



Federal Direct Parent PLUS Loan Steps and FAQs

The Federal Direct Parent PLUS Loan is a credit-based, federal loan for parents of dependent students. The PLUS (Parent Loan for Undergraduate Students) Loan allows parents to borrow money to cover any educational costs not already covered by the student's other financial aid. The PLUS Loan Application becomes available by the end of the May prior to the start of fall term, and we recommend all these steps be completed prior to August 1 for the fall term or prior to December 1 for spring term. We cannot guarantee funds will arrive before the tuition date if an application is received less than 30 days before the start of the term.

Outlined below are the steps required by the U.S. Department of Education to obtain a PLUS loan:

1. Annual Student Loan Acknowledgment
2. PLUS Loan Application
3. Master Promissory Note

All three of the steps are completed online at StudentAid.gov and this document outlines how to complete these steps.

Annual Student Loan Acknowledgment

All Federal Parent PLUS Loan borrowers must complete the Annual Student Loan Acknowledgment to receive their loan. This annual acknowledgment is a new requirement beginning with the 2021-2022 academic year and must be completed **every** year you wish to receive a loan.

Follow the steps below to complete the Annual Student Loan Acknowledgment:

1. Go to StudentAid.gov using Chrome, Safari, or FireFox (they do not recommend using Internet Explorer).
2. Click on "Log In" using the parent borrower's Federal Student Aid ID (FSA ID)).
 - a. This is the same FSA ID the parent used to file the FAFSA.
 - b. Be sure to log in as the parent and not the student or someone else; you must log in using the parent's FSA ID.
3. From the "Complete Aid Process" menu at the top of the page, select "Complete Annual Student Loan Acknowledgment" and then select "Start."
4. Next select **WI** in the "State" box and then **University of Wisconsin-Whitewater** in the "School Name" box.
5. Enter student's Degree/Certificate and then their Field of Study and select "View Data."
6. Scroll through the page reading the information presented.
7. At the bottom of the page in the "Complete Your 2021-2022 Acknowledgment" box, select "I understand the borrowing guidelines you've shown me." and click on "Submit."

Annual Student Loan Acknowledgment Frequently Asked Questions

- When should I complete this?
 - This should be completed after April 1 but well before the fall term begins. We recommend completing it by August 1.
- Do I have to complete this every year?
 - Yes. The U.S. Department of Education made this annual acknowledgment a requirement starting with the 2021-2022 academic year. Your federal loan will not credit toward your charges until this step is completed every year.



PLUS Loan Application

All Federal Parent PLUS Loan borrowers must complete the PLUS Loan Application to receive their loan. This annual application must be completed **every** year you wish to receive a loan.

Follow the steps below to complete the PLUS Loan Application:

1. Go to StudentAid.gov using Chrome, Safari, or FireFox (they do not recommend using Internet Explorer).
2. Click on "Log In" using the parent borrower's Federal Student Aid ID (FSA ID).
 - a. This is the same FSA ID the parent used to file the FAFSA.
 - b. Be sure to log in as the parent and not the student or someone else; you must log in using the parent's FSA ID.
3. From the "Apply for Aid" menu at the top of the page, select "Apply for a PLUS Loan."
4. In the "I am a Parent of a Student" box, click on "Learn More" and then "Start."
5. From there, follow the on screen directions.

PLUS Loan Application Frequently Asked Questions

- What are my options if the credit check is denied?
 - *Appeal the decision.* Details on how to appeal are given on the site. Appeals are reviewed by the U.S. Department of Education, not by UW-W.
 - *Obtain an endorser (co-signer).* If you choose this option, the endorser must complete the "Endorse Direct PLUS Loan" section by signing in to www.studentaid.gov using his or her own FSAID.
 - *Not Pursue the PLUS Loan.* If you select this option, we will automatically offer your student additional Unsubsidized Federal Direct Loan funds based on the maximum amount allowed. (Freshman/Sophomore - \$4,000 max; Junior/Senior - \$5,000 max.)
 - *Undecided.* If this option is selected the Financial Aid Office will not be able to complete the PLUS loan process or award additional unsubsidized loan to the student until we are contacted by the parent who has applied for the loan.
- Do I have to complete the PLUS Credit Counseling?
 - The PLUS Credit Counseling is only required if you are appealing a denied application or if you are obtaining an endorser.
 - This is completed by logging on to StudentAid.gov, selecting the "Apply for Aid" menu at the top of the page, and then selecting "Complete PLUS Credit Counseling".



Master Promissory Note

All first-time Federal Parent PLUS Loan borrowers must complete a Master Promissory Note (MPN) to receive their loan. The MPN is the agreement you sign indicating you realize the Federal Direct Loan is a loan that you must repay.

Follow the steps below to complete the MPN:

1. Go to StudentAid.gov using Chrome, Safari, or FireFox (they do not recommend using Internet Explorer).
2. Click on "Log In" using the parent borrower's Federal Student Aid ID (FSA ID).
 - a. This is the same FSA ID the parent used to file the FAFSA.
 - b. Be sure to log in as the parent and not the student or someone else; you must log in using the parent's FSA ID.
3. From the "Complete Aid Process" menu at the top of the page, select "Complete a Master Promissory Note (MPN)," and then select "MPN for Parents."
4. Select "Start" and enter the information requested.
5. Once done with all sections of the MPN, be sure to click on "Submit."

MPN Frequently Asked Questions

- Who should I list as references?
 - The references should be two different persons with different U.S. addresses and who have known you for at least three years.
- Why do I have to provide references?
 - References are provided in case your loan servicer is unable to get in touch with you regarding important details of your loan. If you keep in touch with your loan servicer, answer their calls and emails, and keep your contact information current with them, your references should never be contacted.
- I have already completed an MPN, why am I being asked to complete another one?
 - The MPN only lasts for 10 years. If your first MPN was signed 10 or more years ago you need to complete a new one.
 - If you completed the MPN within one year, but never took out a loan you will be required to complete a new one.



Additional Frequently Asked Questions

- What is the current interest rate on the Federal Parent PLUS loan.
 - Interest rates are established each year based on an index rate. The interest rate, once established on a loan, will be fixed for the life of that loan.
 - The rate for loans disbursed from July 1, 2020 - June 30, 2021: 5.30%
- Are there any fees associated with the Federal Parent PLUS loan?
 - Yes. There are origination fees assessed on each disbursement.
 - The fee is 4.228% for loans with a first disbursement date on or after 10/1/2020 and before 10/1/2021.
- Is the Parent PLUS loan covered under the Federal Educational Rights and Privacy Act?
 - The Family Educational Rights and Privacy Act (FERPA), sets forth requirements regarding the privacy of student records. FERPA generally prohibits the release of confidential personally identifiable student data without the student's consent. Parents, guardians, and spouses have no inherent or legal rights to receive information about the student's education records, regardless of the student's age, without the written consent of the student – this includes information you may need to help apply for a Federal Parent PLUS Loan.
 - If a student would like the Student Accounts Office and/or the Financial Aid Office to discuss their financial aid/student account information (including the PLUS loan) with their parent, they need to complete a Release of Information form. Students can add their parent to the release form by following the directions below:
 - Log in to WINS
 - Select the "Student Financial Account" tile
 - Select the "Account Inquiry" tile
 - Select "Release Financial Info" and follow the on-screen directions
- Which parent can apply for the Federal Parent PLUS loan?
 - To receive a Federal Parent PLUS loan, you must be the biological or adoptive parent of the dependent undergraduate student.
 - Either biological parent can apply for the Federal Parent PLUS Loan, even if that parent's information is not listed on the Free Application for Federal Student Aid (FAFSA).
- Do I apply for a single term or for the full academic year?
 - We recommend applying for the full academic year; borrow enough to cover both fall and spring term charges.
- How do I know how much I should borrow?
 - You can use the estimates available at cost.uww.edu to determine your costs per term (note that this tool gives you the costs per term; multiply that by two to determine your academic year costs).
- What is the maximum amount I can borrow?
 - The maximum amount a parent is eligible to borrow is based on the student's Cost of Attendance minus other financial aid.
- Are there additional tools to learn more information about the Federal Parent PLUS Loan?
 - Yes: <https://studentaid.gov/sites/default/files/direct-loan-basics-parents.pdf> and <https://studentaid.gov/understand-aid/types/loans/plus/parent>.