IMPORTANT LOAN INFORMATION
for CREDIT BASED LOAN ALTERNATIVES
2013-2014

TU SCHOOL CODE 003185

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Important Loan Information for Credit Based Loan Alternatives

Credit based loans are available for students who need additional funding. The parent of a dependent student may apply for a Direct Parent PLUS Loan from the Department of Education or a dependent student may borrow a private/alternative credit based loan in the student's name. An independent student only has the option to apply for a private alternative loan.

DIRECT PARENT PLUS LOAN: A FAFSA must be filed on behalf of the student (listing TU's school code 003185) before TU can determine eligibility for a Direct Parent PLUS loan. Only a parent (or a stepparent whose income was supplied on the FAFSA) can apply for this loan. To request a PLUS loan, the parent must log-in to studentloans.gov, click on"Request Direct PLUS loan" and select Parent PLUS. The parent may e-sign the PLUS eMPN (electronic Master Promissory Note) at the completion of this process or e-sign it at a later date at the above website. The PLUS eMPN is valid for loans made for a dependent student and is valid for ten years. PLUS loans are administered by the U.S. Department of Education and approval is based on the absence of adverse credit within the last five years, not credit worthiness. The U.S. Department of Education will run a credit check and notify the parent and the TU Office of Student Financial Services of the credit decision. If the PLUS loan is denied, the student has the option of accepting an additional Direct Unsubsidized Stafford loan up to $4000 annually for freshman and sophomores or up to $5000 annually for juniors and seniors. If the PLUS loan is later approved due to a credit appeal or an approved endorser, the additional unsubsidized Stafford loan will be cancelled. If approved with an endorser, the PLUS eMPN cannot be used for multiple PLUS loans, but is only good for the academic year or term the endorsed loan was approved for by the U.S. Department of Education. PLUS loans have a fixed interest rate of 6.41%, and a 4.288% origination fee is deducted from each disbursement. Interest begins accruing at the time of disbursement. PLUS loans are made in two equal disbursements. At least one-half of the loan period must elapse before the second disbursement can be released. The PLUS loan amount will credit to the student's account no earlier than the first day of class each semester. Loan funds that exceed student charges will be refunded to the parent or student. A disbursement funds letter is mailed to the parent's address once funds are credited. A parent has the right to cancel all or any portion of the loan within 14 days of the loan crediting the account. Repayment on a PLUS loan begins once the loan is fully disbursed. The first payment is due 60 days after the final disbursement. A parent may choose to defer repayment while the student for whom the parent borrowed is enrolled at least half-time. Repayment begins six months after the student ceases at least half-time enrollment. Please visit studentloans.gov for repayment plans.

PRIVATE / ALTERNATIVE LOANS: Applicants must complete and submit a separate online loan application to apply for preapproval and initiate the loan process. Private/Alternative loans are administered by lending institutions and are based on credit worthiness. Interest rates will vary depending on your credit score and the usage of a co-signer. Co-signers can be used to reduce the interest rate or to help obtain a loan due to credit problems. Contact the chosen lender for information regarding eligibility requirements, terms, benefits and repayment. The TU website gives a current and comprehensive list of lenders commonly used over the past three years. Go to http://www.utulsa.edu/admission-and-financial-aid/undergraduate-financial-aid/Loan-Information/private-loans.aspx for this listing. Private/alternative loan applications are completed electronically with the lender of your choice. Be prepared to wait a minimum of thirty days to receive a private/alternative loan. The lender will communicate with you via email or mail, requesting multiple documents as they guide you through their application process.

In Summary:

1-Decide if you want a Direct Parent PLUS loan or a Private/Alternative loan
2-For a Direct Parent PLUS loan, complete the PLUS loan request process and the PLUS eMPN at studentloans.gov
3-For a Private/Alternative loan, complete the private loan application electronically with the lender of your choice

This information was prepared based on the best information available at the time it was printed (11/25/13). All information is subject to change without notice or obligation.

Direct Parent PLUS Loan
Frequently Asked Questions

1. What is a "Parent PLUS Loan?" Parents with the absence of adverse credit within the last five years can use the Direct Parent PLUS Loan program to help pay for educationally related costs, including but not limited to tuition, room/board, books, fees and miscellaneous personal expenses. Eligibility is not contingent upon financial need. This loan must be repaid.

2. How much can the parent borrow? The maximum amount the parent may borrow is the difference between the student's cost of attendance and all other aid that the student will receive. The maximum includes miscellaneous expenditures, which adds up to more than the cost of TU's tuition, room and board. Parents may borrow less than what is on the award letter. Awards received after the Direct Parent PLUS loan eligibility is determined could adjust your loan.

3. What is an "electronic Master Promissory Note?" To receive the first Direct Parent PLUS loan, the parent borrower will complete an electronic PLUS Master Promissory Note (eMPN), which is retained and updated by the U.S. Department of Education and is used for multiple loans throughout the student's education at TU. If the parent is borrowing through the Direct Parent PLUS Loan program for more than one student, a separate PLUS eMPN will be completed for each student. If the Direct Parent PLUS loan is approved with an endorser, the PLUS eMPN cannot be used for multiple loans but is only good for the academic year or term the endorsed loan was approved for by the U.S. Department of Education. The parent borrower electronically "signs" the PLUS eMPN at studentloans.gov using the parent's PIN received from the U.S. Department of Education. If the parent does not have a PIN, one can be requested at pin.ed.gov.

4. How do we receive the Direct Parent PLUS Loan funds? The Direct Parent PLUS loan is electronically credited to the student's TU Bursar account. Typically, one half of the student's total aid for the academic year will be credited during the first week of fall classes. The remaining aid will be credited the first week of spring classes. The TU Bursar's Office processes refunds to either the student or parent for money remaining on the student's Bursar account after all current charges have been paid. Since your student's cost of attendance for determining financial aid eligibility includes personal and miscellaneous expenses, the refund can be used for any associated educational expenses.

5. What is the interest rate? The Direct Parent PLUS loan is an unsubsidized loan. Interest begins to accrue when the first loan disbursement is sent to TU. The Direct Parent PLUS loan interest is fixed at 6.41%.

6. How will the parent repay the Direct Parent PLUS Loan? Repayment on the PLUS loan begins once the loan is fully disbursed. The first payment will be due 60 days after the final disbursement. The borrower selects the repayment plan that fits their financial circumstances. Repayment plans can be changed at any time, without penalty, by contacting the PLUS loan servicer.

7. Is it ever possible to postpone the repayment of the Direct Parent PLUS Loan? Yes, if the student is enrolled at least half-time, the parent can request a deferment for their Direct Parent PLUS loan. The interest will still accumulate during this time and will be capitalized if not paid by the parent borrower during the deferment.

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