

How to apply for a Federal Direct PLUS Loan

Detailed information about the Federal Direct PLUS loan may be found at studentaid.gov/understand-aid/types/loans/plus. The interest rate for a 2020-2021 Plus Loan should be 5.30% and will have an approximate 4.236% fee deducted.

Step 1: All dependent students whose parent (biological parent, adoptive parent, or step-parent) wish to take out a Federal Direct PLUS Loan must file a FAFSA at www.fafsa.gov

Step 2: The parent taking the Federal PLUS loan should go to www.studentaid.gov, and click on apply for aid – apply for plus loan. On the right side there is a blue button that says “Log In”. Click on that, and parent borrower signs in with their e-mail or FSA ID and password. If the parent does not have an FSA ID they can create one at <https://fsaid.ed.gov>

Step 3: Complete the Plus Application including entering the **actual dollar amount you are requesting**. Follow the on-screen instructions and submit the application for a credit check. If the parent’s credit is DENIED, the parent will be given the option to appeal the credit decision, pursue and endorser for the loan, or no longer pursue the Federal Direct PLUS Loan. In this last case, the student could be eligible for additional Federal Direct Unsubsidized Student Loan money (up to \$4,000 an academic year for First year students and Sophomores and \$5,000 for Juniors and Seniors).

Step 4: *“Complete Master Promissory Note”, and at the bottom, click on Complete Plus MPN for parent and follow all steps to complete your Master Promissory Note (MPN) until you receive confirmation that you have submitted your MPN (make sure you view/open the html to review the MPN).*

If the parent borrower completed a Federal Direct PLUS MPN for Muhlenberg College in a previous academic year and received a Federal Direct PLUS Loan, the parent borrower does not have to complete a new MPN for 2020-2021, **however, you are still required to complete a new credit check each year**. If borrowing with an endorser, a new Federal Direct PLUS MPN must be completed and the endorser must do an endorser addendum for the 2020-2021 year also.

Any questions regarding the credit check or online application/Master Promissory Note may be addressed to the studentloans.gov customer service at 1-800-557-7394.

We will start processing 2020-2021 Direct PLUS Loans in July of 2020. Credit checks for Parent Borrowers and Endorsers are only good for 90 days. So do not start this process until mid-June at the earliest.