



## 2013-2014 Federal Direct Parent Loan Form

Parent ID# \_\_\_\_\_ Student ID# \_\_\_\_\_

Parent Borrower Name (please print) \_\_\_\_\_

Daytime Phone Number \_\_\_\_\_

Email Address \_\_\_\_\_

### Things to consider before borrowing

- Make a budget and **ONLY** borrow what you need
- Keep track of how much you borrow and what your payments might be when you begin repayment.
- You can cancel all or part of your loan before it is disbursed or after it's disbursed within a specific time frame. This may help keep your parent loan debt down.
- The Master Promissory Note (MPN) is a binding legal agreement that you sign promising to pay back the loan(s).
- **PLUS** loans have a 7.9% fixed interest rate.
- **PLUS** loans have a 4% origination fee that is deducted from each disbursement.
- Your child's grades and he/she dropping classes affect your eligibility for a **PLUS** loan.
- Parents are responsible for repayment of the loan. A **PLUS** loan cannot be transferred to the child.
- Unpaid loans will cause loans to default.
- **PLUS** loans enter repayment when the loan is fully disbursed. Contact your servicer for a deferment if 1.) your child is enrolled at least half time and 2.) for an additional six months after your child ceases to be enrolled half time.
- Deferred **PLUS** loans accrue interest. You may pay the accrued interest or allow the interest to capitalize when the deferment period ends.

- **Consequences of default**
  - **Loss of federal financial aid eligibility**
  - **Negative impact on your credit report**
  - **Withholding of federal income tax refunds**
  - **Inability to renew professional license (e.g. lawyer, nurse, doctor)**
  - **Wage withholdings**
  - **May be sued**
  - **Collection fees and attorney's fees assessed**
  - **Enforcement of delinquent debt collection procedures**
- **Know who you owe and how much you owe [www.nslids.ed.gov](http://www.nslids.ed.gov)**
- **Budgeting, borrowing, and repayment help [www.tgslc.org](http://www.tgslc.org)**

I have reviewed the 2013-2014 award letter. I would like to (**check one**):

\_\_\_\_\_ **accept** my loans as they appear on my child's award letter.

**Or**

\_\_\_\_\_ **reduce** the loan amounts as listed on my child's award letter to the following:

	Fall 2013	Spring 2014	Summer 2014
Direct PLUS	\$ _____	\$ _____	\$ _____

*\*\*\*A reduction in your PLUS Loan will result in disbursements being split equally among semesters. Additionally, for a PLUS Loan made for only one semester, disbursements must be split into two disbursements during the semester.*

**By signing below, I understand that all the following apply: (check boxes as you read).**

- I understand that I am NOT required to borrow the maximum amount listed on the award letter.
- At any time I can reduce or cancel my loan by submitting a written notice to the Financial Aid Office before funds are applied to my child's account.
- I understand my loan proceeds will be credited to my child's account and applied towards items such as tuition, fees, books, room and board.
- I understand this is a loan that must be repaid in full.

**Parent Signature** \_\_\_\_\_ **Date** \_\_\_\_\_