

Financial Aid Services

P.O. Box 6000, Binghamton, NY 13902-6000
(607) 777-2428 FAX: (607) 777-6897
Student Services Wing-Room 109

<http://bingfa.binghamton.edu>

**2009-2010 Information for Federal Direct Parent Loan for Undergraduate Students
(PLUS)**

Important Parent Borrower Terms & Conditions

Applications must be submitted one week before the last day of classes.

The current interest rate of this loan is **fixed at 7.9%**. Interest begins to accumulate upon the first disbursement.

The Parent PLUS Loan has a loan origination fee of 4%. The Department of Education assumes an upfront repayment rebate of 1.5%. Therefore, 97.5% of the gross loan will actually disburse to the student.

Only a **parent** of a student may borrow through this loan program. A “parent” is defined as the biological parent (custodial or non-custodial) or stepparent for the purposes of borrowing a Federal Direct PLUS loan. A “parent” is not defined as a legal guardian or another relative.

This is a **credit-based loan**. Upon receipt of the application, Binghamton University will submit the parent borrower data to the Direct Loan Servicer for a credit check process. The parent will be notified, in writing, of the credit decision.

If the application is **approved**, you will need to complete a Master Promissory Note online at www.dlenote.ed.gov. You will need your Department of Education PIN for this process. If you do not have your PIN, please visit the official PIN website, www.pin.ed.gov. A paper MPN is available upon request.

Note: No money will be disbursed until the credit check and promissory note processes are complete.

If the application is **denied**, you have four options, see below.

1. Request a review of credit check due to inaccurate information on your credit report. Contact the Direct Loan Servicer at 1-800-557-7394.
2. Provide an endorser. The endorser must pass a credit check and sign a promissory note. Contact the Direct Loan Servicer at 1-800-557-7394.
3. I do not wish to pursue the PLUS loan and would like to take no further action at this time
4. Allow the student the option to receive additional Federal Direct Unsubsidized Loan. Additional Loan Limits: Up to \$6,000/academic year: 1st and 2nd year students (55 or less credit hours earned). Up to \$7,000/academic year: 3rd and 4th year students (56 or more credit hours earned). If you wish to choose this option, please indicate your choice on the PLUS Application.

If a refund is generated on the student’s account due to the disbursement of the Parent PLUS Loan, the refund will be issued directly to the parent.

Repayment

Repayment begins 60 days after final disbursement. You will repay both the principle and the interest that accumulates. You may choose from three repayment options:

1. **Standard Repayment:** fixed monthly payments of at least \$50 for not more than 10 years.
2. **Extended Repayment:** fixed monthly payments of at least \$50, the number of years of repayment will vary depending upon the total loan amount due, but may not exceed 30 years.
3. **Graduated Repayment:** monthly payments graduate to a higher level twice over the years of repayment, the number of years or repayment varies depending upon the total loan amount due but may not exceed 30 years.

Parents may choose to defer payments for 6 months after the date the student for whom the loan is borrowed ceases to carry at least half-time enrollment (less than 6 credit hours). Parent borrowers may choose to pay the interest on a monthly or quarterly basis; or choose to have interest capitalized on the principal.

For more information about repayment, call the Direct Loan Servicer at 1-800-848-0979.