



PARENT PLUS LOAN GUIDE

Federal Direct Parent PLUS Loan

Federal Direct Parent PLUS Loans are credit-based loans funded by the U.S. Department of Education. These loans can help a student pay their net cost (their cost of attendance minus total grants and scholarships). The PLUS loan is an optional program for parents who wish to access *additional* resources beyond what their student alone is eligible to receive. PLUS loans are not based on financial need and are only available to parents of students currently enrolled at least half-time. For additional information about this type of loan, visit:

<https://studentaid.gov/app/launchPLUS.action>

Parent PLUS Loan Eligibility

Only parents of currently enrolled students are eligible to apply for Federal Direct Parent PLUS loans. The applicant must be:

- Either the student's **biological or adoptive parent** or
- The applicant may be the student's stepparent if the stepparent is married to the biological or adoptive parent at the time of the application.

Additionally, both the parent *and their student* must:

- Be a U.S. citizen or an eligible non-citizen.
- Not be in default on any federal education loan, or owe an overpayment on a federal education grant.
- Meet other general eligibility requirements for federal student aid programs.

To Apply for the Parent PLUS Loan

- Visit: <https://studentaid.gov>
- Sign in using your FSA ID (*You can create an FSA ID if you do not have one*)
- Select "Request a Direct PLUS Loan," then scroll down the page and select "Parent PLUS"
- When completing the application, make sure to authorize an immediate credit check and make sure you are in the academic year for which you want the loan. **Multiple academic years may be available!** You will be alerted immediately following completion of the application if you have been approved for the PLUS loan.
- If the PLUS loan is approved, complete the PLUS Master Promissory Note (MPN) as directed. An MPN is required in order for funds to be disbursed.
- Once your PLUS loan is approved, it will be certified by Saint Martin's University and added to your student's financial aid package.

Parent PLUS Application Denied

If you are denied the PLUS loan, your student will be eligible for an additional Federal Direct Unsubsidized Student Loan. For your student to receive the additional unsubsidized loan, simply select the "Don't Pursue PLUS" option on the application website when asked what Credit Action you would like to take. The student will need to submit an Award Change Form to the Office of Financial Aid to request an increase in unsubsidized loan aid.

CURRENT BORROWING AFFECTS YOUR FINANCIAL FUTURE! As with any loan, Federal Direct Parent PLUS loans must be repaid. Budget carefully; borrow only what you need.



ALTERNATIVE STUDENT LOANS

Alternative Student Loans

Alternative student loans (or private education loans) are available to students who need additional financial assistance beyond the aid that has been offered to them through the federal student aid program. These loans allow students to borrow up to their total cost of attendance less any financial aid they have been awarded. Alternative student loans are not federally funded or guaranteed. They are made available through banks and private lending institutions. We encourage students to exhaust all of the federal direct student loan options before pursuing alternative loans because federal loans tend to offer better loan terms, more repayment options, and, in some cases, loan forgiveness.


Alternative Loan Eligibility

Any student who needs additional funds to pay semester charges and living costs not covered by financial aid may apply for an alternative loan.

Alternative loans are credit-based, and their terms and conditions vary with each lender. Interest rates are variable, and the interest will accrue on the loan while the student is enrolled in school. In most cases, repayment of the alternative loan can be deferred until the student leaves school or drops below half-time enrollment.

Keep in mind that alternative loans can only be certified for an amount that does not exceed the student's total cost of attendance (Total cost of: tuition, fees, room & board, books, travel, and miscellaneous). We encourage students to contact the Office of Financial Aid if they are unsure of how much they are eligible to borrow.

Application Tips

- **Start Early** – We recommend that students begin to apply for their alternative loan at least a month and a half before the start of the semester to ensure the loan funds can be applied to the student's account by the tuition payment deadline.
- **Pick a Lender** – While Financial Aid does not have a preferred lender list, we do recommend using SMU FASTChoice, an online tool that will guide you through the selection process.
 - Visit: <https://www.stmartin.edu/admissions-financial-aid/undergraduate/financial-aid/student-loans/private-loans>
 - Select the Find a Lender link for SMU FASTChoice  Scan here to go to the SMU FASTchoice login page.
 - You can complete the Borrowing Essentials section or continue to the lender page
- **Application** – Once you have chosen a lender, you will need to contact that bank or financial institution in order to complete their loan application procedures.
- **Next Steps** – Once you are approved for your alternative loan, be sure to contact Financial Aid so we are able to certify and process your loan.

REMEMBER: CURRENT BORROWING AFFECTS YOUR FINANCIAL FUTURE

As with any loan, alternative student loans must be repaid. Budget carefully; borrow only what you need. To help estimate loan payments, try using the payment calculator on SMU FASTChoice at the website listed above.