

PLUS Loan Disclosure Notices

Credit Approval & Notification

Credit approval is based on federally mandated criteria – not a credit score. In order to qualify, you must not have any of the following items on your credit report: (1) One or more debts that are 90 or more days delinquent or that have been placed in collection or charged off during the two years preceding the date of the applicant's credit report, and the total combined outstanding balance of those debts is greater than \$2,085; (2) Any of the following items within the preceding five years of the date of the credit report: Default, Bankruptcy, Discharge, Foreclosure, Repossession, Tax Lien, Wage Garnishment, Write-off of a debt, Open Collection Account. You will be notified of credit approval or denial directly from the Direct Loan Servicing Center. Credit approval is valid for 180 days.

Credit Freeze

If you have your credit frozen, please contact all three major credit bureaus to **unfreeze your credit** in order for the Department of Education run your credit check for your PLUS loan.

Credit Denial

If you are denied a PLUS Loan on the basis of adverse credit, you can do one of the following:

- Appeal the denial with the Direct Loan Servicing Center at (800) 557-7394
- Apply for a PLUS Loan with an endorser
- Review the information on your credit report; correct any invalid information that may have led to the denial

PLUS applicants who are determined to have an adverse credit history, but qualify for a Direct PLUS Loan by obtaining an endorser or by documenting extenuating circumstances, are required to complete PLUS Counseling at.

<https://studentaid.gov/app/counselingInstructions.action?counselingType=plus>

Direct Loan Disclosure Statement

You will receive a Federal Direct Loan Disclosure Statement from the Direct Loan Servicing Center up to 30 calendar days before the first anticipated disbursement. The Disclosure Statement identifies the loan type, anticipated loan disbursement amounts and dates, anticipated net disbursement amounts, loan fee and fee rebate amount, and gives other important information regarding your loans.

Disbursement of Funds

Funds from the Direct PLUS Loan are disbursed directly to Cal State LA once for each semester borrowed. Exact disbursement dates will be stated on the Official Loan Disclosure Statement (see above). Loan proceeds are received electronically and are credited towards any outstanding registration fees and/or housing charges. Any remaining funds are then issued to the borrower via the disbursement office.

Use of Loan Funds

Funds received from the Federal Direct PLUS Loan are to be used solely for expenses related to the student's attendance at Cal State LA. Expenses include tuition, room and board, books, transportation costs, etc.

Loan Cancellation

Before your funds are disbursed, you may cancel or reduce the amount of your loan by notifying *Cal State LA Financial Aid Office* in writing. If your loan has already been disbursed, you can still cancel the loan in one of two ways: (1) You may contact Cal State LA (in writing) within 14 days of the date the loan has been applied to your account, or (2) You can pay back all or a part of your loan within 120 days of the date the Direct Loans were disbursed to the university directly to the loan servicer. Your loan will be adjusted to eliminate any interest, loan fee, and rebate amount that applies to the amount of the loan that you cancel/return during this timeframe.

Payment of Interest

Interest begins accruing on the Direct PLUS Loan from the date the loan is first disbursed – including during periods of deferment or forbearance – until it is repaid in full. If you do not pay the interest as it is charged, the Direct Loan Servicing Center will capitalize the interest (add it to the unpaid principal amount of your loan) when you enter an active repayment status. Capitalization increases the unpaid principal balance of your loan, and interest will then be charged on the new, increased principal amount.

Information you must report

While your dependent student is still in school, you must notify the Financial Aid Office at Cal State LA if (1) you change your address or telephone number; (2) you change your name (for example, maiden name to married name); (3) your dependent student drops below half-time enrollment or stops attending; or (4) your dependent student graduates or transfers to another school.

Note: You must also notify the Direct Loan Servicing Center of any of the above changes at any time after you receive your loan. In addition, you must notify the Direct Loan Servicing Center if you (1) change employers, or if your employer's address or phone number changes; or (2) have any other change in status that affects your loan (for example, if you received a deferment but no longer meet the eligibility requirements for that deferment).