



Boston University Financial Assistance

**SUMMER 2024
DIRECT PLUS LOAN FACT SHEET
FOR UNDERGRADUATE STUDENTS**

A Federal Direct PLUS is a credit-based loan which is available to assist parents with the costs of higher education. The Direct PLUS is available to parents of dependent undergraduate students. The parent applicant must pass the PLUS loan credit review and must not have an adverse credit history. The parent borrower and student must be citizens or permanent residents of the United States. The student for whom the Direct PLUS is requested must be enrolled for at least 6 credit hours in a degree granting program. The credit hours must be accepted towards their degree program. An enrolled student must be making satisfactory academic progress and have no outstanding balance due for prior enrollment at Boston University.

During the 2023/2024 academic year, the interest rate was established at 8.05%, fixed for the life of the loan. The specific interest rate that a borrower is charged will be included in a disclosure statement that is sent out after the first disbursement of the loan. Interest begins to accrue on the date of the first loan disbursement. The first payment is due within **60 days** after the loan is fully disbursed. A parent borrower can defer repayment of Federal Direct PLUS loans first disbursed on or after 7/1/08, while the student for whom you obtained the loan is enrolled at least half-time, and for an additional 6 months after the student graduates or drops below half-time status (six credits). The borrower must separately request each deferment period. During the deferment period, interest can be paid monthly, quarterly or capitalized quarterly.

Annually, a parent may borrow a Direct PLUS up to the cost of the student's education less any financial aid the student is receiving. However, parents are strongly urged to borrow no more than they are able to repay. A loan fee of 4.228% will be deducted from the loan prior to disbursement.

Loan eligibility cannot be determined until the student is registered for the Summer Session. It is important that your loan request be submitted as soon as possible after registration is finalized. Your application will take approximately seven to ten business days to review.

How Do I Apply?

- 1) Complete the Free Application for Federal Student Aid (FAFSA) online at studentaid.gov/, if you have not already done so.
 - Submit the 2024/2025 FAFSA if student is attending Boston University for the first time, a student who received federal student aid during Summer Term 2023 or a student who is enrolling in classes that begin on or after 07/01/24.
 - Your 2023/2024 FAFSA information may be utilized if student attended Boston University and received federal aid for the 2023/2024 academic year and wish to apply for summer loan(s).

2) Parent Borrower must complete the Summer 2024 PLUS Request form. This form authorizes the U.S. Department of Education to perform a credit review.

3) Special PLUS credit counseling is required for any parent borrower who has an adverse credit history but qualifies for a PLUS loan through the reconsideration process or by obtaining an endorser for the loan. The credit counseling requirement must be completed online at studentaid.gov/.

The parent borrower will be notified by the Department of Education if the borrower needs to complete special PLUS credit counseling.

4) Prior parent borrowers who completed a PLUS promissory note for the 2023/2024 academic year are **not required** to complete a new PLUS promissory, **unless** an endorser was required to secure that loan. First time borrowers and all other borrowers are required to complete a new PLUS promissory note.

The parent borrower must complete the PLUS promissory note online at studentaid.gov/. The parent borrower will be required to use their U.S. Department of Education issued FSA ID to complete the online promissory note. If the parent borrower does not have a FSA ID, the parent can create one when logging in to studentaid.gov/. The PLUS loan cannot be used in the settlement of the student account until the promissory note has been completed and the parent has passed the credit review. Failure to complete the promissory note at least two weeks before the end of the loan period may result in cancellation of the loan.

In order to receive loan funds, all above requirements, including a positive credit status, must be successfully processed and approved before the student's last day of the summer enrollment period. Please note that your PLUS Loan request cannot be processed if you current have a credit freeze with any credit bureau.

NEW Boston University is implementing a new Student Information System in Summer 2024. Due to this system implementation, some PLUS applicants may be required to submit a secondary PLUS application through the Federal Student Aid website: <https://studentaid.gov/plus-app/>. If you are required to submit the Secondary Application, you will receive an email from ofaloans@bu.edu with instructions.

