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 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. The parent borrower is charged a loan fee, 2.5% of the loan amount borrowed which will be taken directly from the loan by the Department of Education (DOE) before the loan disbursements are made to the student.

5. The payments are not automatically deferred while the student is enrolled. The parent borrower may request deferment after the loan has been fully disbursed from the (DOE). The student must be enrolled full-time (12 or more hrs) in order for the parent borrower’s loan to be deferred.

II. Application Process:

1. The student is required to complete the FAFSA for the 2011-12 aid year in order for their parent to receive a 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 and the Master Promissory Note online with the DOE.

2. All first-time parent borrowers must complete the online application, be credit approved and e-sign an electronic Master Promissory Note (MPN) online at https://studentloans.gov/myDirectLoan/index.action. Once you get to the Direct Loans Master Promissory Note website; click on the green button in the upper left section of the webpage that says “Sign In”. IMPORTANT NOTE: Please do not complete this step more than 90 days prior to when you need the funds. 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. Fully complete and submit the Federal Direct Parent Loan for Students (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.

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. After final approval, the Department of Education will transmit the PLUS funds electronically to the school. PLUS funds are applied towards any outstanding charges on student’s account throughout the semester. Charges may include course change fees, room and parking fines. Any credit balance in excess of charges will be mailed to the parent-borrower upon request or by June 1st. Request to have the credit balance refund check issued to the student must be in writing to the financialaid@covenant.edu email or faxed to 706-820-2820. Funds begin disbursing the Thursday prior to the start of each term and weekly thereafter.

7. 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

II. Deadlines:

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

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>For 2011-2012 academic year loans</td>
<td>August 1, 2011</td>
</tr>
<tr>
<td>For Fall 2011 only loans</td>
<td>August 1, 2011</td>
</tr>
<tr>
<td>For Spring 2012 only loans</td>
<td>December 1, 2011</td>
</tr>
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III. 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.

IV. Withdrawal or Cancellation:

The student must be enrolled at least half-time (6 units) 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 to the lender 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). 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).
2011-2012
FEDERAL DIRECT PARENT LOANS (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.

<table>
<thead>
<tr>
<th>Parent Information as stated on the FAFSA</th>
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<tbody>
<tr>
<td>Name (Last, First, MI)</td>
</tr>
<tr>
<td>Address</td>
</tr>
<tr>
<td>City/State/Zip Code</td>
</tr>
<tr>
<td>Driver’s License State</td>
</tr>
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</table>

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: $________________________

I understand that PLUS funds are applied towards any outstanding charges on student's account throughout the semester. Charges may include course change fees, room and parking fines. Any credit balance in excess of charges will be mailed to the parent-borrower upon request or by June 1st. Request to have the credit balance refund check issued to the student must be in writing to the financialaid@covenant.edu email or faxed to 706-820-2820.

Parent Signature: __________________________________________
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 student loan recipients are required by law to complete an exit interview prior to graduation, withdrawal from all classes, interruption of study or if the student drops to less than half-time enrollment. The student’s transcripts may be held if the student does not complete this requirement.

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 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, that I am not currently in default on any Title IV loan and have not borrowed in excess of the Title IV loan limits, at any institution.

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 464(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.