



ST. FRANCIS COLLEGE

THE SMALL COLLEGE OF BIG DREAMS

The Office of Financial Aid
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2019-2020 Parent Plus Loan Instructions

Federal Direct Parent Loans are low-interest loans designed to help parents pay for their dependent student's educational expenses. Parent Loans are not restricted to financial need. The maximum Parent Loan amount is the difference between the students' cost of attendance less all other financial aid, including Federal Stafford Loans.

1. You (the Parent Borrower) will need a U.S. Department of Education Federal Student (FSA) ID. This is the same FSA ID that you use to sign the Free Application for Federal Student Aid (FAFSA). If you already have a FSA ID, proceed to Step 2. If you do not have a FSA ID, you may obtain one at www.studentaid.gov/fsaid.

2. Your dependent student must have a completed Free Application for Federal Student Aid (FAFSA) for 2018-2019 on file before a Parent (PLUS) Loan will be processed. If your student has not completed the FAFSA, go to www.fafsa.gov. Be sure to include the Federal School Code for St. Francis College: 002820

3. Go to www.studentloans.gov (If you cannot complete the electronic process, please contact our office.) After you have logged in using your parent borrower FSA ID, click on PARENT BORROWERS. Choose "Apply for a PLUS Loan". Put in your personal information (i.e. name & address). In the drop-down box for the year, choose 2018-2019. You will need to complete the PLUS Pre-Approval section.

If the loan is approved, continue to # 4.

If the loan is not approved, choose one of the options below:

___ I do not wish to pursue approval of this loan. I will send a copy of the results to the Office of Financial Aid and request information on other loan options for the student.

___ I will pursue approval by contacting 1-800-557-7394 to appeal.

___ I will obtain an endorser (co-signer) for the PLUS. I understand that I must complete a MPN per instructions in Step 4. My endorser must obtain a FSAID at www.studentaid.gov/fsaid and enter the Loan ID from the application process.

My endorser will then sign-in at www.studentloans.com using their FSA ID. Endorser will choose "Endorse Direct PLUS Loan" and use the Loan ID to complete the process.

4. Complete the Electronic Master Promissory Note (MPN). At www.studentloans.gov, choose "Complete New MPN for Parent PLUS Loans".

Follow these steps to complete the electronic Master Promissory Note (MPN):

- LOG-IN TO MPN - You will be asked for your Social Security Number, first two characters of your last name, your date of birth and your PIN.
- DISCLOSURE AND CONSENT – Read this section carefully.
- PROVIDE NAME, STUDENT'S INFORMATION AND SCHOOL (St. Francis College).
- COMPLETE THE MPN - During this step, you will be asked to provide the remaining information necessary to complete your MPN. This will include your permanent address, driver's license number and state, e-mail address and telephone number. You will also be asked to provide the names, addresses and telephone numbers of two references who have known you for at least three years.
- REVIEW/READ DRAFT MPN - You will be asked to review/read a draft version of the MPN that will include the information you provided in Step 4 (above) and important information about the loan(s) you may receive under your MPN. Before you continue, you must confirm that you have read the draft MPN, which includes the Borrower's Rights and Responsibilities.

- **SIGN YOUR MPN** – You will be asked to review the Promise to Pay section of the MPN and electronically sign the MPN by typing in your full name. You will still have the opportunity at this point to modify the information you provided or to cancel the electronic MPN process.
- **REVIEW SIGNED MPN/ENTER CONFIRMATION CODE** – You will be shown a completed MPN that includes your electronic signature. Before you can continue with the electronic MPN process, you must confirm that you have read the completed MPN.
- **CONFIRM ACCEPTANCE OF MPN TERMS AND SUBMIT MPN** – You will be asked to confirm that you agree to the terms and conditions of your MPN. You will also be given a final opportunity to cancel or modify your MPN. If you agree to the terms and conditions of the MPN, you may complete the electronic MPN process by submitting your MPN to the U.S. Department of Education.
- **PRINT YOUR MPN**. Keep a copy of the completed MPN for your records.

FEDERAL DIRECT PARENT LOAN MASTER PROMISSORY NOTE (MPN)

The Parent Loan Master Promissory Note (MPN) is a loan application that allows parents of dependent students to receive multiple Federal Direct Parent Loans over a maximum ten-year period. After the MPN is submitted to the Department of Education, the parent is not required to complete a new MPN while the student attends St. Francis College. The parent will be required to complete a credit check online Authorization form each time a loan is needed. A credit approval process for the Parent Loan must be completed each academic year. If the parent needs a Parent Loan to finance another dependent student's education, the parent must complete a separate MPN. The parent has the right to request a new MPN any time the parent borrows.

LOAN AMOUNT CHANGES

If anything changes about your circumstances, your eligibility for this loan may be affected. Examples of situations in which St. Francis College may be required to reduce your PLUS Loan amount or return funds to your lender:

- If your dependent student changes enrollment status, housing plans or withdraws, or
- If your dependent student receives financial aid funds that were not taken into consideration when your loan was processed (i.e. outside scholarships or added work-study, etc.).

If you want to request a change in your loan amount after your loan is processed, you are required to make this request **in writing** to the Office of Student Financial Services.

RIGHT TO CANCEL

As a borrower of a Federal Parent (PLUS) Loan, you have the right to cancel all or a portion of your loan. If you decide to cancel a portion of your loan, the following procedures must be followed:

1. The cancellation request must be made in writing and clearly state that you want the Parent (PLUS) Loan cancelled.
2. The request must include the name and social security number of the borrower and the name and social security number of the dependent student for whom the loan was borrowed.
3. The request must clearly state whether all or a portion of the loan is to be cancelled. If a portion of the loan is to be cancelled, state the specific amount to be cancelled.
4. The request must be made and signed by the individual who signed the promissory note for the Parent (PLUS) Loan. (For example, if the father is the parent who signed the promissory note for the Federal Parent (PLUS) Loan, the father must sign the request to cancel the loan.)
5. The cancellation request may be made at any time **BEFORE** the first day of the payment period. The request for cancellation may be made **AFTER** the first day of the payment period **ONLY IF** loan funds have not been released to the student and/or the parent.
6. The request for cancellation must be submitted to the address below.

Upon receipt of a properly submitted request for cancellation, the Office of Financial Aid will review all loan records. Written notification will be sent regarding the results of the request.

IMPORTANT INFORMATION ABOUT THE FEDERAL DIRECT PARENT (PLUS) LOAN
(Keep this page for your records.)

1. This is a loan that must be repaid. Explore all financial aid options before taking a loan.
2. Borrow only what is needed for your dependent student's educational expenses for the academic year.
3. The U.S. Department of Education is the lender for this loan. The school assists in administering the loan by distributing information, certifying eligibility, processing the loan, and disbursing loan funds. **Schools do not determine approval for credit qualifications.**
4. An origination fee of up to 4.276 percent is collected by the federal government to offset the cost of the federal education loan programs. (This amount is subject to change pending Congressional action.)
5. A parent cannot have an adverse credit history. If a Parent Loan applicant does have an adverse credit history, he or she might still be able to receive a loan by documenting existing extenuating circumstances or by obtaining an endorser (co-signer) who does not have an adverse credit history. (If the loan is not approved, contact the Financial Aid Office to obtain information about other loan options for the student.)
6. The repayment period is up to 10 years. **Parents have the option of beginning repayment either 60 days after the loan is fully disbursed or 6 months after the dependent student is not enrolled at least half-time.** Interest will accrue during this time. There is no penalty for early repayment.
7. Loan funds will be credited directly to your dependent student's university account. Written notification of the date and amount of credited funds will be sent. In most cases, the loan will be delivered in two equal installments – half at the beginning of the school year and half midway through the school year. Overpayments as a result of a Parent Loan will be made payable to the student and will be mailed to the student's home address within 14 days of the credit.
8. You have the right to reduce or decline your loan up to 30 days after the loan funds have been disbursed, providing the loan proceeds have not been released to you or your student. This request must be made in writing.
9. Keep copies of all forms pertaining to your loan.