www.StudentLoans.gov for information on different repayment plan options available.

In order for loan funds to be disbursed, federal loans must be originated by the school before last day of the enrollment period. If you are accepting a PLUS loan, please submit complete your application at www.StudentLoans.gov no less than 10 business days before the end of the term, in which the student is enrolled.

* Origination fees are deducted from and rebates applied to each disbursement prior to the disbursement of funds to the borrower.

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 a formal appeal process is available and/or you may be approved if you apply with an endorser. You will be sent endorser application information by the DOE, if your PLUS application is denied.

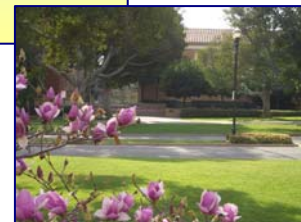
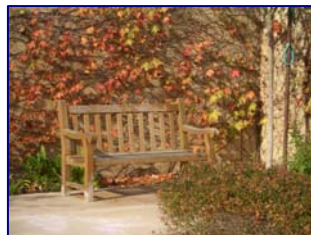
If Parent PLUS is denied, federal regulations allow the Financial Aid Office to award additional Direct Unsubsidized Loan to a dependent student. If Parent PLUS is denied, DOE will notify UCLA Financial Aid Office. The FAO will offer additional student loan and issue a new eFAN within 5-10 business days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

Steps to Apply for a PLUS Loan

- 1. 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. We recommend that the student borrow the maximum Subsidized and/or Unsubsidized Loan offered on the eFAN before you apply for a PLUS Loan.
- 2. Request PLUS Loan** – Apply for Parent PLUS Loan and authorize a credit check by clicking on the “Request PLUS Loan” link at www.StudentLoans.gov. We recommend that you authorize refund to the student when you complete your application. Please see ‘Loan Disbursements’ section of this guide for additional disbursement information.
- 3. Complete a Master Promissory Note (MPN)** – If your parent PLUS application is approved you will be instructed to complete a Direct PLUS Master Promissory Note. Direct Loan program requires a different Master Promissory Note than the Federal Family Education Loan Program (FFELP), in which UCLA participated prior to 10-11. If you are a new borrower or if you are a continuing borrower who has borrowed Parent PLUS Loans in the FFELP program, you must complete a Direct PLUS Loan MPN at www.StudentLoans.gov. Once completed, the DL MPN is valid for 10 years so continuing borrowers do not have to complete one each year.
- 4. Loan Origination** – Once the PLUS loan request is approved and MPN is completed, DOE will contact UCLA to request that we originate your parent PLUS Loan. The Financial Aid Office will send the origination record verifying your eligibility electronically, within 3-5 business days of receiving the request.



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 within 30 days of disbursement.



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 authorizes refund to the student on the PLUS application PLUS will be applied to your student's BAR account and it will cover any outstanding charges (i.e. fees). Any funds left after charges are paid will be refunded to the student.

If the borrower chooses to receive the refund directly (by requesting refund to the borrower on the PLUS application), UCLA's Student Loan Office will generate paper checks and mail them to the borrower at the beginning of each quarter once the student's enrollment status is verified. Funds disbursed via a paper check will not be applied to BAR to cover outstanding charges and the checks may not be received prior to the fee deadline. Families must pay fees prior to the Registrar's deadline to avoid late payment 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 withdraws from school, the student will be billed for all or part of the loan(s) disbursed for that term.

When applying for parent PLUS, the borrower can request that PLUS refunds be released to the borrower and not to the student.

If refund to the borrower is requested, UCLA's Student Loan Office will generate paper checks and mail them to the borrower. Those funds will not be applied to student's Billing & Receivable Account to cover fees automatically at the beginning of each quarter.

Additional Resources

Federal Student Aid Processor – to find more information about Direct Loans, complete your DL Master Promissory Note, endorse PLUS Loan or find information about managing your loan repayment go to www.StudentLoans.gov

Financial Aid Office – to find more information about your loan eligibility, the status of your application and disbursements, go to www.fao.ucla.edu, e-mail us at finaid@saonet.ucla.edu or call our office at 310-206-0400.

Student Loan Office – to find more information about the status of your refund check (if refund to the student was not authorized on the PLUS application), contact Student Loan Office at 310-825-9864.

Student Financial Services – to sign up for Bruin Direct (electronic deposit of your financial aid refund to your bank account) or to check on the status of your refund, go to www.sfs.finance.ucla.edu or call 310-825-9194.

