





## Overview: Federal Direct Parent PLUS Loan

Federal Direct Parent PLUS Loans are federal loans that parents of dependent undergraduate students can use to help pay for educational expenses. The student must be enrolled at least half-time (6 credits) in a degree seeking program at Windward CC. The Direct Parent PLUS Loan is a loan that must be repaid and repayment begins 60 days after the loan is fully disbursed. For additional information regarding the Federal Direct Parent PLUS Loan program, please visit: <https://studentaid.ed.gov/types/loans/plus>.

### **Parent eligibility and additional requirements for a Federal Direct Parent PLUS Loan:**

You must be the parent (biological, adoptive, or in some cases stepparent) of a dependent undergraduate student enrolled at least half-time (6 credits) at Windward CC. PLUS loan borrowers cannot have an adverse credit history (a credit check will be done). In addition, parents and their dependent child must be U.S. Citizens or eligible Non-Citizens, must NOT be in default on any federal educational loan or owe an overpayment on a federal education grant, and must meet other general eligibility requirements for Federal Student Aid programs.

### **Credit check and endorser alternative:**

When you apply for a Federal Direct Parent PLUS Loan, the U.S. Department of Education will check your credit history. To be eligible for a PLUS Loan, you must NOT have an adverse credit history. If you are found to have an adverse credit history, you may still borrow a PLUS Loan if you get an endorser (or co-signer) who does not have an adverse credit history. An endorser (co-signer) is someone who agrees to repay the Federal Direct Parent PLUS Loan if you do not repay the loan. The endorser may not be the student on whose behalf a parent obtains a Federal Direct Parent PLUS Loan.

### **Loan limits, interest rate and loan fees:**

The maximum loan amount is the student's Cost of Attendance (determined by the school) minus any other financial aid received.

The interest rate for the Federal Direct Parent PLUS Loan is a fixed rate of 5.30%. Interest is charged on the Federal Direct Parent PLUS Loans during all periods, beginning on the date of your loan's first disbursement. To find out more information on interest rates for the PLUS Loan, contact the Direct Loan Servicing Center at 1-800-848-0979 or visit <https://studentaid.ed.gov/sa/types/loans/plus/parent>. There is a loan origination fee that will automatically be deducted from each loan disbursement, generally around 4%.

### **Repayment:**

For Parent PLUS borrowers, you will generally be expected to start making payments on your PLUS loan once your loan is fully disbursed. However, you may request a deferment while your child is enrolled at least half-time (6 credits) and for an additional six months after your child graduates, leaves school, or drops below half-time (6 credits) enrollment. For more information, please visit: <https://studentaid.ed.gov/types/loans/plus>.

**\*\*Dependent students whose parents have applied for the Parent PLUS Loan but were denied may be eligible to receive additional Direct Unsubsidized Loan funds. Parent must submit their Parent PLUS Denial Letter and the student must also submit a written statement to the Financial Aid Office requesting an increase in the Unsubsidized Loan due to the PLUS Loan denial.\*\***

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