

Federal Direct PLUS Loan

The Federal Direct PLUS Loan is an optional federal loan program for parent(s) who wish to access additional resources beyond what a student is eligible to receive. This credit-based Direct PLUS Loan option may cover up to the total Cost of Attendance (COA) as defined by Brandman University, minus other student aid. The interest rate for Direct PLUS Loan is fixed at 7.9%. Since the Direct PLUS Loan is a federal loan, be aware there are more benefits in a Direct PLUS Loan versus student benefits if they borrow through an alternative (private) loan.

Fees

There is a loan fee of 4% of the principal amount charged for each Direct PLUS Loan that you borrow. The total fee is reduced to 2.5% due to an “up front” interest rebate equal to 1.5% of the loan amount. Be sure to take into consideration the 2.5% origination fee is deducted from the loan. Thus, a loan request of \$10,000 would yield a net disbursement of \$9,750. The loan amount is disbursed in equal installments over each term of the academic year. To retain the “up front” rebate, when a parent starts to repay their loan, they must make their first 12 consecutive payments on time. The fee and rebate will be applied before you receive any loan money.

Deferment

An in-school deferment will delay payments on the Direct PLUS Loan until six months after the student on whose behalf the parent borrowed ceases to be enrolled at least half-time. Repayment on the Direct PLUS Loan begins 60 days after the loan is fully disbursed for an academic year. To request an in-school deferment, **after** the initial Direct PLUS Loan disbursement, please contact Direct Loan Borrower Services at 1-800-848-0979. Deferment needs to be requested on an annual basis, and may be requested 14 days after the loan has been disbursed to the student's account. **Interest will continue to accrue on this loan during the deferment period.** Therefore, we recommend that you make your interest payments during this deferment period, if at all possible.

Application Process

To borrow a Direct PLUS Loan for the first time, you must complete a PLUS Application **and** Master Promissory Note (MPN). The MPN is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education. It also explains the terms and conditions of your loan(s). The MPN will be provided by the U.S. Department of Education.

Brandman University offers the option of completing the MPN electronically. You can do so online at the Direct Loans e-MPN website. If you are borrowing Direct PLUS Loans for more than one student, you'll need to complete a separate MPN for each one. To complete an MPN online, you will be required to use your U.S. Department of Education-issued PIN (not your student's). If you do not have a PIN, you may request one from the official PIN site (www.pin.ed.gov).

In most cases, once you've submitted the MPN and it's been accepted, you won't have to fill out a new MPN for future loans you receive to pay for the educational expenses of the same student. Brandman University will allow more than one loan to be made under the same MPN. Therefore, you can borrow additional Direct PLUS Loans on a single MPN for up to 10 years.

You'll receive a disclosure statement that gives you specific information about any loan that Brandman University plans to disburse under your MPN, including the loan amount and loan fees, and the expected loan disbursement dates and amounts.

PLUS Application Process

1. Go to www.studentloans.gov
2. Click on “Sign In” (You will need your U.S. Department of Education-issued PIN).
3. You must now complete a PLUS Application.
 - a. On the left-hand column, under the “PLUS Loan Process” heading, click on “Request PLUS Loan.”
4. You are now on the “Request PLUS Loan” page. Click on “Parent PLUS.”
5. You are now on the “(STEP 1) – Personal Information” page.
 - a. Enter your personal information in all required fields (indicated by an asterisk). Enter optional information if it is available.
 - b. Click on “Continue.”
6. You are now on the “(STEP 2) – Student and Loan Information” page.
 - a. Select the Award Year for 2011-2012.
 - b. Enter the information for your student in all required fields (indicated by an asterisk). Enter optional information if it is available.
 - c. Indicate who you would like the credit balance (if any) paid to.
 - d. For “School State” select “CALIFORNIA.” For “School Name” select “BRANDMAN UNIVERSITY.” The DLID (Direct Loan ID: G41618) and school address will populate.
 - e. Indicate if you would like to borrow the maximum amount as determined by the school or if you would like to request a specific loan amount and how much you would like to borrow. *Note: if you choose to borrow the maximum amount, Brandman University will still originate your Direct PLUS Loan at the amount awarded on your student’s award letter. If you would like to increase your Direct PLUS Loan amount, please contact the Financial Aid Office.*
 - f. Click on “Continue.”
7. You are now on the “(STEP 3) – Review Application” page.
 - a. Review all information provided and verify that it is correct prior to submitting the loan application.
 - i. If the information is incorrect, click on “Edit” for the desired section.
 - b. Once all information is correct, click on “Continue.”
8. You are now on the “(STEP 4) – Credit Check and Submit” page.
 - a. Check the box to authorize the U.S. Department of Education to run your credit. As indicated, your PLUS Application cannot be submitted without a credit check.
 - b. Click on “Continue.”
9. You will be immediately approved or denied for your Direct PLUS Loan based on your credit check.

- a. If you are denied, you will be given four options:
 - i. Apply with an eligible endorser – An endorser is someone who agrees to repay the Direct PLUS Loan if you do not repay the loan. The endorser may not be the student on whose behalf you are obtaining a Direct PLUS Loan. *Note: If you apply with an eligible endorser, your MPN will only be good for this academic year.*
 - ii. Appeal the credit decision - In some cases, you may also be able to obtain a Direct PLUS Loan if you document that there are extenuating circumstances related to your adverse credit history.
 - iii. Pursue Additional Unsubsidized Loan – If you reject the Direct PLUS Loan, Brandman University can award additional Direct Unsubsidized Loan eligibility to your student. Freshmen and Sophomore-year students are eligible for up to an additional \$4,000 per year. Junior and Senior-year students, as well as Credential students, are eligible for up to an additional \$5,000 per year.
 - iv. No Action Will Be Taken – Brandman University will be notified of your PLUS Loan denial.
- b. If you are approved, you are done with the PLUS Application process. Brandman University will be notified and will process your loan for the amount you indicated in step 6(e). **If you are a first-time Direct PLUS Loan borrower –OR– you applied with an endorser last year, you MUST now complete the Master Promissory Note.**

Master Promissory Note Process

1. You must now complete a Master Promissory Note (MPN). On the left-hand column, under the “Master Promissory Note” heading, click on “Complete MPN.”
2. You are now on the “Master Promissory Note (MPN)” page.
 - a. Click on “Parent PLUS.”
3. You are now on the “(STEP 1) – Personal Information” page.
 - a. Enter your personal information in all required fields (indicated by an asterisk). Enter optional information if it is available.
 - b. Enter your student’s Student Information in the fields provided.
 - c. For “School State” select “CALIFORNIA.”
 - d. For “School Name” select “BRANDMAN UNIVERSITY.” The DLID (Direct Loan ID: G41618) and school address will populate.
 - e. Click on “Continue.”
4. You are now on the “(STEP 2) – Personal References” page.
 - a. Enter the information for your two references in all required fields (indicated by an asterisk). *NOTE: your references must have different addresses and telephone numbers from each other and they must have addresses within the U.S.* Enter optional information if it is available.

- b. Click on “Continue.”
5. You are now on the “(STEP 3) – Terms and Conditions” page.
 - a. You must review section D, E, F and H. **Please read this information carefully and completely.**
 - b. Once you have done so and agree to the terms, select the box next to *“I have reviewed the information about me on the Master Promissory Note and acknowledge that it is true and correct. I have read, understand, and agree to the Borrower Request, Certifications, Authorizations and Understandings, the Promise to Pay, the MPN Terms and Conditions, and the Borrower's Rights and Responsibilities Statement.”*
 - c. After you have selected the box, click on “Continue.”
 6. You are now on the “(STEP 4) – Review and Sign” page.
 - a. Review all the information.
 - i. If the information is incorrect, click on “Edit” for the desired section.
 - b. Once all information is correct, sign your MPN by entering your name in the appropriate fields.
 - c. Click on “Sign.” Once your signature has been authenticated, you must view your MPN before submitting.
 - d. When you are ready to submit your MPN, click on “Continue.”
 7. You have now submitted your MPN for the Direct PLUS Loan.
 - a. You may view or download the PDF version of your completed MPN to retain a copy for your person financial aid records.
 - b. You are now finished with your loan MPN. You may log out.