



NORTHWESTERN COLLEGE
GRADUATE & CONTINUING EDUCATION

2010–11 Federal Direct PLUS Loan Application & Credit Authorization

In order to apply for the Federal Direct PLUS Loan for the 2010–11 academic year, you must complete all sections of this application. This form must be completed each academic year to request a PLUS loan.

If you did not borrow a Federal Direct PLUS loan during the 2009-10 academic year for your Northwestern College student, you will be required to complete a Master Promissory Note (MPN). Complete a MPN at www.studentloans.gov

The information that you supply on this application will be electronically transmitted to the U.S. Department of Education, its servicers and/or agents. Your credit history will be reviewed to determine your eligibility. Use ink and please print.

IF YOU LEAVE ANY SECTION BLANK, THIS FORM CANNOT BE PROCESSED.

Student Information			
Last Name	First Name	Northwestern College ID Number	
Apply my loan to the following term (circle one):			
Academic Year 2010–11		Fall 2010 only	Spring 2011 only
Summer 2011			
Loans are typically processed for the full year unless the student is attending only one semester.			

Parent Information				
Last Name	First Name	SSN		
Street Address	City	State	ZIP	
Relationship to Student	Telephone Number	Date of Birth (Month/Day/Year)		
Are you a U.S. Citizen? (Circle one)* Yes No		E-mail Address (we will contact you only if there is a problem about your loan request)		
If No, list Alien Registration # _____				
List the amount you wish to borrow for the period specified above: \$ _____				

Authorization for Credit Check/ Consent to Obtain Credit Report/ Credit Balance Authorization	
I consent to having the U.S. Department of Education and its agents review my credit report and use the information from that report in determining whether to award a Federal Direct PLUS loan to me. I understand that I will be notified in writing of the results of the credit check. I also attest that I have read and agree to all the information included with this form, including the Privacy Act Disclosure Notice.	
<input type="checkbox"/>	Please initial the box to approve any PLUS credit be issued directly to the student. If you do not initial this box, any credit balance of PLUS loan will be sent to the parent.
<input type="checkbox"/>	Please check this box if you would like Northwestern College to use this information to request a "credit check only." If your credit is denied, your student may be eligible to borrow more through the Unsubsidized Federal Direct Stafford Loan Program.
Parent Signature	Date

Return completed form to: Northwestern College, GCE Financial Aid Office
3003 Snelling Avenue North, NC2106, St. Paul, MN 55113-1598
651-631-5105 | Fax 651-628-3369 | E-mail: gcefindaid@nwc.edu

Federal Direct Parent PLUS Loans

FREQUENTLY ASKED QUESTIONS

Please keep this information sheet with your other important financial aid papers. It provides helpful information regarding student loans and financial information. Contact the GCE Financial Aid Office if you have further questions that are not addressed here.

How to obtain a Federal PLUS Loan:

- Complete a Federal Direct PLUS Loan Application and Credit Authorization Form and return it to the Northwestern College GCE Financial Aid Office. We will use the information on this form to inform the federal government of your interest in obtaining a loan and certify the student's planned enrollment and Federal PLUS Loan eligibility.
- If you have not already done so, complete a Federal Direct PLUS Loan Master Promissory Note (MPN). Last year, 2009-10, was the first year for Northwestern College's participation in Direct Lending. If you did not borrow a Federal Direct PLUS loan for 2009-10 you will be required to complete a new MPN. The MPN must be completed before the government will provide Federal PLUS Loan funds. Please visit www.studentloans.gov to complete your promissory note.

What is a Master Promissory Note?

A promissory note is a legally-binding document that lists the conditions of your loan and the terms of repayment. Instead of completing a promissory note every year, a Master Promissory Note (MPN) is a multi-year promissory note that only has to be completed once while your student is attending Northwestern College.

How do I sign a MPN?

You will need a federal PIN to complete the MPN. You can obtain your pin online at www.pin.ed.gov. If you electronically signed the FAFSA you should already have a PIN. If you have forgotten your PIN, visit www.pin.ed.gov to retrieve it. After signing into the www.studentloans.gov website, select "Complete Master Promissory Note." You will need to complete the MPN for the Parent PLUS loan.

What is the interest rate?

Federal Direct PLUS loans have a fixed interest rate of 7.9%.

Other than interest, are there any fees or charges to get a PLUS loan?

Yes, the loan fee is 4%; however a 1.5% immediate interest rebate reduces this fee to 2.5%. Once repayment begins, the borrower must make 12 on-time monthly payments to retain this benefit.

When will repayment begin?

Repayment begins 60 days after disbursement of the full amount for an academic year. Interest accrues as soon as the first disbursement is made. There is no grace period for this loan. The parent borrower repays both principal and interest while their student is in school. The repayment term will be 10 to 30 years depending upon the repayment plan selected. Parents have the option to defer payments for PLUS loans originated after July 1, 2008 provided the designated student is enrolled at least half-time each semester (six or more credits). Parents must contact the Direct Loan Servicer after the loan has been disbursed to request a deferment.

When will the PLUS Loan disburse?

In accordance with federal loan regulations and Northwestern College's disbursement schedule, the loan will be applied to your student's account once all requirements are met. Loan funds (less the fees) are evenly disbursed at the beginning of each semester.

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

If your student receives additional aid and you wish to reduce or cancel our Federal Direct Parent PLUS Loan, it is important that you notify the Financial Aid Office in writing as soon as possible. You have the right to cancel or reduce your Federal PLUS loan at any time during the loan period. If the additional financial aid received by the 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 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 completing another PLUS loan application/credit authorization. The total amount of a PLUS loan may not exceed the cost of attendance minus all other financial aid. You must list the additional amount you wish to borrow and indicate on the application that you are requesting additional funds. Please note that your credit history may be reviewed again to determine your eligibility.

What am I consenting to by signing the credit authorization?

Your consent verifies that you have read the privacy act disclosure as follows and gives Northwestern College permission to authorize the U.S. Department of Education to review your credit report:

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you. The authority for collecting the information requested on this form is §451 et seq. of the Higher Education Act of 1965, as amended. Your disclosure of this information is voluntary. However, if you do not provide this information, you cannot be considered for a Direct PLUS. The information on this form will be used to determine your eligibility for a Direct PLUS. The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called "Title IV Program Files" (originally published on April 12, 1994, Federal Register, Vol. 59 p. 17351) and "National Student Loan Data System" (originally published on December 20, 1994, Federal Register, Vol. 59 p. 65532). Thus, this information may be disclosed to federal and state agencies, private parties such as relatives, present and former employers and creditors, and contractors of the Department of Education for purposes of administration of the student financial assistance program, for enforcement purposes, for litigation where such disclosure is compatible with the purposes for which the records were collected, for use by federal, state, local, or foreign agencies in connection with employment matters or the issuance of a license, grant, or other benefit, for use in any employee grievance or discipline proceeding in which the Federal Government is a party, for use in connection with audits or other investigations, for research purposes, for purposes of determining whether particular records are required to be disclosed under the Freedom of Information Act, and to a Member of Congress in response to an inquiry from the congressional office made at your written request. Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 U.S.C. 1091 (a)(4)) provides that, in order to receive any grant, loan, or work assistance under Title IV of the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so that data may be recorded accurately.

What if my credit is denied?

If your application is denied due to credit, you will receive notification from the Direct Loan Servicer. You may then choose from the following options:

- You may try to have a credit status override completed by the servicer. Please contact the Direct Loan Servicer at 1-800-557-7394 and Equifax (their credit bureau) at 1-800-685-5000.
- You may provide documentation to the Direct Loan Servicer if you have extenuating circumstances. Your request for a PLUS Loan will be reviewed again by the servicer.
- You may have a third party endorser co-sign the PLUS loan application with you. In this case, please contact the Direct Loan Servicer at 1-800-557-7394.
- You may choose not to pursue any of the options listed above to obtain approval of your PLUS loan. Instead your student may be able to borrow additional funds for the current academic year through the Unsubsidized Federal Direct Stafford Loan Program. Please contact the Financial Aid Office to discuss this option.

If you have additional questions, please contact:

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