

Federal Direct PLUS Loan for Parents

The Federal Direct PLUS loan for Parents is a federal loan program for parents who wish to access additional loan resources beyond what a dependent student is eligible to receive.

The parent borrower, not the student, is responsible for repayment of this loan.

This loan may cover up to the total Cost of Attendance (COA) as defined by LHU, minus the student's other financial aid, including student loans.

In order to receive a Direct PLUS loan for Parents,

- The student must have a complete FAFSA on file for the current financial aid year and be eligible to receive financial aid.
- The parent must submit an application to the Department of Education. To submit an application, go to <https://studentloans.gov>. Since it is the parent that is applying for the loan, it is the parent who logs in from the main page with his or her information.
- If approved, the parent will be notified immediately and will need to complete a master promissory note before the loan will process.

A credit check is required to determine eligibility for this loan program. If the parent borrower is denied the Federal Direct PLUS Loan AND the parent has opted not to appeal the adverse credit decision or seek an endorser, LHU will receive that information and automatically award the student additional unsubsidized Federal Direct Stafford Loan funds as long as there is room in the financial aid package.

The interest rate for Direct PLUS for loans first disbursed after July 1, 2014 and before July 1, 2015 is fixed at 7.21%.

Parents who borrow PLUS Loans pay a loan origination fee of 4.292% of the principle amount of each plus loan that you receive. The Federal processor will deduct the fee before sending the funds to LHU.

Repayment of the PLUS loan begins 60 days after the loan is fully disbursed for an academic year. Parents can elect to defer payment in their plus loan application. The optional in-school deferment will delay payments on the PLUS loan until six months after the dependent student on whose behalf the parent borrowed ceases to be enrolled at least half-time. Interest will continue to accrue on this loan during the deferment period. To limit the cost of borrowing, it is highly recommended that parents make interest payments during this deferment period if possible.

Parent borrowers may be charged collection costs and late fees if they do not make their loan payments on time. Parents are urged to contact their loan servicer to discuss payment options if they experience difficulty in making monthly payments.

LHU Financial Aid Office

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