



IN ALL THINGS CHRIST PREEMINENT

Financial Aid Office
Carter Hall 149
14049 Scenic Highway
Lookout Mountain, GA 30750
Phone: (706) 419-1126
E-mail: financialaid@covenant.edu

2011-12 Federal Direct PLUS Loan Information & Request Form

I. Basic Information:

1. Eligible borrowers are either the biological (custodial or non-custodial), adoptive, or step-parent of the student. The step-parent eligibility is limited to those whose income and assets are used when completing the FAFSA (Free Application for Federal Student Aid).
2. Eligible students are dependent children enrolled in an accredited under-graduate program with a minimum enrollment status of half-time (6 to 11 credit hrs).
3. The interest rate for the Federal Parent PLUS Loan disbursed on or after July 1, 2006, is fixed at 7.90%. The interest rate is not subsidized by the Federal Government and will begin accruing 60 days after the loan has been fully disbursed.
4. For the 2011-12 Award Year, the parent borrower is charged a loan fee at 2.5% of the loan amount. This fee is taken directly from the requested loan amount by the Department of Education (DOE) before the loan disbursements are made to the student.
5. The parent borrower may request that payments be deferred at anytime while the student is enrolled at least half-time (6 to 11 credit hrs). See section on Deferment on the Federal Direct Parent Loan (PLUS) Request form.

II. Application Process:

1. The student is required to complete the FAFSA for each aid year that their parent plans to borrow the Direct Parent PLUS Loan. Both the student and the parent must obtain a PIN at: <http://www.pin.ed.gov/PINWebApp/appinstr.jsp>. This PIN # is used as a unique identifier when electronically signing the FAFSA, applying for and signing Master Promissory Note for the loan online with the DOE.
2. Fully complete and submit the Federal Direct Parent Loan (PLUS) Request form to the Financial Aid Office. The method of submission can be by fax, scanning and e-mailing as an attachment to: financialaid@covenant.edu, or by mail. **IMPORTANT NOTE:** Please do not complete this step more than 90 days prior to when you need the funds disbursed. The Parent PLUS Loan Credit application is only good for 90 days, therefore, completing this process any sooner may result in a second credit check.
3. All first-time parent borrowers must e-sign an electronic Master Promissory Note (MPN) online at <https://studentloans.gov>. The parent borrower will sign-in to the website using their FAFSA PIN #.
4. Steps 2 & 3 need to be completed by August 1st in hopes that the Parent PLUS funds can be disbursed to the student's account before the first day of class.
5. Once the Financial Aid Office confirms that steps 2 & 3 have been completed, the office will certify the Federal Direct PLUS loan electronically with the Department of Education.

6. Upon final approval, the Department of Education will transmit the PLUS funds electronically to the school. PLUS funds are applied directly to the student's account. Funds begin disbursing the Thursday prior to the start of each term and weekly thereafter.

III. Credit Balances:

The Parent PLUS Loan may pay towards other non-educational charges (finance fees, parking fines, etc.). The parent may communicate to us that they want the loan funds to go towards these other charges by marking it on The Federal Direct Parent Loan (PLUS) Request Form.

If after all charges are paid for the semester, a credit balance (indicated by a negative sign in front of the dollar amount) remains on the student's account, per federal guidelines, those funds must be refunded back to the parent borrower unless otherwise marked on The Federal Direct Parent Loan (PLUS) Request Form. If marked, "refund to parent", any credit balance in excess of charges will be mailed to the parent borrower by June 1st unless otherwise requested. Requests to have the credit balance refund check issued to the student must be marked on The Federal Direct Parent Loan (PLUS) Request Form, "refund to student" or be in writing to the financialaid@covenant.edu email or faxed to 706-820-2820.

IV. PLUS Denied:

In the case of a PLUS loan denial, the Direct Loan Servicing Center will notify the parent borrower and explain why the credit history was denied. The Direct Loan Servicing center will also provide the name and address of the credit bureau that supplied the credit data. The parent-borrower has the following options:

- a. Appeal the decision with the Direct Loan Applicant Services (1-800-557-7394)
- b. Reapply for the loan with a co-signer aka endorser
- c. Student may contact the Financial Aid Office for additional student loan options

V. Deadlines:

The PLUS loan application process must be complete by the following dates in order to be processed by the Financial Aid Office:

For 2011-2012 academic year loans:	August 1, 2011
For Fall 2011 only loans:	August 1, 2011
For Spring 2012 only loans:	December 1, 2011

VI. Loan Limits:

Parents can borrow up to the estimated Cost of Attendance (COA), as determined by the Financial Aid Office for the enrolled period, minus any other aid received by the student.

VII. Enrollment Withdrawal:

The student must be enrolled at least half-time (6 to 11 credit hrs) at the time the Direct PLUS Loan funds are disbursed to the student's account. If a student withdraws or is suspended prior to the last day to drop a course, then the amount to be cancelled and returned is calculated based on the Department of Education formula (see Financial Aid Handbook online). Based upon this formula, the law requires that any institutional return be forwarded to the Federal Direct Loan Servicer (to be credited toward the loan principal).

VIII. Loan Cancellation:

The parent borrower may cancel all or a portion of the loan disbursement within 14 days of being notified of the disbursement (notification is sent via e-mail).

Return to:
Covenant College
Financial Aid Office
 14049 Scenic Highway
 Lookout Mountain, GA 30750
 Phone: (706) 419-1126
 Fax: (706) 820-2820
 E-mail: financialaid@covenant.edu

Name of Financial Aid Applicant (please print):

Last, First & Middle

Student Banner ID #: _____

(Please list Student's Name and Student ID# above)

2011-2012

FEDERAL DIRECT PARENT LOAN (PLUS) REQUEST FORM

Instructions: Submit this completed form to the Financial Aid Office. Your eligibility cannot be determined until all required documents have been received and evaluated.

Parent Information as stated on the FAFSA

Name (Last, First, MI)

Social Security Number

Address

Date of Birth

City/State/Zip Code

Telephone Number

Driver's License State

Driver's License Number

U.S. Citizenship Status: Citizen/National Eligible Non-Citizen — Alien ID# _____

If you indicated that the parent-borrower is an eligible non-citizen, please review the following information regarding acceptable documentation that may be requested by the Department of Education upon completing their online PLUS loan application:

- You must submit two copies of both sides of the documentation (such as a Form I-151; Form I-551; Form I-94; a Certificate of Naturalization; a Certificate of Citizenship) either in person or by mail. Be sure that your photocopies are legible. If there is an expiration date on your document, the date must be 8/24/2009 or later to be valid for your 2009-2010 Plus Loan application.
- If there is no picture on your document or if the picture on your document was taken when you were 14 years old or younger, you must also provide a copy of a valid driver's license (or other valid photo identification).

If you are undocumented, you are not eligible for the Direct PLUS Loan. The student may check with the Financial Aid Office for information on available scholarships.

Student plans to attend (Check One): Fall & Spring Fall Only Spring Only

Loan Amount Requested: \$ _____

Credit Balance: Refund to student Refund to parent Leave on student's account for Spring Semester

Deferment while student is enrolled at least half-time(6 to 11 credit hrs): Yes No

By my signature below, I understand and agree to the following: 1) PLUS funds are applied directly to charges on the student's account. Charges may include course change fees, room and parking fines. 2) Any credit balance in excess of charges will be mailed to the parent-borrower as indicated above or by June 1st unless I otherwise request the credit balance to be refunded to me by contacting the Accounting Office by emailing Betty.Barham@covenant.edu. 3) Request to have the credit balance refund check issued to the student must be indicated above or in writing to the financialaid@covenant.edu email or faxed to 706-820-2820. 4) Any PLUS loan funds in excess of charges posted to the student's account during the fall semester will be applied to the spring semester charges if indicated above.

Parent Signature: _____

Student Name: _____

Student Banner ID #: _____

PARENT AUTHORIZATION AND CERTIFICATION
Must be signed by both the student and the parent borrower

I request the loan amount indicated on page 3 to pay my dependent student's educational expenses for his/her attendance at Covenant College during the 2011-12 academic year. I understand that 1) I may be eligible for a lesser amount, 2) the loan will be disbursed in equal amounts for each term or payment period and 3) this request will be sent to the Federal Direct Loan Servicer.

The information on this form is true and complete to the best of my knowledge. By signing this form, I authorize Covenant, to process a Federal Direct PLUS Loan.

I agree to report to the Financial Aid Office any change in the student's academic, residency status and any additional resources received including, but not limited to, loans, scholarships, stipends, and grants from outside sources. I understand any changes may result in a reduction of awards and billing for financial aid received. If the student withdraws or drops classes, repayment may be required.

I understand the requirements for enrollment and Satisfactory Academic Progress as provided in the Financial Aid Handbook online: http://www.covenant.edu/pdf/finaid/fa_fahandbook.pdf. I understand a change in enrollment may result in reduction or cancellation of the PLUS Loan and any refund to which I am entitled will first be remitted to the Direct Loan Servicer.

I accept responsibility for repayment of any loans awarded to me. I understand that the student must be enrolled at least half-time to remain eligible for loan funds.

I understand that if the student does not receive sufficient financial aid to cover all charges, the student is responsible for paying any unpaid balance. I understand that the student's ability to pre-register for next semester classes may be withheld if these charges are not paid.

I have read the attached information sheet. I am aware that this is a loan request and that the loan must be repaid according to the conditions of my Master Promissory Note.

I also certify that at the present time I do not owe a refund or repayment to any institution on any Title IV grant and that I am not currently in default on any Title IV loan.

Student's Signature: _____

Date: _____

Parent's Signature: _____

Date: _____

PRIVACY ACT DISCLOSURE NOTICE

The privacy Act of 1974 requires that the following notice be provided to you. The authority for collecting the information requested on this form is section 451 of the Higher Education Act of 1965, as amended. Your disclosure of this information is voluntary. However, if you do not provide this information, you cannot be considered for a Direct PLUS Loan. The information on this form will be used to determine your eligibility for a Direct PLUS Loan. The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called "Title IV Program Files". Thus, this information may be disclosed to federal and state agencies, private parties such as relatives, present and former employers and creditors, and contractors of the Department of Education for purposes of administration of the student financial assistance program, for enforcement purposes, for litigation where such disclosure is compatible with the purposes for which the records were collected, for use by federal, state, local or foreign agencies in connection with employment matters or the issuance of a license, grant, or other benefit, for use in any employee grievance or discipline proceeding in which the Federal Government is a party, for use in connection with audits or other investigations, for research purposes, for purposes of determining whether particular records are required to be disclosed under the Freedom of Information Act, and to a Member of Congress in response to an inquiry from the congressional office made at your written request. Because we request your social security number, we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA provides that, in order to receive any grant, loan, or work assistance under Title IV of the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loans(s) so that data may be recorded accurately.