

PARENT (PLUS) LOANS

What is the interest rate?

The interest rate varies annually but can never be more than 9 percent. The US Department of Education adjusts the rate each year on July 1. You can find out the current interest rate on Direct PLUS Loans by calling toll-free: 1-800-848-0979.

Who is eligible for the PLUS loan?

Parents of dependent students have the option of borrowing under the PLUS program. Either parent can apply for the loan. However, the applicant must pass a credit check.

How much can I borrow?

The maximum PLUS amount that can be borrowed is the student's cost of attendance minus all other aid the student receives. This loan eligibility amount is also listed on the student's award letter.

What happens after I submit this application?

Once we receive the loan request form, your data will be sent to the loan servicer for a credit check. When your loan credit is approved, a PLUS promissory note will be prepared and mailed to you. Read the terms carefully; then complete, sign and return the promissory note to our office. Only when the signed note is received and the student is registered for at least half time or more will the loan funds be disbursed to the student's account.

What are my options if the loan servicer informs me that my PLUS application is denied?

- Your loan may still be approved with an endorser. The loan servicer will provide appropriate information.
- The student may be eligible for an additional Unsubsidized loan.

Please call your Financial Aid Advisor for further information. If these options are not applicable in your situation, you may need to find other sources of funding. Contact us for a list of lenders for alternative loans.

When do I begin repayment?

Your first payment will be due within 60 days after the loan is fully disbursed.

Can my PLUS loan ever be cancelled?

Yes, in the following situations:

- If you or the student for whom you borrowed die.
- If you become totally and permanently disabled.
- If the student for whom you borrowed cannot complete a course of study because the school closed.
- If the school falsely certified the eligibility of the student for whom you borrowed.

If any of these conditions apply to your situation, you must contact the Direct Loan Servicing Center at 1-800-848-0979.

Is there some way to combine more than one PLUS loans to make repayment easier?

Federal Direct Loans can be combined through a Federal consolidation program. Contact 1-800-557-7392 to receive more information.

Can I ever postpone my PLUS loan payments?

In some circumstances, you can postpone payment on a PLUS loan. Contact the Direct Loan Servicing Center at 1-800-848-0979 to request information about deferment or forbearance. In most cases, you must provide documentation showing why you qualify.

STUDENT LOANS

What's the difference between a subsidized loan and an unsubsidized loan?

With a subsidized loan, the government defers the interest for as long as the student is enrolled at least half time. An unsubsidized loan accrues interest immediately. The student will receive a statement from the Federal government stating the interest charged. The student will have the option of making payments on the interest or deferring.

What is the interest rate?

The interest rates for both Direct Subsidized and Direct Unsubsidized Loans are variable and are adjusted once each year on July 1. Effective July 1, 2005 the interest rate for new student loans in repayment is 5.3%. During in-school, grace, and deferment periods, the rate is 4.7%.

How much can I borrow?

Your eligible loan amount will be listed on your award letter.

When do I begin repayment?

There is no payment required until six months after graduating or dropping below half time.

Return this form to the Student Financial Services Office so we can begin processing your loan. Our mailing address is:

**Andrews University
Student Financial Services
Berrien Springs, MI 49104-0750**

Questions? Contact us:

Phone: 269-471-3334 or 800-253-2874

E-mail: sfs@andrews.edu

Fax: 269-471-3228

Web: www.andrews.edu/SF

Direct loans: www.dlsonline.com