



Spelman College

The Stafford and PLUS Electronic Loan Process

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The Federal Stafford Loan Program

The Federal Stafford Loan is an affordable, low-interest loan guaranteed by the federal government and designed to help students cover their education cost. These loans are provided by private lenders, insured by guaranty agencies, and backed by the federal government. Stafford loans are a form of federal financial aid assistance, which must be repaid 6-months after the borrower ceases to attend school at least half time, withdraws or graduates. Under the Federal Stafford Loan Program, there are two types of loans: Subsidized and Unsubsidized Stafford Loans.

- **Subsidized Stafford Loan** – A student must have financial need to qualify. The interest that accrues on the loan while the borrower is in school during the 6-month grace period, and during any period of deferment, is repaid by the federal government.
- **Unsubsidized Stafford Loan** – Available to all students regardless of income. The borrower is responsible for all interest that accrues on this loan from the time of disbursement. If the borrower does not pay the interest while attending school, the interest will be added to the principal amount of the loan at the time of repayment “capitalized”.

Annual Limits

	Dependent Students*	Independent Students	
	Subsidized Only	Subsidized Only	Sub & Unsub Combined
Freshmen	\$2,625	\$2,625	\$6,625
Sophomore	\$3,500	\$3,500	\$7,500
Juniors & Seniors	\$5,500	\$5,500	\$10,500

*Additional loan eligibility due to PLUS Loan denials for freshmen and sophomore students \$4000, and for juniors and seniors \$5000.

The Federal PLUS Loan Program

The Federal PLUS Loan (Parent Loan for Undergraduate Students) is a low-interest loan available to assist parents of dependent students with the cost of a college education. Parents may borrow up to the total cost of attendance minus all other financial aid received by the student. To receive PLUS Loan funds a parent will be required to pass a credit check. Additional loan eligibility, Unsubsidized Stafford Loan, will be available to dependent students, when parents are denied a PLUS Loan.

The Alternative Private Loan Program

There is a growing amount of private “alternative” loan options available to assist students and families in meeting college costs. Before you consider an alternative loan, we recommend that you determine your eligibility for federal student loans. Federal loans generally have better terms. Alternative loans can be used to bridge the gap between the cost of attendance and the financial aid package offered.

Freshman students must provide a credit worthy co-borrower when applying for alternative loans. To help a student choose an alternative loan lender, please contact the Office of Student Financial Services to obtain a list of preferred lenders. Our office requires all students applying for alternative loans to be pre-approved **before** submitting an application for school processing.

NOTE: The Office of Student Accounts does not consider alternative loans as a form of payment until loan proceeds are received by the college.

The Master Promissory Note (MPN)

All first time borrowers of a Federal Stafford or PLUS Loan are required to complete a Master Promissory Note (MPN).

The MPN is a contract between the borrower and the lender, under which the borrower may receive loans for one or more periods of enrollment. Under this contract, the borrower promises to repay all loan amounts and agree to the terms and conditions of the loans. The purpose of the MPN allows Spelman College to have greater control over the loan process and improve consumer information and borrower understanding. The MPN is a one-time only process, good for all Stafford Loan and PLUS Loan borrowing up to 10 years. For parent borrowers, a MPN must be completed for each dependent student attending college.

Electronic Loan Processing

In the Office of Student Financial Services an automated system has been created for processing all loans under the Federal Student Loan Program (Subsidized, Unsubsidized and PLUS Loans). All students awarded a federal student and parent loan will receive an award letter indicating the amount awarded for an academic year. If the student and/or parent chooses to **decline** the loan award, then an award letter must be returned to the Office of Student Financial Services. Eligibility or certifying of a loan is electronically transmitted to your lender for processing. In most cases, lenders offer electronic signature of their MPN, please contact your lender for specific instructions if you are interested in electronic signing.

- **Stafford Loan:** For first-time borrowers, a MPN must be completed, signed and received by your lender before any loan proceeds are sent to the college.
- **PLUS Loan:** To initiate the loan process for the PLUS Loan, parents must complete the enclosed Electronic Loan Request form and return it to the Office of Student Financial Services. Upon receipt of an Electronic Loan Request form, our office will obtain a pre-approval. Only pre-approved PLUS Loan borrowers will receive a PLUS Master Promissory Note (PLUS MPN) from their lender. The PLUS MPN must be completed, signed and returned to the loan servicer, before any loan funds are electronically transmitted to the school. The PLUS preapproval process must be repeated each new academic year, however, the completion of a PLUS MPN is a one time requirement.

NOTE: Parents choosing lenders outside the Spelman College loan process must be pre-approved and submit a completed PLUS MPN to the Office of Student Financial Services before the school can electronically certify an application.

Federal Parent Loan for Undergraduate Students (PLUS)

Electronic Loan Request Form

Parent Authorization:

I intend to borrow a Federal PLUS Loan for an undergraduate student attending Spelman College. I give authorization to Spelman College to submit my information listed below to my lender, or its agent. I understand that a credit bureau report of my credit history will be used to determine if I qualify for a Federal PLUS Loan. I also authorize my lender to release the results of my eligibility to my child's college. I understand this is not an application or a promissory note. If I am approved, a PLUS Master Promissory Note (PLUS MPN) must be completed, signed and returned to my lender before loan proceeds are forwarded to the college.

Please complete and return this page to the Office of Student Financial Services.

Student – Please print or type information below

Last Name	First Name	MI
Social Security Number	Date of Birth	

Parent – PLUS applicant only

Last Name	First Name	MI
Social Security Number	E-mail Address	
Permanent Home Address		
Home Number	Work Number	
City	State	Zip Code
Date of Birth	Driver's License Number	State of Issue
U.S. Citizen/National _____ Yes _____ No or Eligible Non-Citizen alien ID#		
Are you currently in default on a federal Student loan or do you owe a refund on a federal student grant: _____ Yes _____ No		
Loan Amount: (Required)* \$	Loan Period Requested <input type="checkbox"/> Fall/Spring <input type="checkbox"/> Fall Only <input type="checkbox"/> Spring Only	

*Amount requested can be equal to or less than amount shown on award letter

Lender's Name _____ Lender Code (Optional) _____

Parent's Signature _____ Date _____

Mail or Fax to: **Office of Student Financial Services – 350 Spelman Lane, Box 771, Atlanta Georgia 30314, Fax: 404.270.5220**

Complete Your Application and Promissory Note

The Application and Promissory Note for the Federal PLUS Loan is a contract with the lender that you, the borrower, sign before the loan is disbursed. This states that you will repay the loan and legally binds you to its terms and conditions. If your PLUS loan is approved, your lender will mail you a preprinted copy for completion.

To avoid processing delays, follow all instructions carefully and double-check the form for accuracy. Print all information in black or blue ink, do not use white out, and initial any changes that you make to your original answers. Make no changes to the "Promissory Note" section; this will void your application.

Federal Family Education Loan Program (FFELP) Federal PLUS Loan Application and Master Promissory Note		Guarantor, Program, or Lender Identification	
WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines, imprisonment, or both, under the United States Criminal Code and 20 U.S.C. 1097.			
Borrower (Parent) Section		<i>Please print neatly in ink or type. Read the instructions carefully.</i>	
1. Last Name	First Name	MI	2. Social Security Number
3. Permanent Street Address (If P.O. Box, see instructions.)			4. Home Area Telephone Number
City	State	Zip Code	5. Date of Birth (Month/Day/Year)
6. E-mail Address		7. Driver's License State and Number	
8. U.S. Citizenship Status (Check a or b, and if b is checked, list Registration No.)		State #	
<input type="checkbox"/> a. Citizen/National		<input type="checkbox"/> b. Permanent Resident/Other Eligible Non-Citizen	
9. Lender Name		City	State
		Zip Code	10. Lender Code, if known
11. Employer (Name, Address, City, State, Zip)		11. Employer Telephone Number	
13. Borrower References: You must provide two separate references with different U.S. addresses who have known you for at least three years. All references must be completed in full. Do not list the student as a reference.			
Name			
Permanent Address			
City, State, Zip Code			
E-mail Address			
Area Code/Telephone Number () () ()			
Relationship to Borrower			
Student Information Section			
14. Last Name		First Name	MI
15. Social Security Number		16. Date of Birth (Month/Day/Birth Year)	
Borrower Request, Certifications, and Authorizations			
17. Requested Loan Amount: This is an Application and Master Promissory Note (hereafter "MPN") for one or more Federal PLUS Loans under this MPN in an amount not to exceed the annual cost of attendance for the dependent identified in the Student Information Section of this MPN, minus other financial aid that the dependent receives each academic year. For each loan, the school will determine if you are eligible to receive it. I may cancel my loan or request a lower amount from my lender or the school. Additional information about my right to cancel is included in the Borrower's Rights and Responsibilities Statement. I understand that disclosure statements that have been or will be provided to me. If I have an adverse credit history, I must obtain an endorser to receive a PLUS Loan, only one endorser may be made to me under this MPN.		19. For all Federal PLUS Loans (as described in the additional MPN provisions and the Borrower's Rights and Responsibilities Statement) I receive under this MPN, and for certain other loans as described below, I make the following authorizations:	
18. Under penalty of perjury, I certify for any loan I receive under this MPN that:		A. I authorize the school to certify my eligibility for Federal PLUS Loans under this MPN.	
A. The information provided on this MPN and as updated by me from time to time is true, complete, and correct to the best of my knowledge and belief and is made in good faith.		B. I authorize the lender, the guarantor, or their agents, to investigate my credit record and report information concerning my loan status to persons and organizations permitted by law to receive such information.	
B. I am: (i) the dependent named in the Student Information Section of this MPN; or (ii) the spouse of a parent and my income and assets were reported for Federal Student Aid (FAFSA) or would be reported if a FAFSA were filed.		C. I authorize the school to pay to the lender any refund that may be due up to the full amount of the loan(s).	
C. Loan proceeds will be used for authorized educational costs incurred by the dependent student named in the Student Information Section and that I will immediately repay any loan proceeds that cannot be applied to educational costs for attendance on at least a half-time basis at the school that certified my loan eligibility.		D. I authorize the school to transfer loan proceeds received by electronic funds transfer (EFT) or master check to my dependent student's account at the school.	
D. (i) I do not now owe an overpayment on a Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, or Leveraging Educational Assistance Partnership Grant (formerly State Student Incentive Grant); or, if I owe an overpayment, I have made repayment arrangements with the holder to repay the amount owed. (ii) I am not now in default on any loan received under the Federal Perkins Loan Program (including NDLS loans), the Federal Direct Loan Program, or the Federal Family Education Loan Program ("FFELP" as defined in the Borrower's Rights and Responsibilities Statement); or I am in default on a loan and I have made satisfactory payment arrangements with the holder of the defaulted loan.		E. I may tell my lender that I want to pay the interest that accrues. However, in all cases, unless I pay the interest, my lender will add the unpaid interest that accrues during forbearance and deferment and other periods on each PLUS Loan made under this MPN to the principal balance of that loan ("capitalization") as provided under the Act. Capitalization will increase the principal balance on my loan(s) and the total amount of interest costs I must pay.	
20. I promise to pay to the order of the lender all loan amounts disbursed (hereafter "loan" or "loans") under the terms of this Application and Master Promissory Note (hereafter "MPN"), plus interest and other charges and fees that may become due as provided in this MPN. I understand that multiple loans may be made to me under this MPN for the dependent identified in the Student Information Section. I understand that by accepting any disbursements issued at any time under this MPN, I agree to repay the loan(s). I understand that, within certain time frames, I may cancel or reduce the amount of any loan by refusing to accept or by returning all or a portion of any disbursement that is issued. Unless I make interest payments, interest that accrues on my loan(s) during deferment or forbearance periods or other periods will be added as provided under the Act to the principal balance of such loan(s). If I fail to make any payment on any loan made under this MPN when due, I will also pay reasonable collection costs, including but not limited to attorney's fees, court costs, and other fees. I will not sign this MPN before reading the entire MPN, even if I am told not to read it, or told that I am not required to read it. I am entitled to an exact copy of this MPN and the Borrower's Rights and Responsibilities Statement. My signature certifies I have read, understand, and agree to the terms and conditions of this MPN, including the Borrower Request, Certifications, and Authorizations printed above, the Notice About Subsequent Loans Made Under This MPN, and the Borrower's Rights and Responsibilities Statement.			
I UNDERSTAND THAT I MAY RECEIVE ONE OR MORE LOANS UNDER THIS MPN AND THAT I MUST REPAY ALL LOANS THAT I RECEIVE UNDER THIS MPN.			
21. Parent Borrower's Signature		22. Today's Date (Month/Day/Year)	
Additional MPN provisions follow			

Completing the Borrower (Parent) Section:

The information requested in this section pertains to the parent of the dependant student who will receive benefit of the loan funds. The parent must complete all items in this section. Any changes made to the promissory note must be initialed. All requested items must be completed or the processing of your loan will be delayed.

- 1-12 Make sure any preprinted information is complete and accurate. Do not leave any questions blank.
- 13 Enter all requested information for two adult references with different U.S. addresses. References with addresses outside the U.S. are not acceptable. Please list a street address instead of Post Office boxes.

Completing the Student Section:

The information requested in this section pertains to the student for whom the parent is borrowing. The student must complete all items in this section.

- 14-16 Make sure any preprinted information is current and accurate.

Parent Borrower's Signature:

21 Sign your legal name, including your first name, middle initial, and last name using a black ballpoint pen. Include today's date. (Changes or corrections in this section will void your application).

IMPORTANT: When you (the parent borrower) sign your Federal PLUS Loan Application and Promissory Note:

- a. You are acknowledging that you have read, understand, and agree to the "Borrower Request, Certifications and Authorization" section, and that
- b. You are agreeing to repay the loan in full accordance with the Terms and Conditions of the Promissory Note.