



Office of Financial Aid and Scholarships (OFAS)
Ball State University, Lucina Hall, Room 245
Muncie, Indiana 47306-0880
<http://www.bsu.edu/finaid>

Telephone # 765-285-5600
Toll free # 800-227-4017
FAX 765-285-4247
E-mail finaid@bsu.edu

Federal Direct Parent Loan for Undergraduate Students (PLUS)

What is the PLUS loan?

The PLUS loan enables you to borrow to pay the educational expenses of each child who is a dependent undergraduate student enrolled at least half time. It is available through the Federal Direct Loan Program.

What is the interest rate?

The interest rate is fixed at 5.30%.

Is there a charge for a PLUS loan?

The Federal Direct Loan Program charges a 4.236% loan fee, which is deducted from the gross amount of the loan.

What if I don't pass the credit check?

If you don't pass the credit check, you will be notified by the Direct Loan Center that you have the following options:

Appeal: If you believe the denial was an error, you may work with the Direct Loan Center to reverse the credit decision.

Endorsement: You may have someone endorse the loan. This person would be responsible to repay the loan if you are unable to make the payments.

Note: If a parent obtains an endorser or an approved appeal, the parent must complete a new Master Promissory Note and PLUS Credit Counseling at www.studentaid.gov

Federal Direct Unsubsidized Loan (in place of a PLUS denied): The student can request additional loan funds if the PLUS loan is denied. The additional Unsubsidized loan maximum is \$4,000 for freshmen/sophomores and \$5,000 for juniors/seniors. This loan request form may be obtained at www.bsu.edu/finaid or from the Office of Financial Aid & Scholarships (OFAS). Only one parent must apply for a PLUS and be denied based on adverse credit. However, if both parents apply independently and one is approved, the student is not eligible for the increased loan amount.

If you opt for an appeal or endorsement, you will be required to complete online credit counseling at www.studentaid.gov

Who receives the PLUS loan funds?

Your PLUS loan funds go directly to Ball State University. One-half of the net loan proceeds will be applied to the student's first semester charges, while the second half will be applied to the second semester charges. For one semester only PLUS loans, there will be one disbursement. If there are excess funds remaining after each disbursement, a refund will be issued to the student or parent (depending upon the refund option you select).

When do I begin repaying a PLUS loan?

Repayment of principal and interest begins 60 days after the final disbursement for the academic year. You may contact your loan servicer to request a deferment while you or your child are enrolled at least half-time.

Steps to apply for the PLUS loan

1. Go to www.studentaid.gov.
2. Sign in with your PARENT FSA ID.
3. Click "Apply for a PLUS Loan" under the "APPLY FOR AID" menu
4. Scroll to the bottom, select "Complete PLUS Request for Parents".
5. Complete the application.
You will get a confirmation e-mail stating if your loan was approved or denied immediately after you submit your loan request.
6. The Direct Loan Center will notify Ball State of the credit decision.
7. The parent borrower will need to complete a Master Promissory Note (MPN) at www.studentaid.gov.

For more information

Loan and repayment calculators:

www.finaid.org/finaid/calculators

Credit check: Student Loan Support Center
1-800-557-7394