

PLUS LOAN INFORMATION



Dear Parent,

You will need to follow the steps on this page 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 daughters 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 apply on line for the loan, you will track the status of your loan on the web. 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.

Sincerely,

Sharon Groom

Director of Financial Aid

Greg Ryan

Associate Director of 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 daughters Financial Aid Award 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, 2007 through June 30th, 2008. 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 website at www.vvc.edu and click on "Financial Aid" and then "2007-2008 Student Loan Programs." Be sure to select "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, contact USA Funds directly at 1-888-272-5543 or you may also log back into Open Net anytime to track the status of your loan.
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.)

Choosing a Lender

We have listed lenders that we have worked with, who have demonstrated a commitment to serving borrowers. Our lender list was compiled based on the benefits a family can receive and strong history of customer service to borrowers, as well as student/parent feedback. In particular, the VVC Financial Aid Office is concerned with offering borrowers additional benefits to allow the borrower to receive more money back in their pocket (ie, less fees) and to allow the borrower to pay off the balance faster, thus saving total interest costs. Refer to the lender list below to select a lender that offers benefits to suit your particular needs. While our lender list was compiled in your best interest, it is important to understand that you may select any lender that participates in FFELP PLUS loans. To do so, when prompted on line to select a lender, choose "Other" and follow the instructions, or contact our office for assistance.

Citibank

Lender Code: 826878

1-800-967-2400

www.studentloan.com

- Save up to 6.00% on your principal loan balance with Citibank's ZERO payments the last 6 months when all payments are made on time
- Automatic 0.75% interest rate reduction at repayment
- Additional 0.50% interest rate reduction when you sign up for E-Z Pay auto debit and receive electronic statements only
- New! Benefit Recovery Feature: Unlimited changes to earn back your automatic interest rate reduction if lost as a result of late payments
- Interest only payment option
- Defer payments while your child is in school for up to 48 months
- Citibank does not sell loans
- Serviced by Citibank

Bank of America

Lender Code: 801871

1-800-344-8282

www.bankofamerica.com/studentloans

- 0% Origination Fee
- Immediate 0.25% interest rate reduction with auto debit
- 1.0% outstanding principal reduction after 12 consecutive, on-time payments
- 1.0% outstanding principal reduction after next 12 consecutive, on-time payments
- 1.0% outstanding principal reduction after third 12 consecutive, on-time payments
- Bank of America provides a 15-day grace period during repayment
- Should a borrower miss a payment in one of the 12-month periods, they still qualify to receive reductions in the remaining period(s).
- Serviced by Sallie Mae

Comerica Colledge Loans

Lender Code: 830489

1-877-colledge

www.colledgeloads.comerica

- .25% interest rate reduction for auto debit payment
- After 36 on-time payments receive one certificate 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@colledgeloads.com

Nelnet

Lender Code: 833669

1-888-486-4722

www.nelnet.net

- 3% interest credit applied 210 days after the loan is fully disbursed
- .25% interest rate reduction for auto debit payment
- 3.33% reduction in principal after 30 on-time payments
- Nelnet does not sell loans

Wells Fargo

Lender Code: 807176

0% Federal Default Fee

- 0.75% Immediate interest rate reduction at repayment
- 0.25% Immediate interest rate reduction when Wells Fargo automatically withdraws payments from a checking or savings account
- Last six months FREE—Wells Fargo will waive the last six months of regularly scheduled payments on the loan if all previous payments were made on-time
- New! Rehabilitation Feature—We're proud to introduce our new Rehabilitation Feature. It gives borrowers multiple opportunities to earn back their on-time interest rate reduction if it's lost due to a late payment.
- Wells Fargo does not sell your loans—you will have one point of contact and one phone number from initial application through final payment
- Parent borrower has the option of adding a co-endorser or having a 2nd look option during initial application
- Delayed payments—the parent borrower can postpone payments for up to five years when the student is enrolled at least half-time and still have up to ten years to repay the loan

Nellie Mae

Lender Code: 829076

1-877-332-7028

www.nelliemae.com

- 0.75% interest rate reduction after the first on-time payment
- 2.4% loan credit after the first 24 on-time payments based on the original principal balance
- Upromise loan link—Borrowers who sign up with Upromise and link their eligible Stafford loan will have the opportunity to use their Upromise cash savings to pay down their outstanding PLUS loan balance
- Parents may delay repayment through forbearance for up to 60 months (must be renewed annually), including while their student is in school
- Through PLUS Success, Sallie Mae offers applicants with less than perfect credit the opportunity to resolve credit items or inaccuracies that would otherwise prevent their eligibility to obtain a PLUS Loan
- PLUS Loan applicants that do not initially meet the credit guidelines may also have the option to add an endorser (co-borrower) to their PLUS Loan application
- Convenient account access available 24/7 with Manage Your Loans.
- Flexible repayment options
- Serviced by Sallie Mae

Student Loan Xpress

Lender Code: 834263

1-866-759-7737

www.slxpress.com

- Immediate savings start with the first payments. Once the first payment is made, the borrower gets 1% principle reduction
- Every time you make another 12 payments, receive another 1% principle reduction for the life of the loan
- The 12 payments DO NOT have to be consecutive to receive the 1% principle reduction
- Life of loan servicing
- Loan Servicer: Xpress Loan Servicing

Southwest Student Services

Lender Code: 830630

1-888-272-5543

www.sssc.com

- 1.25% rate reduction for auto debit
- 3% loan credit after first 36 on time payments
- Upromise loan link—borrowers who sign up with Upromise may link their Sallie Mae loan accounts to their Upromise account and use their Upromise cash savings to pay down their outstanding loan balance
- Serviced by Southwest/Sallie Mae; does not sell loans
- customerservice@sssc.com

US Bank

Lender Code: 815678

1-800-242-1200

www.usbank.com

- 5.0% Credit Back of the original principal balance after 36 consecutive on-time payments
- .25% interest rate reduction for autopay
- .25% immediate Interest Rate Reduction for Borrowing with US Bank

Finansure

Lender Code: 834204

- 0% Default and Origination Fees
- Up to 4.5% Loan Credit
- Bridge Benefits to Consolidation
- 0.25% interest rate credit for auto debit

