



2021-2022

## FEDERAL DIRECT PARENT (PLUS) LOANS INSTRUCTIONS

Federal Direct Parent Loans are low-interest loans designed to help parents pay for their dependent student's educational expenses. Parent Loans are not restricted to financial need. The maximum Parent Loan amount is the difference between the student's cost of attendance less all other financial aid, including Federal Direct Loans. **Read the back of this page before proceeding.**

### New and Previous Borrowers

1. You will need a U.S. Department of Education Federal Student Aid (FSA) ID. This is the same FSA ID that you use to sign the Free Application for Federal Student Aid (FAFSA). If you already have a FSA ID, proceed to Step 2. If you do not have a FSA ID, you may obtain one at <https://fsaid.ed.gov>.

2. Your dependent student must have a completed Free Application for Federal Student Aid (FAFSA) for 2021-2022 on file before a Parent (PLUS) Loan will be processed. If your student has not completed the FAFSA, go to <https://fafsa.gov> Be sure to include the Federal School Code for Howard Payne University: 003575

3. Go to <https://studentloans.gov>. (If you cannot complete the electronic process, please contact our office.) After you have signed in using your FSA ID, choose "PARENT BORROWERS" and "Apply for a PLUS Loan". Put in your personal information (i.e. name & address). In the next drop-down box for the year, choose 2022. You will need to complete the PLUS Pre-Approval section. Print the results.

➤ If the loan is approved, continue to # 4.

➤ If the loan is not approved, choose one of the options below:

\_\_\_ I do not wish to pursue approval of this loan. I will send a copy of the results to the Office of Financial Aid and request information on other loan options for the student.

\_\_\_ I will pursue approval by contacting 1-800-557-7394 to appeal.

\_\_\_ I will obtain an endorser (co-signer) for the PLUS. I understand that I must complete a MPN per instructions in Step 4.

My endorser must obtain a FSAID at <https://fsaid.ed.gov> and enter the Loan ID from the application process.

My endorser will then sign-in at <https://studentloans.gov> using the FSA ID. The endorser will choose "Endorse Direct PLUS Loan" and use the Loan ID to complete the process.

### New Borrowers Only

#### 4. Complete the Electronic Master Promissory Note (MPN)

At <https://studentloans.gov>, choose "Complete New MPN for Parent PLUS Loans".

Follow these steps to complete the electronic Master Promissory Note (MPN):

- a) **LOG-IN TO MPN** - You will be asked for your Social Security Number, first two characters of your last name, your date of birth and your FSA ID.
- b) **DISCLOSURE AND CONSENT** - Read this section carefully.
- c) **PROVIDE NAME, STUDENT'S INFORMATION AND SCHOOL (Howard Payne University)**.
- d) **COMPLETE THE MPN** - During this step, you will be asked to provide the remaining information necessary to complete your MPN. This will include your permanent address, driver's license number and state, e-mail address and telephone number. You will also be asked to provide the names, addresses and telephone numbers of two references who have known you for at least three years.
- e) **REVIEW/READ DRAFT MPN** - You will be asked to review/read a draft version of the MPN that will include the information you provided in Step 4 (above) and important information about the loan(s) you may receive under your MPN. Before you continue, you must confirm that you have read the draft MPN, which includes the Borrower's Rights and Responsibilities.
- f) **SIGN YOUR MPN** - You will be asked to review the Promise to Pay section of the MPN and electronically sign the MPN by typing in your full name. You will still have the opportunity at this point to modify the information you provided or to cancel the electronic MPN process.
- g) **REVIEW SIGNED MPN/ENTER CONFIRMATION CODE** - You will be shown a completed MPN that includes your electronic signature. Before you can continue with the electronic MPN process, you must confirm that you have read the completed MPN.
- h) **CONFIRM ACCEPTANCE OF MPN TERMS AND SUBMIT MPN** - You will be asked to confirm that you agree to the terms and conditions of your MPN. You will also be given a final opportunity to cancel or modify your MPN. If you agree to the terms and conditions of the MPN, you may complete the electronic MPN process by submitting your MPN to the U.S. Department of Education.
- i) **PRINT YOUR MPN. Keep a copy of the completed MPN for your records.**

5. Complete the WORKSHEET on the back of this page.

**CUSTOMER SERVICE** - If you have questions or experience problems with the electronic MPN, please call 1-800-557-7394. You may also contact the HPU Financial Aid Office at 325-649-8032 or contact the Office of Financial Aid at [financial-aid@hputx.edu](mailto:financial-aid@hputx.edu).

(Please read the reverse side of this page)

## IMPORTANT INFORMATION ABOUT THE FEDERAL DIRECT PARENT (PLUS) LOAN

(Keep this page for your records.)

1. This is a loan must be repaid. Explore all financial aid options before taking a loan.
2. Borrow only what is needed for your dependent student’s educational expenses for the academic year.
3. The U.S. Department of Education is the lender for this loan. The school assists in administering the loan by distributing information, certifying eligibility, processing the loan, and disbursing loan funds.  
**Schools do not determine approval for credit qualifications.**
4. An origination fee of up to 4.2 percent is collected by the federal government to offset the cost of the federal education loan programs. (This amount is subject to change pending Congressional action.)
5. A parent cannot have an adverse credit history. If a Parent Loan applicant does have an adverse credit history, he or she might still be able to receive a loan by documenting existing extenuating circumstances or by obtaining an endorser (co-signer) who does not have an adverse credit history. (If the loan is not approved, contact the Financial Aid Office to obtain information about other loan options for the student.)
6. The repayment period is up to 10 years. **Parents have the option of beginning repayment either 60 days after the loan is fully disbursed or 6 months after the dependent student is not enrolled at least half-time.** Interest will accrue during this time. There is no penalty for early repayment.
7. Loan funds will be credited directly to your dependent student’s university account. Written notification of the date and amount of credited funds will be sent. In most cases, the loan will be delivered in two equal installments – half at the beginning of the school year and half midway through the school year. **Overpayments as a result of a Parent Loan will be made payable to the student** and may be picked up by the student at the Cashier’s Office (Room 203 of the Packer Administration Building) within 14 days of the credit.
8. You have the right to reduce or decline your loan up to 30 days after the loan funds have been disbursed, providing the loan proceeds have not been released to you or your student. This request must be made in writing.
9. Keep copies of all forms pertaining to your loan.

### FEDERAL DIRECT PARENT LOAN MASTER PROMISSORY NOTE (MPN)

The Parent Loan Master Promissory Note (MPN) is a loan application that allows parents of dependent students to receive multiple Federal Direct Parent Loans over a maximum ten-year period. After the MPN is submitted to the Department of Education, the parent is not required to complete a new MPN while the student attends Howard Payne University. The parent will be required to complete a Loan Request and Authorization Form each time a loan is needed. Usually the Loan Request and Authorization Form will be completed at least once each academic year. A credit approval process for the Parent Loan must be completed each academic year. If the parent needs a Parent Loan to finance another dependent student’s education, the parent must complete a separate MPN. The parent has the right to request a new MPN any time the parent borrows.

### WORKSHEET TO DETERMINE THE AMOUNT OF PARENT LOAN (PLUS) NEEDED

A PLUS Loan may not exceed the student’s estimated cost of attendance minus estimated financial aid for the period of enrollment. Reference your dependent student’s Award Notification for the amount of financial aid. The **ESTIMATED** expenses are **PER SEMESTER** for the **FALL 2021 Semester and the SPRING 2022 semester. The estimated expenses (added together) cover an approximate 9 month period. Students will be billed separately for each semester.**

TUITION (per semester)	\$13,389	
STUDENT SERVICE FEE (per semester)	\$ 1,650	
DORM ROOM (per semester)	\$ 1,800	(upper level dorm room)
MEAL PLAN (per semester)	\$	(Enter the amount of your student’s meal plan.)
FEES (per semester)	\$ 150	(Estimate only-fees will vary.)
BOOKS (per semester)	\$ 600	(Estimate only - Varies from student to student.)
MUSIC FEES (If applicable)	\$	
<b>TOTAL ESTIMATED CHARGES</b>	<b>\$</b>	<b>(Per semester)</b>

**Less Financial Aid:**

Scholarships (per semester)	\$	
Grants (per semester)	\$	
Student Loans (per semester)	\$	(less 1.057% origination fee charged by Department of Education)

**Amount needed for PLUS for 1 semester: \$ \_\_\_\_\_ + (If funds are needed for 2 semesters, double this amount and consider the 4.2% origination fee.)**

**+ This is the amount you will enter in the Parent Loan Request Section of the attached Parent Loan Request and Authorization Form. Double this amount if you need the loan for two semesters.**

**If your dependent student changes enrollment status or receives additional financial aid funds or scholarships from outside sources (i.e. church, organizations, foundations, etc.), regulations may require a reduction in the amount of your Parent (PLUS) Loan.**