

# SIMPSON COLLEGE



## Federal PLUS Loan Application

Dear Simpson College Parent:

You have expressed an interest in applying for a Federal PLUS Loan. The Federal PLUS Loan (Parent Loan for Undergraduate Students) enables parents with good credit to borrow low interest loans. A parent may borrow up to the student's cost of education minus any financial aid the student receives during the enrollment period. This loan is in the parent's name and the parent is responsible for repayment of this loan.

Loan Disbursement: The loan funds will be sent to the school from the lender of your choice (see the list of recommended lenders below). The loan will be disbursed in at least two installments.

Fees: There is a 3% origination fee on the Federal Plus Loan. Half of this 3% origination fee will be deducted from each loan disbursement.

Repayment: Generally, repayment of Federal PLUS Loan(s) will begin within 60 days after the final loan disbursement. There is no grace period for these loans. This means that interest begins to accumulate when the first disbursement is made. Repayment of both principal and interest will begin while your student is in school. Lenders have the ability to defer principal and interest payments for up to 48 months with in-school forbearance while your student is enrolled in college.

Interest Rate: The Federal PLUS Loan has a variable interest rate, adjusted annually, on July 1, with a cap of 9%. You will be notified of interest rate changes throughout the life of your loan(s).

<b>PREFERRED LENDERS</b>	<b>LENDER CODE</b>	<b>TELEPHONE NUMBER</b>
<b>Regions Bank</b>	<b>820807</b>	<b>(800) 243-7552</b>
<b>Bankers Trust Company</b>	<b>803899</b>	<b>(800) 243-7552</b>
<b>U.S. Bank</b>	<b>804267</b>	<b>(800) 243-7552</b>

**Eight Months Interest Free, In-School Forbearance and .25% Interest Rate Reduction:** Borrowers who take a Federal Plus Loan through the lenders listed above will receive 8 months interest free and the ability to defer principal and interest payments up to 48 months with in-school forbearance while your student is enrolled in college. Borrowers will also receive .25% interest rate reduction when payments are automatically debited from checking or savings account.

If you decide to apply for a Federal PLUS Loan, please complete the attached Federal Plus Loan Request Form and the enclosed Federal Plus Loan Application and Master Promissory Note, if required.

Return form(s) to:

**Simpson College**  
**Office of Financial Assistance**  
**701 North C Street**  
**Indianola, IA 50125**

Our office will process your Federal PLUS Loan. If you have questions, please call 515-961-1630 or 800-362-2454 ext. 1630.

# SIMPSON COLLEGE



## 2006-2007 FEDERAL PLUS LOAN REQUEST FORM

If you would like to borrow a Federal PLUS Loan, please complete and return this form, along with the Federal PLUS Loan Application and Master Promissory Note (MPN), if required. The PLUS MPN will remain in effect for up to ten years. The PLUS MPN will allow for multi-year parent loan borrowing for one dependent student and eliminate the need for a parent to sign a promissory note when reapplying for subsequent PLUS Loans. A parent will need to complete an MPN on behalf of each student for whom they wish to borrow. The parent must initiate the reapplication process each academic year by completing a PLUS Loan Request Form from the office of financial assistance with a new requested loan amount and new loan period.

Student Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

Parent/Borrower Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

Parent/Borrower Address \_\_\_\_\_  
Street Address City State Zip

Parent/Borrower Date of Birth \_\_\_\_\_

Parent/Borrower Driver's License - State \_\_\_\_\_ Number \_\_\_\_\_

**I request the following loan amount: \$ \_\_\_\_\_ .00**  
**(Please remember to allow for and add in the 3% origination fee.)**

**I am requesting the funds for the following term(s):**

- Academic Year 2006-2007 (Fall and Spring semesters)**
- Fall 2006 only**
- Spring 2007 only**

### **Please check one of the following options:**

**Option 1** - If you have never borrowed a PLUS Loan before, you are encouraged to select one of the following preferred lenders. These lenders are committed to providing excellence and are established with Simpson College. Borrowers who take out a Federal Plus Loan through these lenders receive eight months interest free after the first disbursement. **Please choose one of the following lenders by checking the box. New PLUS Loan borrowers will need to complete the enclosed Federal PLUS Loan Application and Master Promissory Note (MPN).**

**Regions Bank**  
Serviced by Iowa Student Loan  
Des Moines, IA 50309  
515-243-5626  
800-243-7552  
**Lender Code 820807**

**Bankers Trust Company**  
Serviced by Iowa Student Loan  
Des Moines, IA 50309  
515-243-5626  
800-243-7552  
**Lender Code 803899**

**U.S. Bank**  
Serviced by Iowa Student Loan  
Des Moines, IA 50309  
515-243-5626  
800-243-7552  
**Lender Code 804267**

**Option 2** - If you have previously borrowed a PLUS Loan for this student at Simpson College, your new loan will be processed through the same lender that was used previously. **You will not need to complete the enclosed PLUS MPN, as the application you completed previously should be on file with the lender.**

(PLEASE SEE OTHER SIDE)

**Option 3** - If you have previously borrowed a PLUS Loan for this student at another college and want to go through this same lender, please indicate the previous lender information below. **You will not need to complete the enclosed PLUS MPN, as the application you completed previously should be on file with the lender.**

Previous Lender Name \_\_\_\_\_ Lender Code \_\_\_\_\_

**Your Rights and Responsibilities  
Regarding Your Federal PLUS Loan**

1. I understand that my student must be enrolled at least half-time per term to be eligible for this PLUS loan.
2. I understand that all funds will be credited to my student's account first, with any remaining balance refunded according to the college's schedule.
3. I understand that I am applying with a Federal PLUS Loan Master Promissory Note (MPN). I understand that I may receive one or more loans under this MPN and that I must repay such loans.
4. I understand that I may choose to cancel any or all of my loan, even after the loans funds are disbursed. However, if I do cancel the loan after it has been disbursed, it will likely result in a balance owed to the College.

Parent/Borrower Signature \_\_\_\_\_ Date \_\_\_\_\_

**Federal PLUS Loan Authorization**

This is an authorization regarding the Federal PLUS Loan. If your Federal PLUS Loan creates a credit on your student's account, this authorization will instruct our office what to do with the credit. Please fill in the following blanks and check the option you prefer.

Student's Name \_\_\_\_\_

Student's Social Security Number \_\_\_\_\_

In the event that a credit balance occurs from my Federal PLUS Loan, I authorize the following:

1. Please return any credit balance resulting from this loan to the parent.
2. Please release any credit balance resulting from this loan to the student.
3. Please leave the credit balance on the student's account until the end of the current academic year.

This authorization is rescindable at any time by sending written notice to the Simpson College business office.

\_\_\_\_\_  
**Borrower's Signature (Parent taking out the Federal PLUS Loan) (Date)**

By federal regulation, it is also necessary to collect your signature if you wish to have Federal PLUS Loan proceeds pay for any miscellaneous charges. These could include any minor prior year balance, parking, telephone, bookstore and other related charges. ***IF YOU WISH YOUR STUDENT'S ACCOUNT TO BE CURRENT, INCLUDING THESE TYPES OF FEES, BEFORE RELEASING ANY CREDIT THAT MAY OCCUR, PLEASE SIGN BELOW.***

\_\_\_\_\_  
**Borrower's Signature (Parent taking out the Federal PLUS Loan) (Date)**