



Office of Financial Aid Services

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Dear Parent/Guardian:

You, or your student, has recently accepted the Federal Parent PLUS loan, which allows parents with a good credit history to take out a low interest loan on their student's behalf to help cover educational expenses. The interest rate is fixed at 8.5%. Repayment on the Parent PLUS loan begins 60 days after the final disbursement and will be approximately \$50 a month for every \$4000 borrowed. In order to apply for the Parent PLUS loan, please complete the following steps:

1. Please **complete a Parent PLUS Loan Request Form** if your loan has been approved through the pre-approval process or if you elected not to do the pre-approval, and return it to our office. **Please be aware that loan amounts are a yearly amount and will be split equally between the fall and spring semesters.** 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 request form.
2. Apply for a **PLUS LOAN PRE-APPROVAL** through the MSU Financial Aid website (www.montana.edu/wwwfa) under the loan section, and your credit history will be reviewed for credit worthiness. **If you are pre-approved and are a first-time borrower or are changing lenders, follow the online instructions to complete the Master Promissory Note (MPN).** If you would like to complete a paper promissory note, please contact the Montana Guaranteed Student Loan Program (MGSLP) at 1-800-537-7508. If your loan is denied because of an adverse credit history, please follow the online instructions regarding how to proceed.

Once we have entered your completed Parent PLUS Loan Request Form into our system, your loan will be processed. Please remember that it is important that a Master Promissory Note (MPN) be on file with MGSLP in order for the process to complete.

For additional information regarding the processing of your loan, please contact MGSLP at 1-800-537-7508. 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