

THE PARENT PLUS LOAN

A smart addition to your child's financial aid.



FOR MORE INFORMATION

Visit our Web site at www.hesc.org

**HESC Customer
Communications Center**
1-888-NYSHESC
1-888-697-4372

**Federal Student Aid Information
or
FAFSA Application Status**
1-800-4-FED-AID
1-800-433-3243



Your Student Aid Agency

New York State Higher Education Services Corporation

99 Washington Avenue, Albany, NY 12255
www.hesc.org



COUNT ON HESC FOR
THE GUIDANCE AND
SUPPORT YOU NEED

The New York State Higher Education Services Corporation (HESC) is New York's student financial aid agency. We have the programs, information and resources to help your child afford a college education.

We administer the Tuition Assistance Program (TAP) and more than a dozen other grants and special awards. We also guarantee student and parent loans as part of the Federal Family Education Loan program.

Our easy-to-navigate Web site, www.hesc.org, makes planning and paying for college faster and easier than ever for you and your child.

A SMART CHOICE FOR
FINANCING YOUR
CHILD'S EDUCATION

If you have a dependent child in college, you may be eligible for low-interest college loans through the Federal PLUS Loan Program.

PLUS loans can be used to help pay undergraduate college expenses for your son or daughter. You don't have to demonstrate financial need to borrow PLUS loans.

You can borrow any amount up to your child's cost of attendance, minus any other financial aid. Before you take a PLUS loan, explore all possible sources of financial aid, including grants and scholarships. Only borrow what your son or daughter needs.

A LOAN YOU CAN AFFORD

The PLUS Loan can be a better option than an alternative loan to help finance your child's education.

Unlike some private loans that come with variable interest rates that can climb several times a year, the PLUS Loan has a fixed interest rate of 8.5 percent, valid for the life of the loan. Interest paid may be tax deductible.

Loans may carry a default fee of up to one percent of the amount borrowed.

Each loan has an origination fee of 3 percent of the amount borrowed. The lender deducts the fee from each disbursement sent to your child's college.

The repayment period for PLUS loans is up to 10 years, with various repayment options available to you. There are no prepayment penalties, and there are certain cancellation provisions for death or total, permanent disability.

YOUR INCOME DOESN'T COUNT

Parents and some stepparents may apply for a PLUS loan regardless of income, as long as they have an acceptable credit history.

At the lender's option, a prospective PLUS borrower may obtain a creditworthy co-signer.

You can get a free credit report once every 12 months from each of the three nationwide consumer credit reporting companies through AnnualCreditReport.com. You can also contact the companies directly by phone:

Equifax, 800-685-1111; Experian, 888-397-3742; TransUnion Corporation, 800-888-4213.



To get a PLUS loan:

- Your child must qualify as your dependent.
- You and your child must be U.S. citizens, nationals, permanent aliens, or other eligible non-citizens.
- You or your child cannot be in default on any Title IV student loan or owe a refund on any Title IV grant.
- If your child plans to attend an out-of-state college, you must be a legal resident of New York State for the 12 months before the loan's academic period begins.

Your child must:

- Be accepted or enrolled (at least half time) in an undergraduate program leading to a degree, certificate, or diploma at an eligible college or school.
- Maintain satisfactory academic progress.
- Comply with applicable Selective Service requirements.

HOW TO APPLY FOR AND RECEIVE PLUS FUNDS

Students complete the Free Application for Student Aid (FAFSA) and their data is shared

with schools that they list on the form. The college financial aid office will advise you about taking out a PLUS loan based on your child's financial aid application. If the college financial aid office determines that you could apply for a PLUS loan, they will instruct you about the process the college has chosen to deliver financial aid quickly and efficiently. If the college would like you to apply electronically, you may apply online at www.hesc.org.

After you've completed the borrower section and your child has completed the student section, send the application to the college's financial aid office. The college will complete the school certification form and forward the application to your chosen lender. If you apply online, this process will be done electronically.

Once approved, your lender sends installments of PLUS loan funds to the college, which applies them to your child's account for education expenses. The college sends any remaining funds directly to you — or with your permission, adds them to your child's account.

REPAYING YOUR LOAN

Your first payment is due within 60 days from when the loan is fully disbursed (when the lender sends the final disbursement to the college). Interest, however, begins accruing on the day of the first disbursement. While you can capitalize the interest — add it to the principal — you should pay it whenever possible.

PLUS loans carry an 8.5 percent fixed interest rate. See the chart below to learn your total payments with varying loan amounts.

Sample Repayment Schedule — 8.5%

Loan Amount	# of Monthly Payments	Monthly Payment	Total Paid
\$5,000.00	120	\$61.99	\$7,438.80
\$7,500.00	120	\$92.99	\$11,158.80
\$10,000.00	120	\$123.99	\$14,878.80
\$15,000.00	120	\$185.98	\$22,317.60
\$20,000.00	120	\$247.97	\$29,756.40

You can also include PLUS loans in the Federal Consolidation Loan Program. For more information on the program, visit www.hesc.org or contact your lender.

HOW TO IMPROVE YOUR FISCAL FITNESS

If you need help with debt management, you may want to consult with a professional, not-for-profit budget planner/consumer credit counselor.

To locate a counselor, contact the National Foundation for Credit Counseling at www.nfcc.org or call 800-388-2227.