

WILLIAMS COLLEGE -- PLUS LOAN PRE-APPLICATION 2009-2010 ACADEMIC YEAR

If you are interested in applying for a PLUS loan, you must complete this form in its entirety and submit it to the Office of Financial Aid, PO Box 37, Williamstown, MA 01267 Fax number = 413-597-2999

Section A: To be completed by the Parent Borrower: Please type or print legibly

Name (Last, First, Middle Initial) and Permanent Address (street, city , state, zip code) | Social Security Number | Date of Birth | Telephone Number | Driver's License Number - List state abbreviation first

Parent E-mail address: | U.S. Citizenship Status (check one) | Loan Amount Requested | Loan Period (check one)

Check the following that apply: I plan to obtain an endorser for the loan if it is determined that I have an adverse credit history o Yes o No

Section B: To be completed by Student Williams ID

Student Name (Last, First, Middle Initial) | Date of Birth | U.S. Citizenship Status (check one) | Social Security Number | Alien Registration Num:

Have you (student) taken courses at any college/university other than Williams? ___ NO ___ YES. If YES, please list institution and dates attended:

I have received/will receive the following outside (non-Williams) scholarships/grants for the 2009-2010 academic year: Name: Amount:

CERTIFICATION

I certify that I do not owe a refund on any grant or loan, am not in default on any loan or have made satisfactory arrangements to repay any defaulted loan, and have not borrowed in excess of the loan limits, under Title IV programs, at any institution.

Student Signature | PLUS Applicant Signature

STATEMENT OF REGISTRATION STATUS

- I certify that I am registered with the Selective Service. I certify that I am not required to be registered with the Selective Service because: I am female. I am in the armed services on active duty... I have not reached my 18th birthday. I was born before 1960. I am a citizen of the Federated States of Micronesia or the Marshall Islands or a permanent resident of the Trust Territory of the Pacific Islands (Palau).

Student's Signature | Date

FEDERAL DIRECT PLUS LOAN FACT SHEET
HOW TO APPLY FOR A FEDERAL DIRECT PLUS LOAN

Complete the PLUS LOAN PRE-APPLICATION on the reverse side and return it to the Office of Financial Aid, PO Box 37, Williamstown, MA 01267. If a Federal Direct PLUS Loan master promissory note has not been completed in the past, a promissory note will be generated and sent to you. The parent must complete and sign the promissory note and return it to the Office of Financial Aid. The application will be forwarded to the Direct Loan Servicer for a credit check. If the loan is approved, the Servicer will notify you when the loan is disbursed. If the credit check indicates an adverse history, the Servicer will advise you of other options for obtaining a PLUS Loan, which include obtaining an endorser without an adverse credit history or providing documentation that extenuating circumstances exist.

ELIGIBILITY

You are eligible for a Federal Direct PLUS if you -

- are borrowing to pay the educational costs of a dependent undergraduate student.
- are a US Citizen or eligible non-citizen (i.e., permanent resident).
- do not have an adverse credit history.
- have an adverse credit history, but either obtained an endorser with no adverse credit history, or you document to the US Department of Education's satisfaction that extenuating circumstances exist.
- are not in default on a Federal Stafford Loan, Federal PLUS Loan or Federal Direct Student Loan, or if you are in default on one of those loans, you have made satisfactory repayment arrangements.

LOAN AMOUNT AND INTEREST RATES

- The maximum amount you may borrow is the total cost of attendance less all financial aid the student receives.
- A fee of 4% of the loan principal is deducted from each disbursement. Currently a rebate of 1.5% is returned for assumed on-time repayment (i.e., for a PLUS loan of \$10,000, \$9,750 is applied to the student account - $\$10,000 \times 4\% = \$400-150$ (rebate); $\$10,000 - \$250 = \$9,750$).
- For loans disbursed after July 1, 2006, the interest rate is fixed at 7.9%.

DISBURSEMENTS

The PLUS Loan is disbursed in two equal payments. It is applied directly to the student's account at Williams College.

TERMS OF REPAYMENT

- Interest begins to accumulate on the date of the first disbursement.
- Your first payment will be due within 60 days after the final disbursement (unless you have requested a deferment).
- You will pay the principal and accumulated interest.
- During periods of deferment and forbearance, you do not pay any principal, but interest will accumulate. This means your loan principal will increase unless you choose to pay the interest monthly during your deferment or forbearance.

You may repay a PLUS Loan under one of three repayment options. The options are:

- 1- Standard Repayment Plan - fixed monthly payments of at least \$50 a month for not more than 10 years.
- 2- Extended Repayment Plan - fixed monthly payments of at least \$50 a month; number of years of repayment varies depending on the total loan amount due but may not exceed 30 years.
- 3- Graduated Repayment Plan - monthly payments that graduate to a higher level at least twice over the years of repayment; number of years of repayment varies depending on total loan due but may not exceed 30 years.

DEFERMENT / FORBEARANCE / CANCELLATION

You may receive a deferment (postponement of repayment) if you qualify. **You must contact the Direct Loan Servicer to request a deferment.** As mentioned earlier, principal will be deferred but interest will continue to accumulate unless you pay it monthly.

To qualify for a deferment, a PLUS borrower (*parent*) must be -

- at least a half-time student; or
- in an approved graduate fellowship or approved rehabilitation training program; or seeking but unable to find full-time employment; or
- experiencing an economic hardship; or
- for loans disbursed after July 1, 2008, the *student* for whom the loan was borrowed must be at least a half-time student.

The US Department of Education may allow you to temporarily reduce or delay making payments if you are willing but unable to meet your repayment schedule, and you (parent) are not eligible for a deferment (for example, if you are in poor health). This period of suspension or reduction of payments is called "forbearance". Again, as is true for deferments, if you choose not to pay your interest during the forbearance period, the interest will be added to the outstanding balance of the loan.

You, the parent borrower, may also qualify for a forbearance if you are in one of the following categories and you request forbearance:

- You are a medical or dental intern or resident.
- You have a large student loan debt.
- You are experiencing financial hardship.
- You are receiving a national service education award under the National and Community Service Trust Act of 1993.

A Direct PLUS loan may be canceled under the following circumstances:

- You (or the student for whom you borrowed) die or become totally and permanently disabled.
- In rare cases, if you file for bankruptcy.