

What is a PLUS Loan? (Parent Loan for Undergraduate Students)



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A Federal Direct PLUS Loan is a federal education loan for the parent of an undergraduate student. The U.S. Department of Education is the lender and the parent is the borrower. The funds are used to help pay for the college costs of the student.

How much can a parent borrow?

The amount a parent is eligible to borrow depends upon the amount of other federal, state, institutional and private funds the student receives. The maximum amount a parent could borrow would be the total federal cost of attendance.

* For the 2019-2020 Academic Year, the Office of Student Financial Aid will initially award up to \$5,000 in PLUS loan funds, depending upon the eligibility of the student. In some cases, the amount of the PLUS loan may be increased, if requested by the parent borrower.

How does a parent apply for a PLUS Loan?

Step 1: The student must apply for and be admitted to UCA.

Step 2: The student must complete the Free Application for Federal Student Aid (FAFSA).

Step 3: The Financial Aid Office will notify the student of any additional paperwork or information needed.

Step 4: Once the student's file is complete, the Financial Aid Office will determine eligibility for all federal aid for which the student is eligible. Eligibility for federal grants will always be determined prior to determining the amount of loans the student or parent borrower is eligible to receive.

Step 5: The student and parent determine the type and amount of aid the student wants to accept based on the awards made to them. A student and parent never have to accept a loan offered to them.

Step 6: If the parent wants to receive the Parent Loan, the parent will log onto studentloans.gov and complete the Federal PLUS loan application. If the loan is approved, the parent will also need to complete the Master Promissory Note.

Step 7: The U.S. Department of Education will notify UCA of the status of the PLUS loan application.

Step 8: If approved and the student remains eligible, the PLUS loan funds will be applied to the student's charges or will be disbursed as excess aid, according to the schedule outlined by the Student Accounts Office.

Please contact the Office of Student Financial Aid for any question regarding the PLUS Loan program.