



Office of Financial Aid Services

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Aid Year: 2011-12
Fall, Spring, Summer

Dear Parent,

You, or your student, have recently accepted the Federal Direct Parent PLUS loan, a low-interest loan (7.9%) for the parents of dependent students to help cover education expenses. The parent's credit history will be reviewed to determine eligibility for the PLUS loan.

To apply for the Parent PLUS loan, please complete the following steps:

1. Please log onto <http://www.studentloans.gov> using YOUR FAFSA pin number and Social Security number to complete the **PLUS Application Process**. Be aware that loan amounts are a yearly amount and will be split equally between the fall and spring semesters unless otherwise requested. Disbursements will be applied to your student's university account, and any funds that are in excess of the balance due will be refunded to either you or your student, according to what you indicate on the application.
2. Once you complete the **PLUS Application Process**, you will be directed to **Sign a Master Promissory Note (MPN)**. If you have already completed the PLUS Application, or are not directed to complete an MPN, please sign back into the website and click on the "Complete Master Promissory Note" link. Please remember that it is important that a Master Promissory Note (MPN) be on file with the Department of Education in order for the process to be completed. If you need assistance completing the MPN, call the Direct Loan Origination Center at 1-800-557-7394.

For additional information about the Department of Education's Direct PLUS loan program please visit their website: <http://www.studentloans.gov>, or visit the Financial Aid Website at <http://www.montana.edu/wwwfa>.

If you feel you received this information in error or are no longer interested in applying for a Parent PLUS loan, please notify our office.

Sincerely,
The Loan Department

Federal Direct Parent PLUS Loans Frequently Asked Questions

How will I be notified of approval or denial of the parent PLUS loan?

Once you have completed the PLUS Loan Application Process, you will automatically be notified if you have been approved or denied.

What if additional financial aid is received and/or I want to reduce or cancel my PLUS loan?

If your student receives additional financial aid and you wish to reduce or cancel your Federal Direct Parent PLUS loan, it is important that you notify Financial Aid Services in writing as soon as possible. You may cancel all or a portion of your loan after funds have been credited to your student's account by notifying us in writing within 14 days after the date of your loan disbursement notice. Canceling your Federal Direct Parent PLUS loan will not make your student eligible for additional unsubsidized loan amounts. If the additional financial aid received by your student results in aid that is in excess of your student's cost of attendance, our office will automatically reduce the appropriate loan fund. These loan funds will be returned to the U.S. Department of Education. The amount returned will appear as a charge on the student's monthly account statement.

What if I want to apply for additional PLUS loan funds?

You may apply for additional PLUS loan funds by submitting a request in writing to the Financial Aid Office. The total amount of the PLUS loan may not exceed the cost of attendance minus all other financial aid. You must indicate in your letter the amount you wish to borrow and that it is an increase to the loan you already have in place. Please note that your credit history may be reviewed again to determine your eligibility.

What if my Federal Direct PLUS Loan is Denied?

If a Federal Direct Parent PLUS Loan is denied because of a parent's credit history, families have two options: parents may secure a creditworthy endorser (cosigner) for their PLUS Loan or the student may borrow an additional Federal Direct Unsubsidized Loan.

- For information about the process of using an endorser, the parent should contact the Direct Loan Servicer at 1-800-557-7394.
- To apply for the Federal Direct Unsubsidized Loan in the student's name, the student must contact Financial Aid Services. Under this option, the student is limited to borrowing a maximum of up to an additional \$4,000 if he/she is a freshman or sophomore and up to an additional \$5,000 if he/she is a junior or senior.