

FEDERAL PLUS LOANS

FINANCIAL AID AND VETERAN SERVICES • 1108 FREMONT STREET, SSC 103 • STEVENS POINT, WI 54481-3987 • WWW.UWSP.EDU/FINAID

A Federal Direct PLUS Loan is available to a parent of dependent students. Through this loan, it is possible to borrow up to the annual cost of education *minus* financial aid offered to students enrolled at least half time in an eligible program. The maximum annual limit is \$20,000 per dependent student. The aggregate limit is \$65,000 per dependent student. Interest and fees are subject to change annually. The most up to date fees and rates can be found at: StudentAid.gov/understand-aid/types/loans/interest-rates. Federal Direct PLUS loans disbursed between July 1, 2025 – June 30, 2026, have a fixed interest rate of **8.94%** with a **4.228% origination fee** assessed on each loan disbursed. When applying for a Federal Direct PLUS loan, a credit check will be performed and is valid for 180 days.

Applying for a Federal Direct PLUS Loan:

- 1. Request a Federal Direct PLUS Loan:** Go to StudentAid.gov and sign in using the Federal Direct PLUS Loan applicant's User ID that was used to electronically sign the original Free Application for Federal Student Aid (FAFSA) and select "Request a Direct PLUS Loan". **The applicant for a Parent PLUS Loan is the parent(s) of the dependent undergraduate student.**
 - Be sure the applicant's information is entered correctly (last name, first name, middle initial, social security number and date of birth). Errors when entering this information will prevent processing of the loan.
 - Be mindful when requesting the loan amount that the total loan will be reduced by an origination fee and will disburse equally among the student's requested loan period. This amount will only be certified in whole dollars.
- 2. Sign the Federal Direct PLUS Master Promissory Note (MPN) at StudentAid.gov:** If the loan amount requested is approved, the borrower must complete the Direct PLUS MPN. This task is required prior to loan disbursement.

Parent PLUS Loan Denial Options: *If the Federal Direct PLUS Loan request for a parent is denied, applicants are encouraged to explore the following options:*

- *Appeal the credit decision* – Details on how to appeal will be provided on StudentAid.gov using applicant's User ID.
- *Obtain an endorser (co-signer)* - If this option is selected, the endorser must complete "Endorse Direct PLUS Loan" section by signing into StudentAid.gov with their own User ID.
- *Discontinue Parent PLUS Loan Application* – The student will be offered additional Unsubsidized Direct Loan funds based on the maximum amount allowed (Freshman/Sophomore - \$4,000 max.; Junior/Senior - \$5,000 max.).
- *No action* – Our office will be unable to process your Parent PLUS Loan application further.

Repaying Your Federal Direct PLUS Loan

Repayment of the Federal Direct PLUS Loan typically begins within 60 days after the final loan disbursement for the specified enrollment period. For the Standard Repayment Plan, fixed payments will be due each month for up to 10 years, loan payments are allowed to be deferred until 6 months after the student graduates. Contact your Direct Loan servicer for information regarding repayment plans and/or loan deferment provisions. After the first allotment of aid is disbursed, the borrower will receive a notification assigning them to a specific loan servicer. Your Direct Loan Servicer can be found on the borrower's StudentAid.gov following this notification.



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