

SUMMER 2022

FEDERAL DIRECT PARENT PLUS LOAN

- Complete the Free Application for Federal Student Aid (FAFSA) prior to requesting a Federal Direct Parent PLUS loan. The FAFSA can be filed on-line by going to www.fafsa.ed.gov.
- A first-time Federal Direct Parent PLUS loan borrower must complete the Federal Direct Parent PLUS Master Promissory Note (Parent PLUS MPN) at www.studentloans.gov using the Federal Student Aid (FSA) ID assigned to the parent borrower. The borrower can create or retrieve their FSA ID at www.studentaid.gov.
- Federal Direct Parent PLUS loan borrowers must complete the Federal Direct PLUS Loan credit check at www.studentaid.gov by selecting **Request Direct PLUS Loan**.
- Submit the completed Direct Parent PLUS Loan Request Form to the Financial Aid Office. Standard processing time for loan applications is **7 business days**.

IMPORTANT NOTES

1. It is not necessary to select a lender for the Federal Direct Parent PLUS Loan. John Tyler Community College is a direct lending school and the Parent PLUS Loan is available through the Federal Direct Loan Program with the U.S. Department of Education. Information regarding the loan will be submitted to the National Student Loan Data System (NSLDS), and will be accessible by guaranty agencies, lenders, and schools determined to be authorized users of the data system.
2. The Parent PLUS loan will accrue interest once the loan is disbursed and repayment will begin approximately two months after the loan fully disburses. If uneven loan amounts are requested in the fall and spring semesters, repayment will begin earlier. Parent PLUS loan borrowers have the option of deferring repayment until after the student ceases to be enrolled half-time (6 credit hours). This deferment may be extended into the 6-month grace period after the student ceases to be enrolled at least half-time. Parent borrowers must call the Direct Loan Servicing Center (DLSC) at 800-848-0979 to request a deferment.
3. Please note that the Bipartisan Student Loan Certainty Act of 2013 implemented variable-fixed interest rates on newly originated Parent PLUS loans effective July 1, 2013. Interest rates are determined annually based on the Final Auction of the 10-year U.S. Treasury Bill prior to June 1st and are not to exceed 10.50%. For the 2021-2022 aid year, the interest rate for a Parent PLUS Loan is 5.30%.
4. The Parent PLUS MPN must be completed for the initial Parent PLUS Loan, but not for subsequent loans until it has reached expiration. However, if the Parent PLUS borrower changes, the new borrower must complete a MPN using their assigned FSA ID and the required credit check.
5. The FAFSA and Parent PLUS Loan Application must be completed each year.
6. Approval or denial of the Parent PLUS Loan is determined by the Department of Education and not John Tyler Community College as it is based on the borrower's credit history.
7. For borrowers whose Direct PLUS Loan credit checks are denied based on an adverse credit history, the borrower will be required to complete a PLUS Counseling Session at www.studentaid.gov and can either appeal the decision on extenuating circumstances or secure an approved endorser who must also pass the same credit check. If the parent receives an endorser, the parent must complete a new MPN after the endorser completes the endorser addendum. The student may also request an additional unsubsidized loan by completing the Federal Direct Student Loan Request Form available at www.jtcc.edu/finaidforms.
8. All preliminary requirements must be completed before the Parent PLUS Loan funds can be disbursed. Failure to complete all requirements will result in a delay in loan disbursements and possible cancellations of the loan. Students can check for processing requirements through their MyTyler account at www.jtcc.edu/mytyler.
9. Parents have the right to cancel all or part of the Parent PLUS Loan prior to the first day of the semester or within 14 days of notification of the loan. Parents may also reduce the amount of the PLUS loan or cancel a future disbursement by submitting a written statement to the Financial Aid Office as soon as possible before disbursement or completing the Parent PLUS Loan Adjustment Form available at www.jtcc.edu/finaidforms.

