



STUDENT FINANCIAL SERVICES  
ONE UNIVERSITY PLAZA MS 3740  
CAPE GIRARDEAU, MO 63701  
573-651-2253

**PLUS**

**2009-2010**

## FEDERAL PLUS LOAN GUIDE

Dear Parent:

Your student's Free Application for Federal Student Aid (FAFSA) results indicate eligibility to apply for a Federal Parent Loan for Undergraduate Students (**PLUS**) for the 2009-2010 academic year. [Read this guide and then follow the instructions if you wish to apply.](#)

- **PLUS:** The PLUS loan is a federally sponsored loan program that allows parents to borrow to meet educational expenses for dependent undergraduate students enrolled at least half-time (six hours). The unsecured loans are insured by guaranty agencies and the funds are provided by lenders.
- **Who qualifies:** All credit-worthy parents, adoptive parents, and step-parents of dependent undergraduate students attending school at least half-time are eligible to borrow. Financial need is not a requirement; however, it is necessary for the student to complete a FAFSA.
- **Borrowing limits:** A parent may apply for the entire cost of education for an academic year less any other financial aid the student is eligible to receive. Plan carefully; borrow only what is necessary.
- **Interest rate:** A fixed rate loan capped at 8.5% throughout the life of the loan.
- **Loan fees:** All PLUS loans have up to a 3% origination fee deducted from each disbursement by the lender. If the guarantor of the loan does not cover the default fee, there may be up to 4% total in fees deducted from the disbursement.
- **PLUS Master Promissory Note (MPN):** This is the legal document provided to you by your lender for you to sign. The MPN allows you to receive multiple loans for the same dependent student for up to ten years utilizing the same lender. By signing the MPN, you are promising to repay all loans disbursed under the MPN.
- **Disbursement:** PLUS loan proceeds are disbursed by electronic funds transfer (EFT) to Southeast. A loan processed for the entire academic year (fall/spring) is disbursed in two disbursements; one at the beginning of the fall semester and one at the beginning of the spring semester. The loan funds are applied to the student's charges and any credit balance remaining is refunded to the parent.
- **Repayment:** Beginning July 1, 2008, parents will be allowed to choose to defer payments on a Plus loan until six months after the date the student ceases to be enrolled at least half time or begin repayment within 60 days after the loan is fully disbursed. Contact your lender for complete information. Interest begins to accumulate at the time of the first disbursement. The maximum repayment period is 10 years and the minimum monthly payment is \$50, but may be more depending on the amount borrowed.

# APPLYING FOR THE FEDERAL PARENT PLUS LOAN

- 1) Once you have decided which lender you wish to use and either visit their website to do an online application or you can contact your lender directly to receive a paper application. If you have selected to use one of the Recommended Lenders the websites and phone numbers are provided below.
- 2) If the credit check is approved, your lender will give you options for completing the Master Promissory Note (MPN). Your lender will notify Student Financial Services of the credit approval when the completed MPN has been received.
- 3) Student Financial Services will certify your PLUS loan eligibility after lender credit approval is received electronically and your student has submitted their Financial Aid Award Notification letter. Early application for parent plus loans is recommended to ensure timely processing.
- 4) If your credit check is not approved, Student Financial Services will notify your student of the option to apply for additional unsubsidized Federal Stafford Loan eligibility.

## RECOMMENDED LENDERS

Commerce Bank	Lender Code: 813979	1-800-666-3910	www.commercebank.com
Sallie Mae	Lender Code: 802218	1-800-272-5543	www.salliemae.com
Nelnet	Lender Code: 824573	1-866-4NELNET	www.nelnet.com

## ESTIMATED COST OF ATTENDANCE

The maximum PLUS eligibility is the difference between the student's Cost of Attendance (COA) and all other financial aid the student will receive. The COA consists of both the direct and indirect costs associated with attending college. Direct costs include fees, textbooks; room and board while indirect are the costs that a student may incur that are not paid directly to the University such as transportation, clothing, supplies, etc. **QUESTIONS???** Contact Student Financial Services at (573) 651-2253 or via e-mail at [sfs@semo.edu](mailto:sfs@semo.edu).

*Experience Southeast...Experience Success*