



Sam Houston State University
A Member of The Texas State University System
STUDENT FINANCIAL AID

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Guide to the Federal PLUS (Parent) Loan
For Parents of Dependent Students

Sam Houston State University (SHSU) now participates in the Loans By Web program with Texas Guaranteed Student Loans Corporation (TGSLC). In order to process the PLUS Loan, you will need to turn in a PLUS Loan Request form to our office. We will then process this application and transmit it to TGSLC. We will notify you by mail or e-mail when you will need to go to the Loans By Web link and follow the instructions below. This is the only manner in which you may apply for the PLUS loans. Paper applications are now obsolete at SHSU. Loans By Web is intended to be self-explanatory. However, the following information may help you with the loan process.

Things to know before you get started:

- ? If you use an out of state lender, you must contact your student's Financial Aid Counselor.
- ? Allow approximately 20 minutes to complete the application process.
- ? TGSLC web site is a secure site. This web site is virtually accessible seven days a week with the exception of scheduled maintenance times.
- ? As you move through the application, please read the entire page before answering questions. You cannot use the back button or the application will reject.
- ? Be prepared with student's social security number, 2 references' names, addresses and telephone numbers. All reference information must be furnished to proceed with the application process.
- ? When given options, always choose "Continue". Many of the pages include an option to return to the Parent PLUS Loan Application Menu. Use this option ONLY if you need to restart the process. (Any information you have entered will not be saved.)
- ? Make note of your lender name and address when they appear on the screen since you will need this information in order to mail your PLUS Promissory Note. If you have any questions, you should call TGSLC at 1-800-845-6267.
- ? Enter Loans By Web through the link at our Financial Aid web page:
http://www.shsu.edu/~sfa_www and click on Loans By Web.

"REMEMBER DO NOT USE THE BACK BUTTON"

1. Select Sam Houston State University from the list of available schools.
2. Confirm the amount you wish to borrow. You may accept the amount offered, accept a lower amount, or decline the loan. You may not enter an amount greater than what was offered.
3. Submit your completed application.
4. Be sure to print and mail your PLUS Promissory Note to your lender immediately. The lender will decide if the application is approved or denied. If you are unable to print through Adobe Acrobat Reader, an application packet will be printed by TGSLC and mailed to you with the Borrower's Rights and Responsibilities. If you do not receive your packet in 7 days, please call TGSLC at 1-800-845-6267.

FREQUENTLY ASKED QUESTIONS

Who is eligible for a PLUS loan?

Parents of dependent undergraduate students are eligible to apply for PLUS loans.

What is the maximum PLUS loan I can borrow?

The maximum loan is determined by subtracting any financial aid the student is eligible for, including scholarships, from the student's cost of education. For example, SHSU's annual cost of education for an undergraduate student is approximately \$10,580. If Joe Student receives a Pell grant of \$400 and a Stafford loan of \$2,625 and no other financial aid, the parent is eligible for a PLUS loan up to \$7,555.

When I apply for a PLUS loan, the lender runs a credit check. What are they looking for on my credit history?

Lenders are required by law to run a credit check on all PLUS applicants. The lender looks for the absence of bad credit (i.e., late payment history, bankruptcies, foreclosure, etc.). The lender does not charge you for this credit check.

How is my PLUS loan disbursed once it has been approved?

All PLUS funds are required to be co-payable to you and SHSU and must also be made in at least two disbursements. Lenders must send PLUS loan funds directly to SHSU. When the funds arrive at SHSU, we will confirm that the student still qualifies for the loan. This includes verifying that your dependent student is enrolled at least half time (6 hours) and making Reasonable Academic Progress.

When will my PLUS loan go into repayment?

PLUS loans begin repayment no later than 60 days after the final disbursement of the loan. Interest accrues on the PLUS loan from the date of the first disbursement. Most lenders will sell the loan to a secondary market just before repayment begins. Secondary Markets are companies that specialize in the day-to-day operations of student loan repayment. Once your loan is sold, all correspondence should be sent to the secondary market (the new holder of the loan).

How will I be billed for my PLUS loan?

You will receive a coupon book or monthly statement depending on the secondary market.

Are there any fees associated with a PLUS loan?

Yes. There is a loan origination fee of 3%. The origination fee is paid to the Department of Education to subsidize the cost of administering the student loan program.

Can my PLUS loan be deferred while my son/daughter is in school?

Not if your first PLUS loan was disbursed after 7/1/93. If you have outstanding PLUS loans between 8/1/87 – 7/1/93, you are eligible for this type of deferment.

If I take out another PLUS loan, should I use the same lender I used for my first PLUS loan?

Definitely. You should always try to borrow all your student loans from a single lender. Most lenders sell their loans to secondary markets. By using the same lender for all of your PLUS loans, you can prevent the loans from being sold to different secondary markets and avoid multiple repayment schedules.