



# ALMA COLLEGE

## Frequently Asked Parent PLUS Loan Questions (FAQ):

### **Q: As a parent borrower, can I transfer my loan to my student?**

A: No, a PARENT PLUS Loan cannot be transferred to the student. You, the parent, are responsible for repaying the loan.

### **Q: Who is my Lender?**

A: Beginning with the 2010-2011 academic year the Department of Education is the lender for all Federal Student Loans (Direct and PLUS Loans) as stated in the Health Care and Education Affordability Reconciliation Act of 2010.

### **Q: Who is my Loan Servicer? Is the Loan Servicer different than the Lender?**

A: Borrowers are assigned loan servicers by the lender after the first disbursement of the loan. Find your loan servicer at [www.nslds.ed.gov](http://www.nslds.ed.gov).

### **Q: What is an origination fee?**

A: A fee the lender charges for lending the money. This amount is subtracted from the total loan amount before the loan is disbursed (Loan Amount – Origination Fee = Amount received by school)

### **Q: Why was my loan split?**

A: Loans are split evenly between Fall & Winter terms for all students. A separate PLUS Loan may be originated for Spring term.

### **Q: When does interest begin?**

A: Interest begins after the first disbursement of the loan.

### **Q: When does repayment begin?**

A: Parents have the choice to select in-school deferment so that their first payment is due six months after their student drops below half-time status, otherwise the first payment is due 60 days after the final disbursement. Borrowers may request repayment deferment through their loan servicers.

### **Q: How much can I borrow in one year?**

A: Parents are only limited to the formula of Cost of Attendance less Other Aid Received, otherwise there is no yearly limit.

### **Q: What is the aggregate limit for Parent PLUS Loans?**

A: Parent PLUS Loans do not currently have an aggregate limit. However, parents may only borrow up to the school's cost of attendance minus all financial aid the student is receiving.

### **Q: How often does interest accrue?**

A: Interest accrues daily starting on the day of disbursement (day the funds are released by the Department of Education). In a typical Fall & Winter academic year this means that interest begins on the first half of the loan in early September and on the entire loan in mid-January.