

Federal Parent PLUS Loans

When does repayment begin?

Repayment begins within 60 days after the loan is fully disbursed. UHEAA will provide notice of the terms and conditions for repayment of the loan before payments are scheduled to begin. The parent borrower is responsible for paying the interest that accrues on the loan from the date of first disbursement. After repayment begins, deferments (postponement of repayment) may be requested if certain eligibility requirements are met. Contact UHEAA for further information.

What are my deferment options?

After repayment begins, you may request a deferment (postponement of repayment) if you meet certain eligibility requirements such as economic hardship, military service, or enrolling in school. You may also request a deferment if your dependent student is in school half-time or in a grace period on a Federal Stafford loan.

Even if you are not eligible for a deferment, in times of economic hardship you can request a forbearance (a temporary reduction or cessation of payments). Anytime your loan is in deferment or forbearance, interest will continue to accrue and will be added to your loan balance. Contact UHEAA for more information.

How do I apply for a PLUS loan?

Contact your student's school financial aid office to apply. The school can provide other important information to help you determine the appropriate loan amount.

Important points to remember:

- Borrow only what you need.
- Make sure your dependent student applies for any grants, scholarships, or work-study programs for which he or she may be eligible.
- Remember, you the parent borrower are responsible to repay the PLUS loan.
- Always keep UHEAA informed of your correct address, telephone number, and e-mail address.
- Contact UHEAA if you have any questions regarding your loan.

Any further questions?

Web site: www.uheaa.org
Call: 801.321.7294 (Salt Lake)
877.336.7378 (toll free)
E-mail: uheaa@utahsbr.edu
Write to: P.O. Box 145112
Salt Lake City, Utah 84114-5112

*UHEAA Borrower Benefits are subject to change without notice.
Terms and conditions apply.
Please visit www.uheaa.org for more information.*

uheaa[®]
UTAH HIGHER EDUCATION
ASSISTANCE AUTHORITY

www.uheaa.org
uheaa@utahsbr.edu
877.336.7378

Also find us on:



Copyright © UHEAA 2009. All rights reserved. The term UHEAA is a registered service mark. Reg. U.S. Pat. & Tm. Off.

REV 06/09



Get a
0.25%
interest rate reduction
with the Automatic
Payment
Benefit.


UTAH SYSTEM OF
HIGHER EDUCATION
Building a Stronger State of Minds[®]

uheaa[®]
UTAH HIGHER EDUCATION
ASSISTANCE AUTHORITY

What is a Federal Parent PLUS loan?

A PLUS loan is a government-guaranteed loan available to an eligible parent or stepparent of a dependent undergraduate student attending a participating school. Before applying for a PLUS loan, check with the financial aid office at your student's school for additional information on other sources of financial aid, including grants and scholarships.

Who is responsible for repaying a PLUS loan?

The parent borrower is responsible for repaying the loan. The interest that accrues on the loan from the time the loan is disbursed until it is paid in full is also the responsibility of the parent borrower.

What is the interest rate and fees?

Effective July 1, 2006, the interest rate for PLUS loans is fixed at 8.5%. Federal law requires certain fees to be charged for each loan made, including a 3% origination fee and a 1% federal default fee. Fees charged to the borrower are deducted from the loan proceeds when the money is sent to the school.

How is the loan disbursed?

Your loan proceeds will be disbursed to the school in one or more installments over the course of the academic year.

Who is eligible for a PLUS loan?

To be eligible for a PLUS loan, a borrower must be the student's:

- natural or adoptive mother or father;
- step-parent, in some cases

The student must be a dependent undergraduate who is enrolled or accepted for enrollment at least half time at a participating school. If the student is considered independent, parents are not eligible for PLUS loans. A student is considered independent if the student:

- is at least 24 years old by December 31 of the award year; or
- is an orphan or ward of the court; or
- is a veteran of the U.S. Armed Forces; or
- is a graduate or professional student; or
- is married; or
- has legal dependents other than a spouse; or
- is determined to be independent by a financial aid administrator on the basis of special circumstances; or
- is currently serving in the U.S. Armed Forces on active duty for reasons other than training.

If the student does not meet any of the above criteria, he or she is considered dependent and parents are eligible to apply for PLUS loans for that student.

How much can I borrow?

A PLUS loan may not exceed the cost of attendance minus other financial aid, but otherwise is not limited. Check with the financial aid office to determine your loan amount.

Will my credit history be evaluated?

Yes. Your lender will perform a standard credit check with a national credit bureau before approving each loan. You may not be eligible for a PLUS loan if your lender determines that you have an adverse credit history.

What extra benefits do I receive by borrowing a PLUS loan through UHEAA?

If you receive your loan from a UHEAA Partner Lender* that sells its loans to UHEAA's secondary market, you may qualify for some or all of the following benefits:

• Automatic Payment Benefit

When your loan enters repayment, your interest rate will be reduced by 0.25% if your monthly payments are automatically withdrawn from your bank account. You will not only save the time and money associated with mailing payments each month, but you will also save hundreds of dollars in interest charges over the life of the loan.

• Local Service

UHEAA offices are located in Salt Lake City and Customer Service Representatives are available by telephone, e-mail, or in-person consultations.

• State of the Art Technology

UHEAA provides a secure e-sign process as well as a complete set of self-service tools that enable you to manage your loans. You can check the status of your account and update your contact information at our Web site, www.uheaa.org. You can also access your account 24 hours a day by phone (877.336.7378).

• Online Planning Tools

The UHEAA Web site offers a wide variety of tools including financial planning calculators and instructional videos to walk you through the financial aid process.

*See www.uheaa.org for a list of UHEAA Partner Lenders.