

The Federal Parent PLUS Loan is an optional federal loan program for parents who wish to access additional resources beyond what a student is eligible to receive. This credit-based option may cover up to the total Cost of Attendance (COA) as established in federal policy, minus other financial aid the student is receiving. The interest rate for Parent PLUS Loans is fixed at 5.30%. Since the Parent PLUS Loan is a federal loan, it may provide better borrowing terms than private loans.

Fees

There is a loan origination fee of 4.228% of the amount of each Parent PLUS Loan that you borrow. Thus, a loan request of \$10,000 would yield a net disbursement of \$9,577.20. The loan is disbursed in equal installments over each trimester of the academic year.

Deferment

Repayment on the Parent PLUS Loan begins 60 days after the loan is fully disbursed for an academic year. You (the parent) may request an in-school deferment that will delay payments on the Parent PLUS Loan until six months after the student (on whose behalf you borrowed) ceases to be enrolled at least half-time. To request an in-school deferment, **after** the initial Parent PLUS Loan disbursement, please contact Direct Loan Borrower Services at 1-800-848-0979. Deferment needs to be requested on an annual basis, and may be requested 14 days after the loan has been disbursed to the student's account. **Interest will continue to accrue on this loan during the deferment period.** You have the option of paying the interest during deferment in order to minimize your indebtedness.

Application Policy

To borrow a Parent PLUS Loan for the first time, you must complete a Parent PLUS Application **and** Master Promissory Note (MPN). The MPN is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education. It also explains the terms and conditions of your loan(s). The MPN will be provided by the U.S. Department of Education.

The MPN is completed online (see reverse side of this notice). If you are borrowing Parent PLUS Loans for more than one student, you'll need to complete a separate MPN for each. You will be required to use your FSAID (not the student's) issued by U.S. Department of Education. If you do not have a FSAID, you may request one from the official FSAID site (<https://fsaid.ed.gov>).

In most cases, once you've submitted the MPN and it has been accepted, you will not have to complete a new MPN for future Parent PLUS loans you receive. You can borrow additional Parent PLUS Loans on a single MPN for up to 10 years.

You will receive a disclosure statement that gives you specific information about any PLUS loan that UMass Global plans to disburse, including the loan amount and loan fees, and the expected loan disbursement dates and amounts.

Application Procedure

1. Go to www.studentaid.gov
 - a. Login and select "Request a Direct PLUS Loan."
 - b. Select "Parent PLUS"
 - c. Select the appropriate award year.
 - d. For "School State," select "CALIFORNIA." For "School Name," select "UMass GLOBAL." The Federal School Code (041618) and school address will populate.
 - e. Follow the steps indicated on the web page to complete the process.
2. Your Parent PLUS Loan application will be immediately approved or denied based on your credit check.
 - a. If you are approved, UMass Global will be notified and will process your loan. **If you are a first time Parent PLUS Loan borrower -OR- you applied with an endorser last year, you MUST complete a Master Promissory Note.**
 - b. If the government denies your application, you will have four options:
 - i. Apply with an eligible endorser -- The endorser may not be the student on whose behalf you are obtaining a Parent PLUS Loan. Note: If you apply with an eligible endorser, your MPN will only be good for this academic year.
 - ii. Appeal the credit decision -- You may be able to obtain a Parent PLUS Loan if you document that there are extenuating circumstances related to your adverse credit history.
 - iii. Pursue Additional Unsubsidized Loan -- UMass Global can award additional Unsubsidized Direct Student Loan Funds to your son or daughter. Freshmen and sophomores are eligible for up to an additional \$4,000 per year. Juniors and seniors, as well as teaching credential students, are eligible for up to an additional \$5,000 per year.
 - iv. Take No Action - UMass Global will be notified of your Parent PLUS Loan denial.

Master Promissory Note

You will need two personal references. Your references must have different addresses and telephone numbers from each other and they must have addresses within the U.S. Please retain a copy of your completed MPN for your personal financial records.