



# IOWA WESTERN COMMUNITY COLLEGE

## A QUICK REFERENCE GUIDE TO DIRECT PLUS LOANS

### WHAT PARENTS NEED TO KNOW

Direct PLUS Loans are low-interest loans for parents of dependent students, made by the U.S. Department of Education, that help pay for the cost of your child's education. This Quick Reference Guide will help you navigate the process of taking out a Direct PLUS Loan to finance your child's education at Iowa Western. More information about Direct PLUS Loans can be found on Iowa Western's Financial Aid web site at [www.iwcc.edu/es/financial](http://www.iwcc.edu/es/financial) or on the U.S. Department of Education's Direct Loan web site at [www.direct.ed.gov](http://www.direct.ed.gov).

#### FOUR STEPS TO REQUEST AND ACCEPT A FEDERAL DIRECT PLUS LOAN

In order to borrow money from the Direct PLUS Loan Program, you need to complete the following steps:

- STEP 1 OF 4:** PROVIDE PERSONAL INFORMATION
- STEP 2 OF 4:** ENTER STUDENT AND LOAN INFORMATION
- STEP 3 OF 4:** INITIATE A CREDIT CHECK
- STEP 4 OF 4:** COMPLETE THE MASTER PROMISSORY NOTE

#### STEP 1: PROVIDE PERSONAL INFORMATION

All parents interested in applying for a Direct PLUS Loan are required to complete the Direct PLUS Loan Request process through the U.S. Department of Education's web site at [www.StudentLoans.gov](http://www.StudentLoans.gov). In order to complete a Direct PLUS Loan application online, you will need to use your Department of Education-issued PIN (not your child's). If you do not have a PIN, you may request one from the official PIN site at [www.pin.ed.gov](http://www.pin.ed.gov). In the first step of the Direct PLUS Loan Request process, you will need to enter your personal information, including your name, address, and employer's information.

#### STEP 2: ENTER STUDENT AND LOAN INFORMATION

In the second step of the Direct PLUS Loan Request process, you will first select an award year and then you will enter your child's personal information. Next, you will indicate whether you want Iowa Western to pay any credit balance, if one exists after funds have been applied to the student's school account, to you or to the student. Then, you will select a school and request an award amount. You can either request a specific amount you wish to borrow or you can request the maximum amount for which you are eligible as determined by Iowa Western. Keep in mind that you will pay a loan origination fee that is a percentage of the principal amount of each Direct PLUS Loan you receive. This fee is deducted before you receive any loan money. After the Direct PLUS Loan has been approved and is ready to disburse, the funds will be applied to the student's account. Generally, the Direct PLUS Loan will cover a full academic year and be disbursed in two equal installments: half in the fall and half in the spring.

#### STEP 3: INITIATE A CREDIT CHECK

Direct PLUS Loan borrowers are able to authorize and initiate a credit check during the Direct PLUS Loan Request process. Please note that the credit check is a required step of the Direct PLUS Loan Request process, and you will receive the results of your credit check immediately. The results of the credit check will dictate your next step: if your credit is approved, you will be asked to complete a Direct PLUS Loan Master Promissory Note (unless one is already on file), or, if your credit is not approved, you will be asked how you want to proceed.

#### STEP 4: COMPLETE THE MASTER PROMISSORY NOTE

All first-time, credit-approved Direct PLUS Loan borrowers are required to complete a Master Promissory Note (MPN). The MPN is a legal document in which you promise to repay your loan(s). It also explains the terms and conditions of your loan(s). In most cases, once you have submitted the MPN and it has been accepted, you won't have to fill out a new MPN for any future Direct PLUS Loans you receive for that specific child. Once your credit is approved, you can complete the MPN online at [www.StudentLoans.gov](http://www.StudentLoans.gov) as part of the Direct PLUS Loan Request process.

Please contact the Office of Financial Aid with any questions:

Office Hours: Monday - Thursday 8:00 a.m. - 6:00 p.m. and Friday 8:00 a.m. - 2:00 p.m.  
[FinancialAid@iwcc.edu](mailto:FinancialAid@iwcc.edu) 800.432.5852 or 712.325.3277 [www.iwcc.edu](http://www.iwcc.edu)