



OCCIDENTAL COLLEGE

Financial Aid Office • 1600 Campus Rd. • Los Angeles, CA 90041 • (323) 259-2548
finaid@oxy.edu • www.oxy.edu/FinAid.xml

Federal Direct Parent PLUS Loan

Who may borrow?

Parents with no adverse credit history may borrow for each dependent child who is enrolled in college at least half time and is making satisfactory academic progress. If you are found to have an adverse credit history, you may still borrow a PLUS Loan if you get an endorser who does not have an adverse credit history. Federal PLUS Loans are not based on financial need. Parents at all income levels may apply. The PLUS Loan is a federally-sponsored loan for parents of undergraduate students.

How to Apply?

Families interested in applying to this program need to complete a Direct PLUS Loan application. You can apply online at www.studentloans.gov. For more information please visit <http://www.oxy.edu/x8735.xml>

What is the interest rate?

The Federal Direct PLUS Loan interest rate is fixed at 7.9%. The Department of Education is required to run a credit check on all PLUS applications. They will look for the absence of bad credit items (late payment history, bankruptcies, foreclosure, etc.). You are not charged for this credit check.

When will the loan be disbursed?

Direct PLUS Loans are received in two equal disbursements, one per semester. If your student is attending only one semester in the academic year, the loan will be disbursed in one disbursement in that semester.

Are there any fees?

A fee of 4% will be deducted proportionately each time a loan is disbursed to cover the cost of processing. For example, if you completed a loan application for \$5,000, your loan will be subject to a \$200 fee, making the actual amount received for credit to your student account \$4,800.

When will the PLUS Loan go into repayment?

Direct PLUS Loan repayment begins no later than 60 days after the final disbursement of the loan. Interest accrues on the PLUS Loan from the date of the first disbursement. Note: There is no prepayment penalty for the PLUS loans.

Can I defer my repayment?

Parents may defer payments on Direct PLUS Loans while their student is in-school and for a six-month grace period after the student graduates or drops below half-time enrollment. This change is effective for a PLUS Loan first disbursed on or after July 1, 2008. (Payments can also be deferred if the parents are themselves enrolled in college. They will need to submit an application for an in-school deferment.) Note that since the interest on the PLUS Loan is not subsidized, it continues to accrue while deferred and is capitalized when the loan enters repayment. A parent may also request a forbearance if she/he is willing, but financially unable, to make the required payments because of poor health or unanticipated personal problems. Through forbearance, a parent may make reduced payments or cease making payments for a period of time. Interest continues to accrue during forbearance periods. Call the Direct Loan Servicing Center at 800-848-0979 for details about deferments and forbearances.

What is the PLUS MPN?

The Master Promissory Note (MPN) is a legal document in which you promise to repay your loans(s) and any accrued interest and fees. It also explains the terms and conditions of your loan(s). The MPN allows borrowers to apply for additional PLUS funds in the future academic periods for up to 10 years without having to fill out additional promissory notes. MPNs are completed on-line at the Direct Loan website at www.studentloans.gov

