Federal Direct Parent PLUS Loans
FREQUENTLY ASKED QUESTIONS

How will I know if I am eligible?
After the attached form is processed, you will be notified by Bethany Lutheran College of your loan eligibility. Generally, you are eligible if:
- you filed the Free Application for Federal Student Aid (FAFSA) for this academic year
- you do not have an adverse credit history (a credit review will be completed)
- you are not in default on a federal student loan (including Federal Direct PLUS loan)
- you meet the other eligibility requirements outlined on your loan application

What is a Master Promissory Note (MPN)?
A promissory note is a binding legal document that lists the conditions of your loan and the terms of repayment. Instead of completing a promissory note every year, a Master Promissory Note (MPN) is a multi-year promissory note that only has to be completed once while your student is attending Bethany Lutheran College. The MPN will simplify the processing of your loan(s).

Who should complete/sign an MPN?
The parent or stepparent who completes the MPN must be the same person listed as the parent borrower on the PLUS Application Credit Authorization Form submitted to the Financial Aid Office.

How do I sign my MPN?
If you do not have a valid MPN on file, you may electronically complete an MPN at https://dlenote.ed.gov by accessing the link to complete new MPN for Parent PLUS Loans. You will need a federal PIN to complete the MPN; this may be obtained online at www.pin.ed.gov.

In addition to the MPN, what else is required?
A signed and completed Federal Direct PLUS Loan Application Credit Authorization must be submitted to our office as confirmation that you wish to pursue a loan for this academic year. We will send your information to the U.S. Department of Education for credit approval. Also the Free Application for Federal Student Aid (FAFSA) must be submitted each academic year before a PLUS loan application can be processed.

When will repayment begin?
Payments will begin 60 days after disbursement of the full amount borrowed for an academic year. Interest of 7.9% accrues as soon as the first disbursement is made. There is no grace period for this loan; you begin repaying both principal and interest while your student is in school. You will have from 10 to 30 years to repay depending upon the repayment plan you select. Note: on May 7, 2008, President Bush signed into law the Ensuring Continued Access to Student Loans Act of 2008. Parents will now have the option to defer payments on the PLUS loan.

When will the PLUS loan disburse?
In accordance with federal loan regulations and Bethany Lutheran College’s disbursement schedule, the loan will be applied to your student’s account once all requirements are met. If enrolled in both fall and spring semesters, one-half of the loan will be disbursed at the beginning of the fall semester and the remaining half will be disbursed at the beginning of spring semester. If enrolled in one semester only, the total amount of your loan will be disbursed at the beginning of the semester.

What if additional financial aid is received and I want to reduce or cancel my PLUS loan?
If your student has received additional financial aid and you now wish to reduce or cancel the amount you borrowed with the Federal Direct PLUS loan, it is important that you notify the Financial Aid Office in writing as soon as possible. You may cancel all or a portion of your loan after funds have been credited to your student’s account by notifying us in writing within 30 days after the date of your loan disbursement notice. If the additional financial aid received by your student results in aid that is in excess of your student’s cost of attendance, our office will automatically reduce the appropriate loan fund. These loan funds will be returned to the U.S. Department of Education. The amount returned will appear as a charge on the student’s monthly bill.

What if I want to apply for additional PLUS loan funds?
You may apply for additional PLUS loan funds by completing another PLUS loan Application Credit Authorization form. The total amount of a PLUS loan may not exceed the cost of attendance minus all other financial aid. Please note that your credit history may be reviewed again to determine your eligibility.
What am I consenting to by signing the credit authorization?

Your consent verifies that you have read the privacy act disclosure as follows and give Bethany Lutheran College permission to authorize the Department of Education to review your credit report: The Privacy Act of 1974 (5 U.S.C.552a) requires that the following notice be provided to you. The authority for collecting the information requested on this form is §451 et seq. of the Higher Education Act of 1965, as amended. Your disclosure of this information is voluntary. However, if you do not provide this information, you cannot be considered for a Federal Direct PLUS. The information on this form will be used to determine your eligibility for a Direct PLUS. The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called “Title IV Program Files” (originally published on April 12, 1994, Federal Register, Vol. 59 p. 17351) and “National Student Loan Date System” (originally published on December 20, 1994, Federal Register, Vol. 59 p. 65532). Thus, this information may be disclosed to federal and state agencies, private parties such as relatives, present and former employers and creditors, and contractors of the Department of Education for purposes of administration of the student financial assistance program, for enforcement purposes, for litigation where such disclosure is compatible with the purposes for which the records were collected, for use by the federal, state, local, or foreign agencies in connection with employment matters or the issuance of a license, grant, or other benefit, for use in any employee grievance or discipline proceeding in which the Federal Government is a party, for use in connection with audits or other investigations, for research purposes, for purposes of determining whether particular records are required to be disclosed under the Freedom of Information Act, and to a Member of Congress in response to an inquiry from the congressional office made at your written request. Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 U.S.C. 1091(1)(4) provides that, in order to receive any grant, loan or work assistance under Title IV of the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so that data may be recorded accurately.

What if my credit is denied?

If your credit is denied, you will receive notification from Bethany Lutheran College. You may choose from the following options:

- You may try to have a credit status override completed by the servicer. Please contact the Direct Loan Servicer at 1-800-557-7394 and Equifax (their credit bureau) at 1-800-685-5000.
- You may provide documentation to the Direct Loan Servicer if you have extenuating circumstances. Your request for a PLUS loan will be reviewed again by the servicer.
- You may have a third party endorser co-sign the PLUS loan application with you. In this case, please contact the Direct Loan Servicer at 1-800-557-7394.
- You may choose not to pursue the denied PLUS loan and your student may borrow additional funds for the current Academic year through the Unsubsidized Federal Direct Loan Program. Please contact the Financial Aid Office to Discuss this option.

Financial Aid Office
Bethany Lutheran College
700 Luther Dr
Mankato, MN 56001
Telephone (507) 344-7307, 800-944-3066
Fax (507) 344-7307
If you wish to apply for the Federal Direct PLUS Loan for the 2016-2017 academic year, you must complete all sections of this loan application. This form must be completed each academic year to request a PLUS loan. The Free Application for Federal Student Aid (FAFSA) must be submitted before a PLUS loan application is processed. The information that you supply on this application will be electronically transmitted to the U.S. Department of Education, its servicers and/or agents. Your credit history will be reviewed to determine your eligibility. Use ink and please print. IF YOU LEAVE A SECTION BLANK, THIS FORM CANNOT BE PROCESSED.

**Student Information**

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<thead>
<tr>
<th>Last Name</th>
<th>First Name</th>
<th>Student ID Number (must provide)</th>
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<th>Social Security Number (must provide)</th>
<th>Date of Birth (month/Day/Year)</th>
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List the name of one parent borrower only. In order to apply for a PLUS loan, the borrower must be a natural parent, adoptive parent, or stepparent (if stepparent’s income and assets are considered on the FAFSA) of a dependent student.

**Parent Information**

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<tr>
<th>Last Name</th>
<th>First Name</th>
<th>Social Security Number</th>
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<tr>
<th>Street Address (P.O. Box # alone is not acceptable unless there is no street delivery)</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
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<tr>
<th>Phone Number Home</th>
<th>Phone Number Work</th>
<th>Date of Birth (Month/Day/Year)</th>
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<tr>
<th>Are you a U.S. Citizen?</th>
<th>Yes</th>
<th>No</th>
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<td>If No, list Alien Registration #:</td>
<td>______________</td>
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Driver’s License Number/State

E-mail Address

**Loan Amount Request**

List the amount you wish to borrow for the 2016-2017 academic year: $________________________ (dollar amount required)

If enrolled in both fall and spring semesters, one-half of the loan will be disbursed at the beginning of the fall semester and the remaining half will be disbursed at the beginning of spring semester. If enrolled in one semester only, the total amount of your loan will be disbursed at the beginning of the semester.

**Title IV (Federal) Authorization Information**

If your student’s federal financial aid combined with your PLUS Loan exceeds the cost of tuition, room, board and fees, Bethany Lutheran College should:

- Return the excess funds to me, the parent.
- Return the excess funds to the Federal Direct Loan program.
- Return the excess funds to the student.

**Credit Decision**

You must select one option below even if you think your loan will be approved. If this section is left blank, this application will be returned.

- Should my parent PLUS Loan be denied due to credit reasons, I want to cancel the Parent PLUS Loan. I understand the student may borrow additional Federal Direct Stafford Loan Unsubsidized funds ($4,000 or $5,000). Student must authorize this additional loan amount.

Student Signature ____________________________ Date ______________

- Should my Parent PLUS Loan be denied due to credit reasons, I will complete the required documents that Direct Loans will send me, either to obtain a co-signer OR provide documentation to Direct Loans indicating that my adverse credit has been resolved.

**Authorization for Credit Check/Consent to Obtain Credit Report**

I consent to having the U.S. Department of Education and its agents review my credit report and use the information from that report in determining whether to award a Federal Direct PLUS loan to me. I understand that I will be notified in writing of the results of the credit check. I also attest that I have read and agree to all the information included with this form, including the Privacy Act Disclosure Notice.

Parent Signature ____________________________ Date ______________

After this form is processed you will be notified by Bethany Lutheran College of your Federal Direct PLUS Loan eligibility.

*Please mail, fax or email the completed form to:*

Financial Aid Office, Bethany Lutheran College
700 Luther Dr., Mankato MN 56001
Fax (507) 344-7307 / email: finaid@blc.edu