

# Wheaton College Federal Parent Loan for Undergraduate Students (PLUS) Information Sheet

*Loan funds available to parents to help meet educational costs*

- BENEFITS:** Low interest government-sponsored loan available for parents.
- ELIGIBILITY:** Biological or adoptive parents of full-time or half-time dependent undergraduate students; not contingent upon income level. Consideration for Federal PLUS loan includes a required credit check by the loan agency. Parents and students must be US citizens or eligible non-citizens.
- ANNUAL AMOUNTS:** Up to the total cost of educational expenses less other financial aid available to the student. No maximum loan amount per borrower.
- INTEREST RATES:** Fixed 8.5% interest rate for loans first disbursed on or after July 1, 2006. Includes non-refundable federal government origination fee and guarantee agency insurance premium. These costs are deducted from the loan prior to its disbursement, and are paid to the Department of Education and the guarantor.
- PAYMENT TERMS:** Payment of principal and interest begins 60 days after disbursement of the loan with a minimum monthly payment of \$50.00. Repayment may last up to 10 years. You may prepay at any time without penalty. Loan consolidation and graduated repayment options are available.
- DEADLINE TO APPLY:** In most cases, applicants should allow three weeks of processing time before the funds are needed. However, if the funds are needed for the beginning of the fall semester, Federal PLUS Loan applications should be made by mid-June. Detailed instructions are available on our website at **[www.wheaton.edu/finaid](http://www.wheaton.edu/finaid)** under the "Parents" section.
- CHOOSING A LENDER:** College lending is a complicated process involving communication between the parent, lender, guarantor, and school. You may designate any bank or lender that you choose, and Wheaton College will process your loan as quickly as possible. Because there are so many lenders to choose from that offer Federal PLUS loans, we provide the names of four lenders who offer excellent service, automated processing and dedicated contacts who assist our office in solving any problems that may arise. If, however, you would like to choose another lender, please contact that lender and complete the pre-approval process.

- **Access Group**  
800-282-1550  
Lender Code: 808851  
[www.accessgroup.org](http://www.accessgroup.org)

- **Edamerica**  
800-337-1009  
Lender Code: 83145  
[www.edamerica.net](http://www.edamerica.net)

- **Wachovia**  
800-347-7667  
Lender Code: 830005  
[www.wachovia.com/education](http://www.wachovia.com/education)

- **Wells Fargo**  
800-658-3567  
Lender Code: 807176  
[www.wellsfargo.com/student](http://www.wellsfargo.com/student)

## QUESTIONS AND ANSWERS ABOUT THE FEDERAL PLUS LOAN

Q: Who sponsors this program?

A: This is one of several loans in the Federal Family Education Loan Program. The funds are made available through banks and lending institutions which have agreed to participate in the federal program.

Q: What financial information is required for the application?

A: No income or asset questions are included on the Federal PLUS application. A federally mandated credit check is required for all Federal PLUS loans. To satisfy this requirement, a credit report will be obtained by the lender from a national credit bureau.

Q: When does repayment begin and how long do I have to repay?

A: Repayment begins within 60 days of your last disbursement (i.e., if you borrow a loan for August 2008-May 2009, your second disbursement would typically arrive in January 2009, and you would begin to repay in March 2009). Depending upon the amount you borrow, you can take up to 10 years to repay, and you can prepay at any time without penalty.

Q: Can I postpone repayment?

A: As a Federal PLUS borrower you can request to defer payments of principle and interest for up to 48 months. Parents need only to contact their repayment servicer to request the forbearance annually. Deferred interest accrues and is capitalized (added to the principal) increasing your total loan debt and possibly your monthly payment. Lender forbearance policies vary as qualification requirements are at the lender's discretion.

Q: What are the differences between the four lenders included on the lender list?

A: For a lender to be on our lender list, they must be an ELM (a not-for-profit loan processing agency) member and offer life-of-loan servicing. Following is a short profile of each lender:

**Access Group** has provided financing solutions for students in need for nearly 25 years. Their sole business and focus is student loans, and they are committed to offering the greatest possible value to the broadest range of eligible students. They are one of the few nonprofit loan providers within the student loan industry who service their own loans. Access Group does not have any forward purchase agreements and does not ordinarily sell their loans.

**Edamerica** is the 9<sup>th</sup> largest national lender with 20 years of experience in education loan products and is a nonprofit lender. By offering only student loans, they focus their resources on providing quality products and customer service. Edamerica partners with Edsouth, its business partner and nonprofit secondary market, and Edfinancial Services, its designated servicer. Edamerica sells loans to Edsouth within 60 days of final disbursement. All loans are serviced by Edfinancial Services for the life-of-the-loan and never sold or transferred to any other party.

**Wachovia** is one of the nation's largest banks, the 5<sup>th</sup> largest student loan lender in the nation, and has been in the student lending industry for 24 years. Wachovia generally services loans during the in-school period and then transfers them to ACS for servicing when borrowers enter repayment.

**Wells Fargo** is the 4<sup>th</sup> largest student loan lender in the nation and has been in the student loan industry for 40 years. Wells Fargo retains its loans and provides complete life-of-loan servicing for each of the loan programs.