



Federal PLUS Loan

The Federal PLUS Loan is an affordable, low-interest loan guaranteed by the federal government and designed to help parents of dependent, undergraduate students, and graduate/professional students cover the cost of education. These loans are provided by private lenders, insured by guarantor agencies, and backed by the federal government.

Eligibility for a PLUS loan is not based on financial need so borrowers at all income levels are welcome to apply. However, eligible borrowers must have no derogatory credit within the last five years.

Loan Limits

For each undergraduate child, a parent may borrow up to the "cost of education" minus all other financial aid awarded. The cost of education includes tuition, fees, room and board, books and supplies, transportation, and miscellaneous expenses.

Interest Rate

As of July 1, the interest rate will be fixed at 8.25%.

Fees

The U.S. Department of Education charges an origination fee of 3%. In addition, some loan guarantors may charge a guarantee fee of up to 1%. Some lenders, such as Nelnet, work with guarantors that do not charge a guarantee fee. Fees are deducted from loan proceeds at the time funds are disbursed.

Loan Disbursement

Funds are sent directly to the school in a least two disbursements. The funds are sent to the school by electronic funds transfer, or in some cases, by checks made co-payable to the school and the parent. You will be notified when funds arrive.



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 you qualify to receive the PLUS loan, a PLUS Master Promissory Note will be mailed to you 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. Please mail the original completed promissory note to the lender in the envelope provided A.S.A.P.

Repayment

PLUS loans enter repayment within 60 days of full disbursement. The minimum monthly payment may be as low as \$50. However, this amount will increase as the total amount of your debt increases. The standard repayment plan gives you up to ten years to repay your loan.

Default

Failure to pay your loan back according to terms disclosed in your promissory note results in default. You are in default on your student loan if your payments are 270 days past due or if you fail to comply with other terms of the loan. When this occurs, any of the following may happen.

- Your default will be reported to national credit bureaus, recorded on your permanent credit record and can significantly and adversely affect your credit history.
- You may be subject to legal action by the holder of the loan.
- Your wages may be garnished.
- You may be ineligible to receive additional federal or state financial aid, including student loans.

Sample Repayment Chart:

Unpaid Balance	Sample Interest Rates*			
	3.5%	7%	8%	9%
\$5,500				
Number of Payments	120	120	120	120
Payment Amount	\$58	\$64	\$67	\$70
\$10,000				
Number of Payments	120	120	120	12
Payment Amount	\$106	\$116	\$121	\$127
\$18,500				
Number of Payments	120	120	120	120
Payment Amount	\$196	\$215	\$225	\$234
\$20,000				
Number of Payments	120	120	120	120
Payment Amount	\$212	\$232	\$243	\$253
\$25,000				
Number of Payments	120	120	120	120
Payment Amount	\$265	\$290	\$303	\$317

*As of 7/1/06, the PLUS Loan interest rate will be fixed at 8.25%. Variable rate is adjusted annually each July 1. Maximum interest rate is 9.00%.



Complete your application and Promissory Note

Borrower Section

Please print neatly in ink or type.

1. Last Name First Name MI 2. Social Security Number

3. Permanent Street Address 4. Home Area Code/Telephone Number

City State Zip Code 5. Date of Birth (Month/Day/Year)

6. E-Mail Address 7. Driver's License State and Number
State: #

8. U.S. Citizenship Status (Check a or b, and if b is checked list Registration Number)
 a. Citizen/National b. Permanent resident/Other Eligible Non-Citizen If "b", Alien Registration Number:

9. Lender Name (refer to back of this form) 10. Lender Code

11. Employer (Name, Address, City, State, Zip) 12. Employer Telephone Number

Student Section

Please print neatly in ink or type.

13. Last Name First Name MI

14. Social Security Number 15. Date of Birth (Month/Day/Year)

In the case that my Parent's Federal PLUS loan is denied. I am requesting an Unsubsidized Stafford loan not to exceed \$ _____

Student's signature _____ Date: _____

Please complete this application by printing it from the schools website or by obtaining a paper version from the Financial Aid Office. Submit to Financial Aid at: 419 College Dr., Barnesville, GA 30204

Total loan amount requested: \$ _____

Amount requested is to cover expenses for which semesters? Fall _____ Spring _____ Summer _____

I authorize Gordon College to submit my information to my lender, or its agent, to obtain a current copy of my credit file for determining my eligibility for a Federal PLUS Loan. I also authorize the release of my credit evaluation results to Gordon College. I understand that if I am approved, I must submit a PLUS Master Promissory Note before loan proceeds are forwarded to the college.

Borrower Signature _____ Date: _____



Preferred Lender list

Lender	Code	Website	Phone Number
SunTrust	824135	www.nelnet.net	1.800.874.3150
Bank of America	831846	www.nelnet.net	1.800.874.3150
Citibank	807743	www.nelnet.net	1.800.874.3150
Citizens Bank	833881	www.nelnet.net	1.800.874.3150
Other* - Lender name: _____ Lender code: _____			

*May result in delayed processing

Preferred Lenders

These lenders have been selected based on the quality of service that they provide our students. You are encouraged to choose a lender from this list. It is strongly recommended that you select one lender and that you continue to borrow from the same lender for the duration of your child's educational career. Please indicate both the lender's name and code in Items 8 and 9 of your application.

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