



IMPORTANT LOAN INFORMATION FOR CREDIT BASED LOAN ALTERNATIVES FOR UNDERGRADUATES 2014-2015

TU SCHOOL CODE 003185

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Important Loan Information for Credit Based Loan Alternatives for Undergraduates

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 U.S. Department of Education or a dependent student may borrow a private loan in the student's name. An independent student only has the option to apply for a private 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 (PLUS.) 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 a Direct PLUS Loan" and select "Parent PLUS." The PLUS loan is 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 Office of Student Financial Services of the credit decision. If the PLUS loan is approved, the parent may e-sign the PLUS electronic Master Promissory Note (eMPN) at the completion of the application 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. If the PLUS loan is denied, the student has the option of accepting an additional Direct Unsubsidized Loan up to \$4,000 annually for freshmen and sophomores or up to \$5,000 annually for juniors and seniors. If the PLUS loan is later approved due to a credit appeal or an approved endorser, the additional Direct Unsubsidized Loan will be cancelled and the PLUS loan processed. 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. If the PLUS loan is denied and later approved with a credit appeal, a new PLUS eMPN is not required. The current interest rate for a PLUS loan is determined each June for new loans being processed for the upcoming award year, which runs from July 1 to the following June 30. The fixed interest rate will be for the life of the loan. Interest begins accruing at the time of disbursement. The government will deduct an origination (processing) fee from each PLUS loan disbursement. Refer to studentloans.gov for the actual interest rate and origination fee for your PLUS loan. A PLUS loan is made in two equal disbursements for a two-semester loan. 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. A disbursement funds letter is mailed to the parent's address once funds are credited. PLUS loan funds that exceed student charges will be refunded to the parent or student. A parent has the right to cancel all or any portion of the loan within 14 days of the loan crediting the student's 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 and for an additional six months after the student ceases to be enrolled at least half-time. Refer to studentloans.gov for repayment plans.

Private Loan: Applicants must complete and submit a separate online loan application to apply for preapproval and initiate the loan process. A private loan is a nonfederal loan issued by a lending institution (bank or credit union) and 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. The Office of Student Financial Services 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 loan applications are completed electronically with the lender of your choice. Contact the chosen lender for information regarding eligibility requirements, terms, benefits, and repayment options before applying for a private loan. Be prepared to wait a minimum of thirty days to receive a private 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 loan
- 2-For a Direct Parent PLUS Loan, complete the Direct PLUS Loan request process and the PLUS eMPN at studentloans.gov
- 3-For a private 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 (3/11/14). All information is subject to change without notice or obligation.

Direct Parent PLUS Loan Frequently Asked Questions

- 1. What is a Direct Parent PLUS Loan?** The parent of a dependent student may apply for a Direct Parent PLUS Loan (PLUS.) A parent with the absence of adverse credit within the last five years can use a PLUS loan to help pay for educationally related costs, including but not limited to tuition, room/board, books/supplies, fees and miscellaneous personal expenses. Eligibility is not contingent upon financial need. This loan must be repaid.

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

- 3. What is an "electronic Master Promissory Note?"** To receive the first PLUS loan, a parent borrower will complete an electronic PLUS Master Promissory Note (eMPN), which is retained and updated by the U.S. Department of Education and used for multiple loans throughout the student's education at TU. If a parent is borrowing a PLUS loan for more than one student, a separate PLUS eMPN will be completed for each student. If the 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. If the PLUS loan is approved with a credit appeal, a new PLUS eMPN is not required. The parent electronically signs the PLUS eMPN at studentloans.gov using the parent's PIN received from the U.S. Department of Education. If a 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 PLUS loan is electronically credited to the student's Bursar account in two equal disbursements for a two-semester loan. 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. A disbursement funds letter is mailed to the parent's address once funds are credited. PLUS loan funds that exceed student charges will be refunded by the Bursar's Office to the parent or student. 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 PLUS loan is an unsubsidized loan. Interest begins to accrue when the first loan disbursement is sent to TU. The current interest rate for a PLUS loan is determined each June for new loans being processed for the upcoming award year, which runs from July 1 to the following June 30. The fixed interest rate will be for the life of the loan. The government will deduct an origination (processing) fee from each PLUS loan disbursement. Refer to studentloans.gov for the actual interest rate and origination fee for your PLUS loan.

- 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 is due 60 days after the final disbursement. The parent 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. Refer to studentloans.gov for repayment plans.

- 7. Is it ever possible to postpone the repayment of the Direct Parent PLUS Loan?** Yes. A parent may choose to defer repayment while the student for whom the parent borrowed is enrolled at least half-time and for an additional six months after the student ceases to be enrolled at least half-time. The parent can choose this option during the online application process or contact the PLUS loan servicer. The interest will accrue and be capitalized if not paid by the parent during the deferment. Refer to studentloans.gov for repayment information.