

# Direct PLUS Loan Instructions for the 2024-25 Academic Year

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## Federal Direct Parent PLUS Loan

- Borrowed by a parent/stepparent through the Federal Direct Loan Program.
- The interest rate is 9.08% fixed for the 2024-25 academic year. A fee of 4.228% for loans first disbursed prior to 10/01/2025 is assessed by the Federal Government and deducted from each loan disbursement.
- You may borrow up to the total cost of attendance minus any other financial aid.
- Repayment begins 60 days after the final disbursement of the loan but may be deferred until after the student graduates. Standard repayment is up to 10 years with extended plans available.

**First-time parent borrowers at Hanover College must complete all three steps below.**

**Previous borrowers complete only Steps 1 and 3.**

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**Step 1: Apply for PLUS Loan (All Borrowers) <https://studentaid.gov>**

You will need the following information to apply for a PLUS Loan:

1. Approximately 20 minutes to complete – the Direct PLUS Loan Request must be completed in a single session; be sure to allow enough time.
2. Your parent FSA ID username and password.
3. Student Information – Student First Name, Middle Initial and Last Name, Student Social Security Number, Student Date of Birth, Student Permanent Address, Student Telephone Number. (Double check for accuracy student's social security number and date of birth.)
4. Personal Information – Permanent Address, Mailing Address (if different from permanent address), Telephone Number, Email Address.
5. Employer Information – Employer Name, Employer Address, Employer Telephone Number.

When you have gathered the information needed, go to <https://studentaid.gov>. This site will do the required credit check, which must be completed each year, to determine if the parent is approved for the PLUS Loan for the academic year.

Log in with your parent FSA ID username and password. Click on “**Apply for Aid**” and “**Apply for a Parent PLUS Loan**” and then “**START**.” Provide the information requested.

- Select Award Year – 2024-2025 and then provide the requested information.
- School and Loan Information — Choose a state > Indiana      Search school by name> Hanover College.
- Loan Amount Requested – There is a 4.228% origination fee that is deducted from the loan proceeds. You can calculate the amount you need by using the student's award letter and the Billing Estimator: [www.hanover.edu/about/offices/business/estimator](http://www.hanover.edu/about/offices/business/estimator). This calculates the origination fee for you. You can also account for the origination fee by determining the amount you need to borrow and dividing that by 0.95772 if the loan will disburse prior to 10/01/2024 and requesting that amount. You are encouraged to plan for the full year; full academic year loans will come in two disbursements.
- Loan Period – Start date: August 2024; End date: May 2025.
- Make sure you click on “**Open Important Notices**” and read and agree to the two statements by clicking on the boxes.

If you are approved, first-time borrowers proceed to Step 2 and returning borrowers go to Step 3.

If you are denied, you may choose to proceed by selecting one of the following credit actions.

- Obtain an endorser (co-signer).❖
- Provide documentation of extenuating circumstances to appeal the denial.❖
  - ❖ If you are approved with an endorser or with an appeal you will need to complete PLUS Credit counseling. Click on “**Apply for Aid**” and “**Complete PLUS Credit Counseling**” and “**Start**.”
- Will not pursue Direct PLUS Loan. If you choose not to pursue your student may be eligible for additional unsubsidized loan funds.
- Undecided.

**Step 2: Loan Agreement/Master Promissory Note (First-time Borrowers) <https://studentaid.gov>**

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If you are a first-time borrower, there will be a link to the Loan Agreement/Master Promissory Note (MPN) at the bottom of the credit check approval page; follow the link to the MPN or click on “**Complete Aid Process**” and “**Complete a Master Promissory Note (MPN)**” under ‘Sign Loan Agreement.’ Click on “**Start**” next to ‘I'm a Parent of and Undergraduate Student’ and provide the information requested.

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**Step 3: Loan Request Form (All Borrowers) [www.hanover.edu/loans](http://www.hanover.edu/loans)**

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All parent borrowers **MUST** go to [www.hanover.edu/loans](http://www.hanover.edu/loans) and click on “**Federal Direct Parent PLUS Loan Program**” and then “**PLUS Loan Request Form (LRF)**” or scroll down the page. Enter your student's information, parent name, and amount requested and submit the form. If “Maximum” is entered, the total of direct billed costs and indirect costs minus other financial aid received will be certified.