Federal Parent Loans

First Time Borrower 2018-19

Your student has accepted a Federal Direct Parent Loan for Undergraduate Students (PLUS) in MyBlue for the 2018-19 academic year. Your student’s acceptance of the PLUS in MyBlue indicates your interest in the loan.

Steps for Requesting a PLUS Loan

1. Go to www.studentloans.gov
2. Sign In- Use the parent FSA ID username and password
3. Complete the “Apply for a Direct PLUS Loan”
   - You will list the amount you wish to borrow in this step.
   - This step also completes the credit check for the loan.
4. Complete the Master Promissory Note (MPN) for the Parent PLUS

   If you successfully completed the steps above the information will be sent to UNK and your loan will be processed.

Note: Even if you or your student have accepted PLUS funds in MyBLUE, you will need to complete the steps listed before the Financial Aid Office can process the loan and/or apply the loan funds to your student’s charges.

Federal Parent Plus Loan Frequently Asked Questions

What are some common problems encountered with this process?

1. Signing in to www.studentloans.gov with the student’s log in information. This makes it appear like the student is the parent borrower and the loan won’t process.
2. Not finishing all of steps 3 & 4 for requesting a PLUS loan.
3. Getting most of the way through the application but not actually submitting it.
4. Not requesting enough loan. Keep in mind the origination fee comes off of the top of the loan amount. Also, unless otherwise specified, half of the requested loan amount will be received each semester – half fall/half spring.
5. Getting too much loan. The amount you can borrow may exceed the amount needed to cover your student’s bill. Enter the exact amount you would like to borrow in www.studentloans.gov instead of requesting the “maximum amount.”

How are the loan dollars received at UNK?

Loan funds credit directly to the student’s MyBlue billing account. If a refund is due to you or your student, it will be made available approximately one week later.

How much may I borrow?

This is determined by your school based on the cost of attendance less all other financial assistance listed on the student’s financial aid award. MyBlue has this amount calculated on the student’s award. While a parent may request and be approved for a higher dollar amount at www.studentloans.gov, the school ultimately determines the maximum amount that may be borrowed.

What are the options if credit is declined for the PLUS loan?

1. Appeal the decision. This involves the Department of Education taking a second look at the credit application.
2. Add an endorser. The endorser is a cosigner that may be added to the credit application.
3. If you do not proceed to seek approval or appeals are denied, the fact that the loan has been denied is sent to UNK. We will then offer additional student loan eligibility based on a provision for these circumstances.

I have two students in college. May I use the same MPN and credit application for both?

No. It is the student’s name on the application that gets the PLUS loan funds to the right student. When you enter repayment, all of the PLUS loans you have borrowed, perhaps over several years and maybe for more than one student, will all be serviced together with one monthly payment.

Where can I get even more information about the PLUS loan?

https://studentaid.ed.gov/types/loans/plus

What are the terms of the PLUS loan?

- 2018/2019 Interest Rate: 7.6%
- 2018/2019 Origination Fee: 4.264%
- Standard Repayment: 10 Years
- Immediate or Deferred Payment options