



CLEVELAND INSTITUTE OF MUSIC

09-10 FEDERAL DIRECT PARENT PLUS LOAN APPLICATION

This form must be submitted *each time* a PLUS Loan is requested. Currently, the Federal Direct PLUS Loan is offered under a multi-year Master Promissory Note (MPN). Under this one MPN, a borrower may receive multiple Direct PLUS Loans over a maximum ten-year period, regardless of where the student attends school. It will be the borrower's responsibility to keep track of how much has been borrowed cumulatively. The interest rate for Direct PLUS loans is a fixed rate of 7.9% for all loans disbursed after 7/1/06. This rate does not affect previously disbursed loans, which have a variable rate. Standard repayment begins 60 days after the loan is fully disbursed, however parents may contact the Direct Loan Servicing Center once the loan is active to request the In School Deferral similar to that applicable to federal student loans. Interest begins on the date of the first disbursement. One half of the annual loan amount (less origination fee) is disbursed to the student tuition account on or about 9/14/09 for fall and 2/1/10 for spring (for a one-semester only loan, contact the Financial Aid Office). If Parent PLUS Loan is denied due to unsuccessful credit approval, the undergraduate student will automatically become eligible for an additional \$4,000 Unsubsidized Direct Loan (\$5,000 if Junior or Senior student) or the parent may add a creditworthy endorser as a cosigner. Unless CIM is informed of the wish to add the endorser, it is assumed the additional student Direct Loan eligibility is desired.

Please specify the loan amount requested for the 09-10 academic year (you may wish to check with the student's NetPartner awards screen to see what amount was tentatively accepted). The loan amount is subject to a 4% origination fee (less a 1.5% rebate) so the net amount to be credited to the tuition account is calculated as 97.5% of the borrowed/requested amount. Disbursement amounts are rounded to whole dollars.

- I wish to borrow the maximum PLUS Loan amount available to me. (Cost of Attendance (COA) minus all other financial aid; note, this may be considerably more than the student will owe to CIM as the COA includes non-billed items).
- I wish to borrow a lesser or specific amount of \$ _____ (x 0.975 anticipated annual net amount credited to student bill = \$ _____.)

Loan disbursement is contingent upon successful credit check and timely receipt of this form and signed Direct Parent PLUS Loan MPN. If you had a PLUS Loan in the past 12 months, a new Direct PLUS MPN is not required. If a first time PLUS borrower (or had a year of inactivity on a prior promissory note), please complete the MPN online at <https://dlenote.ed.gov/empn/mpnwizard.jsp>. **MPN Status:**

- Direct PLUS Loan MPN submitted electronically on _____ (enter date). OR
- I had a Direct PLUS Loan last year, so do not need to do a new MPN (a FFEL PLUS MPN is not the same)
- Please mail me a paper MPN to address below (this may add significantly to the time needed for the loan to be processed).

PLUS Loan proceeds will be credited directly to the student tuition account. Should a credit balance be created as a result of a Parent PLUS loan, please indicate which person should be refunded: my son/daughter (student) me (parent/borrower) at the address below:

Student Name: _____ Student SSN: _____

Borrower/Parent Name: _____ Parent SSN: _____
(must be parent that signs MPN)

Borrower Date of Birth: ____/____/____ (MM/DD/YYYY) U.S. Citizen: Yes No (Alien# _____)

Borrower Drivers License: State: _____ Number: _____ E-Mail: _____

Borrower Mailing Address: _____ Daytime Phone: _____

Consent to Obtain Credit Report: I consent to the U.S. Department of Education and its agents obtaining a report of my credit record and using the information from that report in determining whether to make a Direct PLUS Loan to me. I understand that I will be notified in writing of the results of the credit check with respect to my loan application. **Privacy Act Disclosure Notice:** The Privacy Act of 1974 (5 USC 552a) requires that the following notice be provided to you. The authority for collecting the information requested on this form is S451 *et seq.* 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" (originally published on April 12, 1994, Federal Register, Vol. 59 p. 17351) and "National Student Loan Data System" (originally published on December 20, 1994, Federal Register, Vol. 59 p. 65532). 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 (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 USC 1091 (a)(4) 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 loan(s) so that data may be recorded accurately.

Borrower/Parent Signature: _____ Date: _____