Parent PLUS Loan Instructions

At Montana State University-Northern, we encourage students and families to make informed decisions about financial aid. We highly recommend that you borrow only the amount of loans you need to successfully complete your education.

Federal Direct Parent PLUS Loans are loans parents may apply for on behalf of their student. PLUS loans are funded by the Department of Education and is offered automatically in the student aid package after having completed the Free Application for Federal Student Aid (FAFSA). Loans can be made to degree seeking students attending at least half-time (six credits).

Applications for the Federal Direct Parent PLUS loan requires **TWO (2)** important steps.

1. **APPLY FOR A DIRECT PLUS LOAN.** Go to [www.studentloans.gov](http://www.studentloans.gov) and sign in using your FSA ID and password. 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. This step must be done every year.

2. **COMPLETE MASTER PROMISSORY NOTE (MPN).** (see more information below) You will automatically be directed to complete this step after applying for the PLUS loan. If you need assistance completing the MPN, call the Direct Loan Origination Center at 1-800-557-7394.

**What’s Next?**

- I want to reduce or cancel my loan.
  - Contact the Financial Aid Office in writing, by mail or via email to finaid@msun.edu. All or a portion of your loan may be canceled up to 14 days after the loan is disbursed. Canceling or reducing the PLUS loan does not make the student eligible for additional Unsubsidized loan. These funds are returned directly to the Department of Education. Because loan fees have been assessed, the exchange is not dollar for dollar and it is possible that a charge for the returned funds appear on the student account. If a refund was generated prior to the loan reduction, the refund may need to be returned.

- What happens if additional financial aid is received by MSUN.
  - Often additional financial aid comes into the office after loans have been processed. When this occurs, the Financial Aid Office may reduce loans to make room for the additional funds. PLUS loans are reduced before student loans. These funds are returned directly to the Department of Education. Because loan fees have been assessed, the exchange is not dollar for dollar and it is possible that a charge for the returned funds appear on the student account. If a refund was generated prior to the loan reduction, the refund may need to be returned.

- What if more PLUS loan funds are needed?
  - If you have not bowered the fully awarded amount previously, you can submit a written request to the Financial Aid Office indicating how much more of the initial awarded amount you would like.
  - If you have previously borrowed the full awarded amount, contact the Financial Aid Office and discuss your options.
Parent Plus Loan Master Promissory Note (MPN)

Instructions:
1. Go to www.studentloans.gov
2. Sign in using your (NOT your student’s) FSA ID and password.
3. Accept the Disclaimer
4. Under ‘I want to:’ choose ‘Complete Loan Agreement (Master Promissory Note)
5. Scroll down to PLUS MPN for Parents and click the START button
6. Enter the information. Be sure to include MSU Northern as the ‘School to Notify’
7. Sign and Submit

Parents will need:

Approximately 30 minutes to complete.
- The MPN must be completed in a single session.

Personal Information
- Permanent Address
- Mailing Address (if different from permanent address)
- U.S. Address (if permanent and mailing addresses are foreign)
- Telephone Number
- E-mail Address
- Alien Registration Number (if you are an eligible non-citizen)

Employer's Information
- Employer's Name
- Employer's Address
- Employer's Telephone Number

Reference Information
Reference Information for two people with different U.S. addresses who have known you for at least 3 years. You may not list the student for whom you are borrowing this loan.
- Name of each reference
- Address of each reference
- E-mail address for each reference
- Telephone number for each reference
- Relationship of each reference to the borrower

Student Information
- Student's name
- Student's social security number
- Student's date of birth
- Student's address
- Student's telephone number

If you have previously completed either a Direct Loan MPN or a Direct PLUS Loan Application, some of this information may be populated for you. You should review all populated information carefully for accuracy.
Direct PLUS Loans and Adverse Credit

One of the eligibility requirements to receive a Direct PLUS Loan is that the applicant must not have an adverse credit history. A credit check is performed to determine whether a Direct PLUS Loan applicant meets this requirement. Below are answers to common questions about adverse credit and Direct PLUS Loans.

The information below is accurate for Direct PLUS Loan credit checks performed on or after March 29, 2015.

**Q: What is considered to be an adverse credit history?**

A: For purposes of qualifying for a Direct PLUS Loan, you’re considered to have an adverse credit history if

- you have one or more debts with a total combined outstanding balance greater than $2,085 that are 90 or more days delinquent as of the date of the credit report, or that have been placed in collection or charged off (written off) during the two years preceding the date of the credit report; or

- during the five years preceding the date of the credit report, you have been subject to a
  - default determination,
  - discharge of debts in bankruptcy,
  - foreclosure,
  - repossession,
  - tax lien,
  - wage garnishment,
  - write-off of a federal student aid debt.

The standard applies to both parent and graduate or professional student Direct PLUS Loan applicants.

**Q: If I have an adverse credit history, is there any way I can still get a Direct PLUS Loan?**

A: There are two ways that you may still be able to qualify for a Direct PLUS Loan.

First, you can receive a Direct PLUS Loan if you obtain an endorser (similar to a cosigner) who does not have an adverse credit history. (A credit check will be performed on the endorser.) An endorser is someone who agrees to repay the Direct PLUS Loan if you do not repay it. If you’re a parent Direct PLUS Loan applicant, the endorser can’t be the child on whose behalf you are borrowing.

Second, you have the option of trying to qualify by documenting to the satisfaction of the U.S. Department of Education that there are extenuating circumstances related to your adverse credit history.

If you qualify by obtaining an endorser or by documenting to the satisfaction of the U.S. Department of Education that there are extenuating circumstances related to your adverse credit history, you’ll also be required to complete PLUS counseling before you can receive a Direct PLUS Loan.

If you apply for a Direct PLUS Loan and are notified that you have an adverse credit history, you’ll be given detailed information on the options for qualifying by obtaining an endorser or submitting documentation of extenuating circumstances, along with instructions on how to complete the required PLUS counseling.

For more information about the ways you can qualify for a Direct PLUS Loan, contact Student Loan Support at studentloansupport@ed.gov.

**Q: I’m a parent who can’t qualify for a Direct PLUS Loan to help pay for my child’s college expenses. Where can we get the additional funding my child needs for school?**

A: If you’re unable to obtain a Direct PLUS Loan, your child may be eligible to receive additional Direct Unsubsidized Loan funds to help pay for his or her education. Contact the financial aid office at your child’s school for more information.