



2010-2011
Financial Aid Department
570 Golden Eagle Avenue
Quincy, CA 95971
FAX (530) 283-4659
FEDERAL DIRECT PARENT PLUS LOAN
REQUEST/CREDIT CONSENT FORM

Student Information:

Last Name _____ First _____ Middle _____
Student ID _____ Date of Birth ____--____--____

Parent Information:

Last Name _____ First _____ Middle _____
Social Security # ____--____--____ Date of Birth ____--____--____
Permanent Address _____
City _____ State _____ Zip Code _____
Home Phone (____)____--____ Cell Phone (____)____--____
Driver's License Number _____ State _____

Citizenship Status: I am a U.S. Citizen Eligible non-citizen – Alien Registration # _____

Are you currently in default on a federal education loan, or do you owe a repayment on a federal student grant? Yes No

For which semesters would you like to apply for your loan?

Fall & Spring 2010/2011 Fall 2010 Only Spring 2011 Only
(Single semester loans will be disbursed in two parts)

Loan Amount Requested \$ _____ (7.9% interest rate)

**I understand that the parent PLUS loan is disbursed into my student's billing account first. FRC will use these funds to pay enrollment, transit and health fees, individual course fees, course material fees, emergency loans for the current year, and up to \$200 of applicable prior academic year charges. Any remaining credit balance is then refunded to the parent of student as designated below:*

- I hereby authorize Feather River College to prepare a check for any excess funds from my Federal Direct Parent PLUS Loan made payable to the student for whom this loan was granted.
 I request that Feather River College prepares a check for any excess funds from my Federal Direct PLUS Loan made payable to me.

All of the information on this form is true and complete to the best of my knowledge. By signing this document, I consent to the U.S. Department of Education and its agents to perform a credit check and use the information to determine whether I am eligible for the Federal Direct PLUS.

Parent's Signature _____ **Date** _____

COMPLETE BOTH SIDES – INCOMPLETE FORMS WILL BE RETURNED

CREDIT CONSENT

Purpose of Consent Request:

Your child is considered to be a dependent student. In order to determine if the student may borrow additional loan funds, it must first be determined if the parent is eligible to borrow Parent PLUS loan funds. PLUS loan approval decisions are credit based. Please complete the following three sections so that we can process a credit check for a pre-approval decision. This is only a pre-approval process.

Consent to Obtain Credit Report

I consent to the U.S. Department of Education and its agents obtaining a report of my credit record and using the information from that report in determining whether to make a Direct PLUS Loan to me. I understand that I will be notified in writing of the results of the credit check with respect to my loan application.

_____ Initial here if you do NOT want to borrow a PLUS loan if approved. Without your further consent, a loan will not be certified.

_____ Initial here if you DO want to borrow a PLUS loan if approved.

Parent, Please Read and Initial Each Statement:

_____ The school may process a Direct Loan Credit Check on a one time basis in order to document eligibility and award unsubsidized loans. The student may not receive unsubsidized loans as estimated if his or her parent declines the school's ability to check their credit. In this case, the student must provide payment for charges using an alternative method.

_____ The credit request process to the parent borrower includes an update to the parent borrower's credit history indication that an inquiry was made as a result of the credit request. The inquiry could be considered negative or a basis for credit denial by other creditors or potential creditors.

_____ I warrant that all statements, information and representations contained in the parent borrower PLUS Loan application, and all other documents submitted in connection with the application, are true and correct and are made by me, the parent borrower, for the purposes of this PLUS loan pre-approval application, and I acknowledge that the above is relied upon by Direct Loans.

_____ I understand that the PLUS pre-approval is as of the date the credit review is completed, and does not guarantee the parent borrower approval at some later date. If the PLUS Loan application is completed more than ninety (90) days after the credit review, a second credit review may be required.

_____ I, the parent borrower, am at least 18 years old and am a resident of the United States.

Parent's Signature _____ **Date** _____

Privacy Act Disclosure Notice

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 Direct Parent PLUS Loan. The information on this form will be used to determine your eligibility for a Direct Parent PLUS Loan. The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called the "Title IV Program Files" (originally published on April 12, 1994, Federal Register, Vol. 59 p. 17351) and "National Student Loan Data 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 purpose for which the records were collected, for use by 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. 1094(a)(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.



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FEDERAL DIRECT PARENT PLUS LOAN
INFORMATION GUIDE

Dear Parent,

Your child has expressed an interest in attending our school. In order for the financial aid department to assist your child in getting the maximum amount of aid available, we will need your assistance.

According to Department of Education regulations, your child is considered to be a dependent student for financial aid purposes. Dependent students must have a parent's signature and income information on the Free Application for Federal Student Aid (FAFSA). This helps determine the student's eligibility for various types of aid including grand and student loans.

Because your child is a dependent student, he or she may be eligible to borrow only a limited amount of federal student loans. These are loans that the student is responsible to repay with no obligation by the parent.

There are two additional options available to your family to obtain additional funding for school:

1. the Federal Direct Loan Program offers parents the option of taking out a Parent PLUS Loan to use for educational expenses. The PLUS loan is a loan in a parent's name that the parent is responsible to repay.

OR

2. It may be possible for your child to borrow additional student loans if it can be shown that the parent's credit is not sufficient to qualify for a parent (PLUS) loan to assist with the education expenses. This is accomplished by conducting a credit check, with your permission. The credit check will appear on your credit report as an inquiry.

If the credit check indicates you are approved for a PLUS loan, it **does not mean you are required to borrow the loan**. You will have the option to reject the loan at that time. If you choose to accept the PLUS loan, you will be required to complete a PLUS Master Promissory Note (MPN). This can be completed online at www.studentloans.gov.

Only if your credit is denied can your child qualify for additional unsubsidized student loans. That is why it is advantageous to run the credit check even if you do not intend to accept the parent PLUS loan.

We realize you may have questions or concerns regarding the financial aid process. Please feel welcome to contact or visit us at your convenience.

Thank you,

Financial Aid Department

FREQUENTLY ASKED QUESTIONS

WHAT IS THE FEDERAL DIRECT PARENT PLUS LOAN?

- Federal Direct Parent PLUS Loans are available to parents of dependent students who are attending at least half-time (6 units). Parents who meet the Direct PLUS Loan credit check may borrow up to the total annual cost of attendance less any other aid or scholarships received by the student.
- Only the parent of a student may borrow through this federal loan program. A “parent” is defined as the biological parent (custodial or non-custodial) or stepparent for the purposes of borrowing a Federal Direct PLUS Loan. A “parent” is not defined as a legal guardian, grandparent or another relative.

WHAT ARE THE FEES AND INTEREST RATE FOR THIS LOAN?

- The Parent PLUS Loan has a loan origination fee of 4%. The Department of Education assumes an upfront repayment rebate of 1.5%. Therefore, 97.5% of the gross loan will actually disburse to the student account.
- The interest rate is currently set at a fixed rate of 7.9%.

HOW DO I APPLY FOR A PARENT PLUS LOAN?

- After the student and parent have completed the FAFSA the parent can apply for a PLUS loan by completing the Federal Direct Parent PLUS Loan Request Form. This form can be downloaded at www.frc.edu/financialaid/forms.
- The completed Direct PLUS Loan Application should be submitted to FRC’s Financial Aid Office. The information will be forwarded electronically to the Direct Loan Servicer for the approval process which includes passing a credit check.
- **The individual parent applying for the loan will need to complete a Master Promissory Note (MPN) online at www.studentloans.gov. The MPN can be completed before the loan is approved. A Department of Education PIN is needed for this process. PINs can be applied for or duplicates requested at the official PIN website, www.pin.ed.gov.**

WHAT ARE MY OPTIONS IF I AM DENIED A PARENT PLUS LOAN?

- If a PLUS Loan application is denied there are a few options available:
 - The parent may contact the Direct Loan Servicer at (800) 848-0979 and either:
 - o Request a review of credit check due to inaccurate information on the credit report.
 - o Explain extenuating circumstances affecting the credit report.
 - o Obtain an endorser. The endorser must pass a credit check.

OR

- The student may qualify for additional unsubsidized Federal Direct Stafford Loan. The student will need to contact the Feather River College Financial Aid Office to apply for this additional loan.

WHEN WILL MY REPAYMENT BEGIN?

- Repayment begins 60 days after the final disbursement. Parents may choose to defer payments until six months after the date the student for whom the loan is borrowed ceases to carry at least half-time enrollment (6 units). The parent must request this deferment by contacting the Direct Loan Servicer at (800)848-0979.

HOW WILL MY PARENT PLUS LOAN BE DISBURSED?

- The Parent PLUS Loan will be disbursed in two equal installments, usually at the beginning of each semester. Funds will disburse to the student’s billing account. Any PLUS funds remaining after tuition, fees, etc. are paid will be given to the student or parent depending on whom you have specified on your Federal Direct Parent PLUS Loan Request Form. Single semester loans will be disbursed in two parts within the requested semester.