

PLUS LOAN PACKET



Dear Parent,

You will need to complete this loan packet if you are interested in applying for a PLUS loan (Parent Loan for Undergraduate Students.) Parents may borrow a PLUS loan to help defray the costs of a college education. Please be aware that, as with all loans, this is a debt that must be repaid, with interest.

PLUS loans are regulated by the U.S. Department of Education, much like student loans are. The maximum amount you may borrow is the Cost of Education minus all other student aid your child is receiving. Please refer to your son or daughter's financial aid award letter from Victor Valley College to obtain both the Cost of Education and other financial aid received.

You will need to begin making payments on your PLUS loan after the second disbursement of the loan. Currently, the interest rate on PLUS loans is a fixed rate of 8.5%.

PLUS loans are subject to a credit check, and you may be denied based on your credit rating. In the event you are denied, your child may be eligible to borrow a portion of the loan as an Unsubsidized Stafford Loan (not to exceed \$4,000.)

If you have any questions about PLUS loans, feel free to email us at financialaid@vvc.edu, or stop by the office during business hours. After you complete the loan request form (included in this packet), return it to the Financial Aid Office for processing. You may want to keep a copy of this letter and the lender list, so that you have a record of what you are applying for, and which lending institution you selected as your lender.

Sharon Groom
Director, Financial Aid

Greg Ryan
Associate Director, Financial Aid

Who is eligible?

Any student who is enrolled at least half-time (6 units) at Victor Valley College and is classified as a dependent student on their FAFSA application, may have their parent apply for a PLUS Loan (Parent Loan for Undergraduate Students)

Who is taking this loan?

One parent may apply for the loan. The loan is based on the parent applicant's credit history. The parent is the borrower, who must repay the debt.

How much may I apply for?

The amount you may apply for is determined by taking the Cost of Education at VVC, and subtracting all other aid that the student has been awarded. Refer to your son or daughter's Financial Aid Award letter for this information, as it varies per student.

How are the loan proceeds used?

Providing the student does not owe a debt to the college, all funds are released to you. You determine how to spend the proceeds.

What is the interest rate?

Currently, the rate is a fixed 8.5%, effective July 1st, 2006 through June 30th, 2007. Interest rates are adjusted annually by the United States Department of Education.

How is money disbursed?

You will receive at least two disbursements. Once enrollment is verified, the loan proceeds are mailed directly to you.

Steps to obtain a PLUS Loan at Victor Valley College

1. Go to the financial aid loan website at <http://www.vvc.edu/offices/financial-aid/loans2006.htm> and click on "Apply for a PLUS Loan."
2. Follow the steps on line to create a borrower account for yourself, and complete the Master Promissory Note (MPN.)
3. The Victor Valley College Financial Aid Office will certify your loan request. Please note, we will only certify up to the Cost of Attendance less any other aid the student has received.
4. Your loan will be scheduled for disbursement. You will receive a disclosure notice in the mail from the lender indicating when your funds will be disbursed. If you have any questions about your loan once you receive your disclosure notice, contact USA Funds directly at (888) 272-5543
5. Funds will arrive at the Victor Valley College Financial Aid Office. Once enrollment is verified, loan proceeds will be mailed to you at the address on file. (Note: Student must be enrolled in at least 6 units at the time your disbursement is scheduled, in order to receive your loan check.)

Victor Valley College Preferred Lender List:

Comerica Colledge Loans

Lender Code: 830489
1-877-colledge
www.colledgeloans.com
*.25% interest rate reduction for auto-debit payment
*After 36 on-time payments receive one certificate good for one FREE loan payment
*Each additional 12 months of on-time payments receives another certificate, up to a total of 5 FREE payments on the loan!
* Serviced by Loan Star Systems Inc.
customerservice@colledgeloans.com

US Bank

Lender Code: 819451
1-800-242-1200
www.usbank.com
* 0% Origination Fees
* local branch in Vons (Bear Valley/Hesperia Rd.)
* 5.0% Credit Back of the original principal balance after 36 consecutive on-time payments
*.25% interest rate reduction for autopay
* Free student bank accounts available
*Serviced by: Student Loan Finance Corporation

Nelnet

Lender Code: 833669
1-888-486-4722
www.nelnet.net
* 0% Origination Fees
* 3.33% reduction in principal after 30 on-time payments
*.25% interest rate reduction for auto-debit payment
* Nelnet pays 1% Federal Default Fee
*1% default fee waived
*Serviced by: Nelnet

Southwest Student Services

Lender Code: 830630
1-888-272-5543
www.sssc.com
*0% Origination Fees
* 1.0% credit after 24 on-time payments based on the original principal balance
* 2.0% credit after 36 on-time payments based on the original principal balance
*1% default fee waived
* Serviced by: Southwest/Sallie Mae; does not sell loans
customerservice@sssc.com

Student Loan Xpress

Lender Code: 823584
1-888-274-0354
www.studentloanxpress.com
* 0% Origination Fees
*.25% interest rate reduction for auto-debit payment
* 5.0% reduction on remaining term after 48 on-time payments
* Student Loan Xpress does not sell loans
Serviced by: Various partners
customerservice@studentloanxpress.com

Wells Fargo

Lender Code: 807176
* 0% Origination Fees
* 2.0% interest rate reduction after 36 on-time payments based on the original principal balance, and with electronic billing
*.25% interest rate reduction for auto-debit payment
* Wells Fargo does not sell loans
Serviced by: Wells Fargo

Citibank

Lender Code: 826878
1-800-967-2400
www.studentloan.com
*0% Origination Fees
*.25% interest rate reduction for auto-debit payment
* 2.0% reduction for responsible payment: 1.00% after 36 consecutive monthly on-time payments and an additional 1.00% after 48 consecutive on-time monthly payments
* Citibank does not sell loans
* A free, no fee, checkless Citibank Access Account for all borrowers
* Serviced by: Citibank

Nellie Mae

Lender Code: 829076
1-877-332-7028
www.nelliemae.com
*0% Origination Fees
* With Nellie Mae Cash Back, eligible Stafford borrowers receive a credit equal to 3.30% of their original loan balance, after making 33 consecutive on-time payments
*1% Default Fee waived
* 24/7 on-line account access and flexible repayment options
* Serviced by: Sallie Mae

