

## FEDERAL DIRECT PARENT PLUS LOAN INFORMATION FOR PARENTS

### OVERVIEW

The Federal Direct Parent PLUS Loan is available to the [eligible parent\(s\)](#) of dependent undergraduate students to help pay for educational expenses not covered by other financial aid. Eligibility is not based on financial need, but a credit check is required. If you have any [adverse credit](#) history, you may still be able to receive the loan if you [meet additional requirements](#). If you choose to borrow:

- You will be required to submit a Federal Direct Parent PLUS Loan Application online.
- You will be required to submit a Federal Direct Parent PLUS Loan Master Promissory Note (MPN).
- The maximum amount you may borrow is the student's full cost of attendance minus any other financial aid received.
- The U.S. Department of Education is your lender.
- Interest rates change every July 1<sup>st</sup>. For Federal Direct Parent PLUS Loans first disbursed on or after July 1, 2025, and before July 1, 2026, the interest rate is 8.94%. This is a fixed interest rate for the life of the loan.
- If you request a deferment, you will not need to make [payments](#) while your child is enrolled at least half-time and for an additional six months after your child graduates, leaves school, or drops below half-time enrollment. If you do not request a deferment, you will be expected to begin making payments after the loan is fully disbursed (paid out).
- The [loan fee](#) is a percentage of the loan amount and is proportionately deducted from each loan disbursement. Loans first disbursed on or after October 1, 2020, and before October 1, 2026, is 4.228%.
- You choose your [repayment plan](#). Determine the repayment plan best for you by using the [Loan Simulator](#).
- You can track your borrowing, get contact information about your loan servicer(s) and make payments [online](#).
- At any time prior to disbursement, or within 14 days of your notification of your right to cancel, you may cancel all or part of your loan.

### UCR FINANCIAL AID OFFICE

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## FEDERAL DIRECT PARENT PLUS LOAN APPLICATION INFORMATION FOR **PARENTS**

### BEFORE YOU APPLY

- Read **FEDERAL DIRECT PARENT PLUS LOAN APPLICATION TIPS FOR **PARENTS****
- If you currently have a security freeze on your credit file, you must remove the freeze with each credit bureau before you apply. Your Federal Direct Parent PLUS Loan Application will not be processed if you have a security freeze.
- It may be helpful, but not required, to review the Federal Direct Parent PLUS Loan Application Demo so you know what to expect as you navigate through the application process.
- The entire Federal Direct Parent PLUS Loan Application process must be completed in a single session. It takes approximately 20 minutes to complete the process.
- An FSA ID is required and must be created prior to applying. Please note the Parent FSA ID is *not* the same as the Student FSA ID. If you have not already done so, obtain a verified FSA ID online. The Parent FSA ID acts as the electronic signature on the application so **do not** share your FSA ID.

### WHAT YOU NEED

- Verified FSA ID
- School Name: UNIVERSITY OF CALIFORNIA, RIVERSIDE
- Your dependent student's legal name, date of birth and social security number (not their UCR Student ID)
- Your biographical information
- Your employer's information (if applicable)

### HOW TO APPLY

Apply for a Federal Direct Parent PLUS Loan 24 hours a day, 7 days a week online at [studentaid.gov](https://studentaid.gov).



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## FEDERAL DIRECT PARENT PLUS LOAN APPLICATION TIPS FOR PARENTS

1. Log into [StudentAid.gov](https://studentaid.gov) using **your** own FSA ID, not your dependent student's FSA ID.
2. Choose the correct *Award Year*.
3. Authorize the school to use Federal Direct Parent PLUS Loan to pay any existing charges on your dependent student's account.
4. Choose the right *Credit Balance Option* for you and your dependent student. The Federal Direct Parent PLUS Loan will be applied towards the charges on your dependent student's school account. Any amount that remains after these charges have been paid is called a "Credit Balance". You must choose to have the school refund any "Credit Balance" directly to you or to your dependent student:
  - Choosing *Me, the Parent*, the "Credit Balance" will be refunded in the form of a paper check, made payable to the parent borrower, and mailed directly to the permanent address, not the mailing address, as indicated on the Federal Direct Parent PLUS Loan Application.
  - Choosing *The Student*, the "Credit Balance" will be refunded directly to your dependent student's bank account (if signed up for [Direct Deposit](#)) or refunded in the form of a paper check, made payable to your dependent student, and mailed directly to your dependent student's local address.
5. Know the *Loan Amount Requested*. You will have the following three choices:
  - Choose *I want to borrow the maximum Direct PLUS Loan amount for which I am eligible, as determined by the school*:
    - Your Federal Direct Parent PLUS Loan will be processed up to the full cost of your dependent student's attendance minus all other financial aid your dependent student has received.
  - OR**
  - Choose *I would like to specify a loan amount*:
    - Your Federal Direct Parent PLUS Loan will be processed for the amount you've indicated, not to exceed the full cost of attendance minus all other financial aid your dependent student has received.
  - **DO NOT** choose *I don't know the amount I want to borrow*. If you choose this option your Federal Direct Parent PLUS Application will not be processed.
6. Select the correct *Loan Period* (06/2025 – 06/2026 for the 2025-2026 award year).
7. Once approved, click on [Complete an MPN](#) and proceed to follow instructions through completion.
8. **If denied**, you will be given the opportunity to choose how you would like to proceed. See **FEDERAL DIRECT PARENT PLUS LOAN APPLICATION DENIAL GUIDE FOR PARENTS** for details.

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## FEDERAL DIRECT PARENT PLUS LOAN APPLICATION INSTRUCTIONS FOR PARENTS

1. Log in at [StudentAid.gov](https://StudentAid.gov) using your (parent borrower) FSA ID, **not** Student FSA ID
2. Select Award Year
3. Enter Student Information
4. Enter School Information
5. Specify reason for submitting Federal Direct Plus Loan Application (New/Change)
6. Choose amount you want to borrow – **Important Note:** Your application will NOT be processed by UCR if you choose *I don't know the amount I want to borrow*
7. Select Loan Period (06/2025 – 06/2026 for the 2025-2026 award year)
8. Select Deferment Options
9. Authorize Federal Direct Parent PLUS Loan funds to satisfy other educationally related charges the student incurred at UCR. Examples of other charges may include, but are not limited to, course fees, library fines and campus parking tickets.
10. Select Credit Balance Option
11. Select Relationship to Student – See [Am I eligible to borrow?](#)
12. Select Borrower's Citizenship Status – must be a U.S. Citizen or [Eligible Non-Citizen](#) (verification of Eligible Non-Citizen status will be requested and must be received prior to releasing Federal Direct Parent PLUS Loan funds).
13. Enter Borrower Information (any credit balance created by Federal Direct Parent PLUS funds will be mailed to borrower's permanent address, **not** mailing address, if Credit Balance Option chosen is *Me, the Parent*).
14. Review Important Notices, Certifications and Authorizations
15. Review and verify all information provided is correct



A credit decision for your application will be determined using the credit history information received from the credit agency. This decision will determine the next steps in the process.

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## FEDERAL DIRECT PLUS LOAN APPLICATION DENIAL GUIDE FOR PARENTS

If, after applying for the Federal Direct Parent PLUS Loan, your application is denied, you will be given the opportunity to choose how you would like to proceed:

1. Appeal the Decision and complete PLUS Credit Counseling
2. Obtain an Endorser and complete PLUS Credit Counseling
3. Choose not to pursue a Direct Parent PLUS Loan
4. Undecided

### Option 1

If you choose to appeal the decision, you must document to the satisfaction of the U.S. Department of Education that the information causing the adverse credit decision is incorrect or there are [extenuating circumstances](#) relating to the adverse credit history:

- You must provide a statement that contains an explanation of your extenuating circumstances, and the documentation applicable/appropriate to support your claim.
- You must complete a Direct Parent PLUS Loan [Master Promissory Note \(MPN\)](#)
- You must complete [PLUS Credit Counseling](#).

### Option 2

If you choose to obtain an endorser, he/she is agreeing to repay the Direct Parent PLUS Loan if you are unable to do so. The endorser must not have an adverse credit history and may not be the student on whose behalf you are requesting the Direct Parent PLUS Loan. To complete the process:

- Endorser needs an [FSA ID](#)
- Endorser must complete the [Endorser Addendum](#)
- You must provide your endorser with your endorser code and your last name. Your endorser code will be provided to you in an email.
- You must complete a Direct Parent PLUS Loan [Master Promissory Note \(MPN\)](#)
- You must complete [PLUS Credit Counseling](#).

### Option 3

If you choose not to pursue a Federal Direct Parent PLUS Loan, your dependent student may be offered additional Federal Direct Unsubsidized Loan up to the amount that would be offered to an independent undergraduate student (maximum of \$4,000 for freshmen/sophomores and \$5,000 for junior/seniors).

### Option 4

If you choose that you are undecided, no further action will be taken.

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## FEDERAL DIRECT PARENT PLUS LOAN **FAQ's**

### 1. Who is eligible to apply?

To be eligible to borrow a Federal Direct Parent PLUS Loan you must:

- Be a U.S. Citizen, Permanent Resident or other Eligible Non-Citizen
- Be the biological/adoptive parent of the student or spouse of the student's biological/adoptive parent
  - Grandparents, other relatives and/or legal guardians are **NOT** eligible to apply

### 2. How long does it take to process a Federal Direct Parent PLUS Loan?

Depending on the time of year, processing can take 2-4 weeks.

### 3. What is the interest rate?

Interest rates change every July 1<sup>st</sup>. For Federal Direct Parent PLUS Loans first disbursed on or after July 1, 2025, and before July 1, 2026, the interest rate is 8.94%. This is a fixed interest rate for the life of the loan.

### 4. Is there a loan fee?

The loan fee for each disbursement of a Federal Direct Parent PLUS Loan first disbursed on or after October 1, 2020, and before October 1, 2026, is 4.228%.

### 5. How much can I borrow?

You may borrow up to your dependent student's full cost of attendance minus any other financial aid your dependent student has received **or** the maximum amount you applied for when completing the Federal Direct Parent PLUS Application (not to exceed the full cost of attendance minus financial aid received).

### 6. If I have not borrowed the maximum amount, can I increase my Federal Direct Parent PLUS Loan?

Yes. If you requested a specific loan amount when your original application was submitted, and your original credit approval has not expired, you can request an increase via [studentaid.gov](https://studentaid.gov).

### 7. Do I have to make payments on the loan while my dependent student is still in school?

If you request a deferment, you will not need to make payments while your child is enrolled at least half-time and for an additional six months after your child graduates, leaves school, or drops below half-time enrollment. You will be presented with deferment options when you complete the Direct Parent PLUS Loan Application. You can also contact your [loan servicer](#) to request a deferment. If you do not request a deferment, you will be expected to begin making payments within 60 days of the loan being fully disbursed (paid out).

### 8. When does the interest start to accrue?

During any period when you're not required to make payments, interest will accrue. You may choose to pay the accrued interest (recommended) or allow the interest to be capitalized (added to your loan principal balance) when you have to start making payments. Your loan servicer will notify you when your first payment is due.

### 9. When does the loan have to be repaid?

You have the option to choose a [repayment plan](#). If you don't choose a repayment plan, your loan servicer, the company that handles the billing and other services on your federal education loan, will place you on the Standard Repayment Plan.

### 10. I have an adverse credit history, can I still apply?

Yes, you have the option to apply with a credit-worthy [endorser](#).

### 11. How are the funds disbursed?

Funds are applied to the student's charges and, based on the Credit Balance Option chosen when completing the application, any credit balance will be **1)** refunded in the form of a paper check, made payable to the parent borrower, and mailed directly to the parent borrower's permanent address or **2)** will be refunded directly to your dependent student's bank account (if signed up for [Direct Deposit](#)) or refunded in the form of a paper check, made payable to your dependent student, and mailed directly to your dependent student's local address.

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