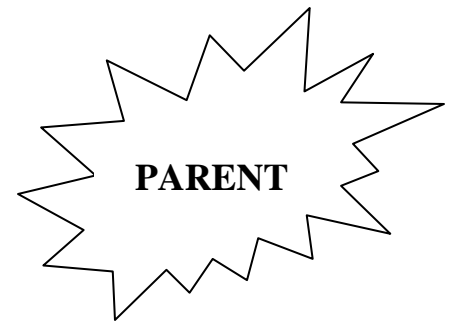




Office of Financial Aid
601 South Church Street
Winston-Salem, North Carolina 27101
336/721-2808 Fax: 336/917-5584



2019-2020 FEDERAL PLUS LOAN RESPONSE FORM

To assist parents in paying the costs of college, you may want to consider an **optional PLUS** loan. *If you do not want to borrow the PLUS loan, please mark "decline" on the back of this form, complete the information at the bottom, and return this form to our office.* This is a federally sponsored loan for parents of undergraduate students and is used by many Salem College parents to help pay the annual expected family contribution. Parents of all income levels are eligible. However, there is a credit worthiness evaluation conducted by the Department of Education before the loan is approved. In order to apply for the PLUS loan, please return the Federal PLUS Loan Request Form (on the back of this page) to our office and **complete both the required PLUS Application and PLUS Master Promissory Note** found online at www.salem.edu/financialaid (click *Loans*, then click *PLUS Loans*).

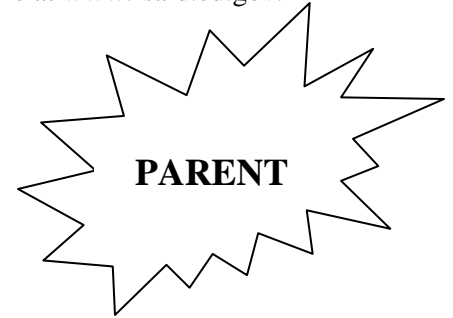
- **Who qualifies:** All credit-worthy parents of undergraduate students, who are enrolled at least half-time, are able to borrow. Financial need is not a requirement for the PLUS loan but completing a FAFSA is mandatory for determining eligibility for this loan.
- **Borrowing limits:** Parents may not borrow more than the amount listed on the financial aid award letter. However, you may decline this loan or reduce it on this form. Apply only for the amount you absolutely need.
- **Interest rate:** For loans first disbursed on or after July 1, 2019, this loan has a fixed interest rate of 7.08%. This rate is subject to change for 2020-2021 for loans first disbursed on or after July 1, 2020.
- **Fees:** For loans first disbursed before October 1, 2019, a 4.248% origination fee will be deducted from your loan proceeds before it is disbursed to Salem College. This rate will change for loans first disbursed on or after October 1, 2019.
- **Disbursement:** PLUS loan proceeds are sent directly to the College in two disbursements (generally half the annual amount you borrow each semester). The funds are sent by electronic funds transfer (EFT). The loan will be credited to the student's account and any excess will be refunded to you or the student, whomever you designate on the PLUS Application completed online at www.studentloans.gov. If you have further questions regarding refunds, please contact the Business Office at (336) 721-2613.
- **Repayment:** Repayment of your loan begins within 60 days after the second disbursement. You may be eligible for deferment options which you may discuss with your servicer. The maximum repayment period is 10 years. The minimum monthly payment on principal and interest is \$50.

If you choose to apply for the PLUS loan and are denied by the government, you will receive an email from our office asking how you plan to proceed. Please respond to that email in a timely manner.

If you have any questions, please contact our office at (336) 721-2808. We are eager to assist you in any way we can.

2019-2020 FEDERAL PLUS LOAN RESPONSE FORM

Before Salem College can process a parent loan on your behalf, you must complete **both** the PLUS Loan Application and the Parent PLUS Master Promissory Note. These items must be completed online at www.salem.edu/financialaid (click *Loans*, then click *PLUS Loans*). You will need your FSA ID which you used to sign the Free Application for Federal Student Aid (FAFSA). If you do not have a FSA ID for yourself, you can apply for one at www.fsaid.ed.gov.



Please check the appropriate box for each loan listed below:

<i>Loan Type</i>	I wish to ACCEPT the full loan amount as offered on the most recent award letter.		I wish to DECLINE the loan as offered on the most recent award letter.		I wish to REDUCE the loan as offered on the most recent award letter. Please indicate amount you wish to borrow for the academic year .
	<i>Fall</i>	<i>Spring</i>	<i>Fall</i>	<i>Spring</i>	
PLUS Loan					

If this form is not returned to the Financial Aid Office, the full amount of your loan will be processed upon receipt of a valid PLUS Application Request and Master Promissory Note.

I authorize Salem College to process my Federal Direct PLUS Loan request. I understand that my Direct Loan constitutes a debt which must be repaid in full. I have read and understand the information on this form, and I realize that this is a loan that must be repaid.

Parent Borrower Signature and Date

Parent Borrower Printed Name

Student's Printed Name

Student's ID Number

Parent's Email Address

Student's Email Address

Please return this page to the Salem College Financial Aid Office.

Please turn this form over for more information regarding parent loans.