



Parent Loan for Undergraduate Students (PLUS) Detailed Information

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Summary of Facts

- Borrowers must be U.S. citizens or eligible non-citizens.
- Borrowers can apply for the entire cost of attendance at Connecticut College minus any financial aid your student receives.
- PLUS loans are based on a borrower's credit history rather than financial need.
- PLUS Loans have a fixed interest rate of 8.5% with a 3% origination fee and a 1% default fee.

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Loan Limits

For each undergraduate student, a parent can borrow up to the total cost of education – that includes tuition and fees, room and board, books, supplies, and transportation.

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Interest Rates

FFELP PLUS Loans disbursed on or after July 1, 2006, the interest rate is fixed at 8.50 percent.

PLUS Loans disbursed between July 1, 1998 and June 30, 2006, the interest rate is variable and is determined on July 1 of every year. For 2007-2008, the variable rate for these PLUS Loans is 8.02 percent. Interest is charged on a PLUS Loan from the date of the first disbursement until the loan is paid in full.

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Master Promissory Note

The Master Promissory Note is a binding legal document that must be signed by the borrower before loan funds are disbursed by the lender. The promissory note states the terms and conditions of the loan, including repayment schedule, interest rate, deferment policy and cancellations. The Master Promissory Note is

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Disbursement of Funds

1. The PLUS is normally payable in two disbursements, one-half of the total in each semester and will not be disbursed to your account no earlier than 10 days before the start of classes.
2. Loan funds will not be disbursed to the student's account until all necessary paperwork is completed, certified by the school, approved by the lender, and the student has enrolled in sufficient credit hours. All undergraduates at CC must be enrolled full-time, normally 16 credit hours per semester.

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Repaying Your Loan

Your first payment will be due 60 days after the money is fully disbursed, or paid to the student's school.

Example:

If you take a \$10,000 for the academic year, \$5,000 will be disbursed for the fall semester and \$5,000 will be disbursed for the spring semester. After that spring disbursement, your loan is fully disbursed. You will begin repayments 60 days later.

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Our Commitment to Parents

Connecticut College is committed to assuring that the lender recommendations we make are in the best interest of our students and their parents. To that end, listed below are two Codes of Conduct to which we adhere.

[Connecticut Code of Conduct](#)

[NASFAA Code of Conduct](#)

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For more Information

[Finaid.Org](#) offers a variety of information and worksheets that may help you in your research of Parent PLUS loans. Check out a few: [student check list](#), [loan calculator](#), [trade offs](#), [loan discount analyzer](#) and the [mortgage calculator](#).

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