

## APPLICATION INSTRUCTIONS FOR THE FEDERAL DIRECT PLUS LOAN

Federal Direct PLUS loans are processed through Hampshire College's financial aid office. Please follow the steps listed below to apply for a Direct PLUS loan.

**Step 1 - Complete the FAFSA form:** If one has not already been submitted, the student and a custodial parent must complete the Free Application for Federal Student Assistance (FAFSA) form. This form may be completed online and signed electronically at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). Hampshire's FAFSA code is 004661. Enter this code on the FAFSA so we will receive the results electronically. The student and a custodial parent both sign the form using their respective federal PIN numbers. Federal PIN numbers may be requested at [www.pin.ed.gov](http://www.pin.ed.gov). Note that either parent (custodial or non-custodial) or both may apply for a Direct PLUS loan.

**Step 2 – Complete the Loan Request Form:** You must notify the financial aid office that you want to borrow a Direct PLUS loan. To do this, complete and submit the Direct PLUS Loan Request Form to the financial aid office. Answer all of the questions on the form to avoid any delays in processing. Submission of the request form will initiate the required credit check. The credit check is performed by the financial aid office through the Direct Loan Program within five business days of receiving the request form.

When determining the *loan amount* be sure to take into account other payment methods you are planning to utilize such as the monthly payment plan, work study payroll deduction, credit card payment, or other loan. Do not include these in your Direct PLUS loan amount. Note that the 2.50% net origination fee is deducted from the loan amount. You may want to increase the requested loan amount by 2.50% so we will receive the amount required to cover the student's bill. If you choose to apply for the maximum amount you will need to confirm the loan amount after the maximum is calculated by the loan counselor. The counselor will need to know if the student will be maximizing the federal student loan and if the health insurance fee will be waived. You may want to discuss the maximum amount with the loan counselor before requesting it.

Because of the highly confidential nature of the information you provide on the loan request form please do not email this form. A more secure method is to fax or mail the form to the financial aid office. You may **FAX the form to 413.559.5585** or MAIL the form to the Financial Aid Office, Hampshire College, 893 West Street, Amherst, MA 01002-3359. If mailing us the form, please make a copy of it for your records.

**Step 3 – Complete the Master Promissory Note:** If you are a new Direct PLUS loan borrower you must complete a Master Promissory Note (MPN). *NOTE: Repeat Direct PLUS loan borrowers do not need to sign a new MPN.* You may sign the MPN online at [www.studentloans.gov](http://www.studentloans.gov). Sign in under the Manage My Direct Loan section. Be sure to sign an MPN for a Direct parent PLUS loan—not for a Direct graduate PLUS loan or the Direct student loan. The note is signed electronically by using the parent borrower's federal PIN number (see Step 1 above). If you prefer to complete a paper promissory note please let Hampshire's loan counselor know, and you will be sent a paper version after the loan has been created. Future Direct PLUS loans will be linked to the MPN so you do not need to complete another one.

**Step 4 – Funds will be disbursed directly to Hampshire College:** Loan funds will be applied onto the student's account. We receive one half of the amount borrowed, less the fee, for the fall term and the other half, less the fee, for the spring term. The funds will be sent to us only after we receive the FAFSA results *and* after the PLUS loan application is credit approved *and* a signed Master Promissory Note is on file.

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**Direct PLUS Loan facts:** The interest rate on the Direct PLUS Loan is fixed at 7.90%. The net origination fee is 2.50% of the amount borrowed. You may receive a quarter percent (0.25%) interest rate reduction if monthly payments are made automatically through a bank account. Monthly principal and interest payments may be deferred while the student is enrolled in school but interest continues to accrue. The lender of the Direct PLUS loan is the U.S. Department of Education. Your loan will be serviced by one of five loan servicers. You will be notified by your assigned servicer after the loan has been processed. Please contact your loan servicer in the future to arrange payment deferment while the student is enrolled, discuss loan repayment plan and forbearance options, to update any changes to your mailing address and phone numbers, and if you are having difficulty making payments.

If the Direct PLUS Loan creates a refund on the student account, the refund may be requested by contacting the student accounts office by email at [studentaccounts@hampshire.edu](mailto:studentaccounts@hampshire.edu) or by phone at 413.559.6982.

If your Direct PLUS Loan application is denied, you will receive notification from the Direct Loan Program. You may try to resolve the denial or obtain an endorser to help get the loan approved. If you cannot resolve the credit problem the student becomes eligible to borrow an additional Direct student loan. First and second year students may borrow up to \$4,000 in an additional unsubsidized Direct student loan. Third, fourth, and fifth year students may borrow up to \$5,000. If the student wants to borrow the extra loan please send our loan counselor an email indicating the amount.

If you have any questions about the Direct PLUS Loan process please contact the loan counselor at Hampshire College at 413.559.6044 or by email at [loans@hampshire.edu](mailto:loans@hampshire.edu). Information is also available at <http://loans.hampshire.edu>.

FEDERAL DIRECT PLUS LOAN REQUEST FORM

Hampshire College

Student's Last Name: \_\_\_\_\_ First: \_\_\_\_\_ MI: \_\_\_\_\_

Student's Social Security Number: \_\_\_\_\_ Student's Date of Birth: \_\_\_\_\_

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Parent Borrower's Last Name: \_\_\_\_\_ First: \_\_\_\_\_ MI: \_\_\_\_\_

Borrower's Social Security Number: \_\_\_\_\_ Borrower's Date of Birth: \_\_\_\_\_

Borrower's U.S. Citizenship Status: (circle one) Citizen Eligible Non-citizen – Alien Reg. # \_\_\_\_\_

Borrower's Permanent Street address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Home Phone: \_\_\_\_\_

Work or Cell Phone: \_\_\_\_\_ Borrower's email address: \_\_\_\_\_

Relationship to Student: (circle one) Parent Non-custodial Parent Step-parent

Is the Borrower in default on any loan under Federal Title IV Programs? (circle one) No Yes

Loan Amount: \$\_\_\_\_\_ (for maximum amount, enter MAX). The maximum PLUS loan amount is the student's cost of attendance less any financial aid the student is receiving. Refer to Instruction Sheet for guidance (step 2). If requesting MAX, will student request maximum federal student loan including the \$2,000 unsubsidized loan? Yes No If requesting MAX, is student planning to waive the health insurance fee? Yes No If yes, student must officially waive it.

Loan Term: (circle one) Full Academic Year Fall term only Spring term only

Privacy Act Disclosure Notice: 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 section 451 et. seg. of the Higher Education Act (HEA) 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 loan. The information on this form will be used to determine your eligibility for a Direct PLUS loan. 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 Higher Education Act (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 parent 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

By signing below I indicate that I have read and understand the information provided on this form. I also certify that the information I provided is accurate. I consent to the U. S. Department of Education and its agents obtaining a report of my credit record and using the information from that report in determining whether to make a Direct PLUS loan to me. I understand that I will be notified in writing of the results of the credit check with respect to my loan application.

Borrower's signature \_\_\_\_\_

Date \_\_\_\_\_

Please fax this completed form to 413.559.5585

For office use only: \_\_\_ ISIR \_\_\_ AIDE \_\_\_ CODE Approved/Denied \_\_\_ MPN \_\_\_ Confirm F \_\_\_ S \_\_\_ PS