

YOUR FEDERAL PARENT PLUS LOAN

2008 - 2009

General Information

A Federal PLUS loan is a loan that a parent of a dependent student may borrow on the student's behalf. Interest and repayment begin immediately upon loan disbursement with interest set at 8.5%. A federal origination fee of 3% and a default fee of 1% may be deducted from the loan amount prior to disbursement. A credit check is required to ensure the parent borrower does not have an adverse credit history.

ELIGIBILITY

Eligibility for the Federal PLUS Loan is not based on financial need. To be eligible, you must be a parent of a dependent undergraduate student in a degree program at Regis University. Your student should file the FAFSA (Free Application for Federal Student Aid), be enrolled at least half time, be a U.S. citizen or permanent resident, not be in default on a prior federal student loan, and be making satisfactory progress. One parent must be eligible by not having adverse credit, being a U.S. citizen or permanent resident, and not being in default on a prior federal student loan.

LOAN AMOUNTS

The amount that a parent can borrow is the total amount of estimated cost of attendance minus other awarded financial aid and scholarships. There is no set annual or aggregate limit for the Federal PLUS loan.

DISBURSEMENT

All obligations to Regis University will be deducted from the loan funds before a refund check is issued. Parents may authorize Regis University in writing to pay the balance of the refund to the student. Loan disbursement schedules and parent authorization forms are available on the Regis website or in Main Hall, fourth floor.

BENEFITS

- Low fixed interest rate
- Most lenders offer borrower benefits
- Credit check must show no adverse credit, but credit score or ratio is not calculated
- No prepayment penalties
- Loan can be included in Federal Consolidation Loan

Applying for a Federal PLUS Loan

After the FAFSA is completed and your student's financial aid file is complete, Regis University Financial Aid office will send your student an award letter. If this award letter includes the Federal PLUS Loan as one of the awards, please go to the web site: www.studentloanonline.com and create your account. Choose the Federal PLUS Loan application and complete the application and Master Promissory Note, and select your lender. After this step is completed, the Financial Aid Office will be notified when your loan request is ready to be certified. After the loan is certified, the guarantor, College Assist, will notify you that your Federal PLUS Loan is guaranteed.

Federal guidelines specify that the required credit check must be performed within 90 days of the academic year. Therefore, parents should go to www.studentloanonline.com between June 1, 2008, and August 1, 2008, for the 2008-2009 academic year loan.

REPAYMENT

The first payment of principal and interest is due within 60 days after the Federal PLUS Loan is fully disbursed (usually the last disbursement is during the first month of the second semester, January 2009). The lender will determine the repayment schedule based on the maximum time frame of ten years. Parents may qualify to defer repayment of the Federal PLUS Loan if they are enrolled in school half time or more, if they receive a graduate fellowship, if they are in an approved rehabilitation program, or if they are unemployed or qualify for economic hardship. For more information and to apply for one of these deferments, contact your lender.

Monthly loan repayment chart for Federal PLUS loan at 8.5%

Principal Borrowed	Number of Payments	Monthly Payment	Total Amount Repaid	Total Interest
\$3,000	78	\$50.00	\$3,920.11	\$ 920.11
\$5,500	120	68.19	8183.20	2,683.20
\$7,000	120	86.79	10,414.80	3,414.80
\$10,000	120	123.99	14,877.99	4,877.99
\$15,000	120	185.98	22,317.32	7,317.32
\$20,000	120	247.97	29,756.66	9,756.66
\$30,000	120	371.96	44,634.65	14,634.65
\$40,000	120	495.94	59,513.32	19,513.32
\$50,000	120	619.93	74,391.31	24,391.31

* Source: www.finaid.org/calculators/loanpayments.phtml

Lenders

The lender you pick could be with you for many years while you continue to borrow loan funds for the remainder of your student's college career and during the repayment of your loan. Before you start this relationship, do your research so you can make an educated decision about which lender is right for you. It is up to you to select your lender. Since all lenders follow federal laws and regulations, many loan features are the same across all lenders. However, certain features set lenders apart from one another. These include customer service, credibility and track record, borrower education, whether they plan to sell your loan, and the savings and benefits offered to borrowers. Take this link to compare benefits: www.studentloanonline.com.

Regis University utilizes the designated federal loan guarantor for the State of Colorado, College Assist. This guarantor, established through legislation enacted in 1979 by the Colorado General Assembly, is a self-funded division of the Colorado Department of Higher Education. College Assist's mission is to provide students access and choice in postsecondary education.

The Colorado Servicing Consortium was established in 1997 to streamline and simplify the loan process for Colorado schools and borrowers – one process, one point-of-contact, one phone number, and one loan statement. This exclusive partnership between the Consortium and College Assist also creates a unique opportunity for borrowers to have a single process while retaining the choice of competing lenders.

Borrowers are welcome to choose a lender not on the list of top volume lenders who participate in the Colorado Servicing Consortium. Please contact our office for more information.

Most lenders offer a Parent Borrower up to 48 months of forbearance on payments while the student is enrolled at least half time. Check with your lender for details.

Top Volume Lenders and Codes Colorado Servicing Consortium

ASAP/Union Bank & Trust
803909AA

CollegeInvest
827866AA

U.S. Bank
801890AA