

Overview of the Federal Parent PLUS and Grad+ Loan Programs from PNC Bank

PROGRAM	MANAGEABLE PARENT PLUS LOAN PROGRAM	GRAD+ LOAN PROGRAM
ELIGIBILITY	<p>Parents of undergraduate students, as long as they meet the requirements set forth by the U.S. Department of Education, are eligible for the PLUS Loan. In addition:</p> <ul style="list-style-type: none"> • Student must qualify as your dependent; • Parent and student must be U.S. citizens, national, permanent resident aliens or eligible non-citizens of another type; • Student must be accepted or enrolled (at least half-time) in an undergraduate program leading to a degree, certificate, or diploma at an eligible college or school; • Student must maintain satisfactory academic progress. 	<p>Graduate students, as long as they meet the requirements set forth by the U.S. Department of Education, are eligible for the PLUS Loan. In addition, graduate students must:</p> <ul style="list-style-type: none"> • complete the FAFSA. • be a U.S. citizen, national, permanent resident alien or eligible non-citizen of another type; • be accepted or enrolled (at least half-time) in a graduate program leading to a degree, certificate, or diploma at an eligible college or school; • maintain satisfactory academic progress.
LOAN AMOUNTS	Annual Maximum: Total cost of educational program less other financial aid received. No life-time maximum.	
INTEREST RATE	Fixed at 8.50% effective July 1st, 2006.	
APPLICATION FEES	Default fee: 0% Loan origination: 3%	
REPAYMENT OPTIONS	<p>Repayment of principal and interest begins within 60 days of final disbursement. The minimum monthly payment is \$50. However, you have the option to delay payment for up to four academic years!* Payments may be spread over 10 years, depending upon amount borrowed.</p>	<p>Repayment of principal and interest is deferred while the student is enrolled at least half-time. Payments may be spread over 10 years, depending upon amount borrowed. Additional deferment and forbearance options are available.*</p>
BORROWER BENEFITS	<ul style="list-style-type: none"> • An IMMEDIATE 1.00% INTEREST RATE REDUCTION at first disbursement (applies during periods of deferment and forbearance)** • An ADDITIONAL 0.25% interest rate reduction when you elect to have your monthly payments automatically deducted from your checking or savings account*** 	

* When you receive your repayment disclosure, if you feel that immediate repayment may cause temporary hardship, you may call PNC Bank to apply for a forbearance to delay making payments. Forbearance can be granted for no more than twelve months at a time. Therefore, if you wish to extend forbearance, you must apply each year for a maximum of four academic years (Parent PLUS) or two calendar years (Grad+). While you are on forbearance, you will receive quarterly interest statements. Paying the interest as it accrues each quarter will save you money over the repayment term of the loan because any accrued interest that you do not pay will be added to the principal balance at the end of the forbearance period. When the loan re-enters repayment, interest will be calculated on the higher principal balance. Therefore, the total amount you will repay over the life of the loan will increase.

** The 1% interest rate reduction will take effect at first disbursement and apply during delayed periods of forbearance or deferment. The 1% reduction will be eliminated if your account is more than 15 days past due.

*** Elect to have your PLUS loan payment automatically deducted from your bank account, and we will reduce the repayment interest rate by 0.25% for as long as payments are automatically deducted.

PNC Bank PLUS Pre-Qualification Form

PNC Bank has made the process of applying for a Parent Loan for Undergraduate Students (PLUS) or a Grad+ loan easier. Through the PNC Bank pre-qualification program, a quicker turnaround time enables parent or graduate students to find out if they qualify for a PLUS loan. **Please note that if you do pre-qualify, you must submit a Master Promissory Note within 60 days of notification. If the Promissory Note is not received within that time frame, you will be subject to another credit inquiry upon receipt of the PLUS application.**

How the Process Works

Complete this pre-qualification form and return it to PNC Bank by mail to: PNC Bank Education Loan Center • 2600 Liberty Avenue Suite 200 • Pittsburgh, PA 15222 • ATTN: PLUS Pre-Qualification; or by fax at 1-800-300-2213. PNC Bank will review your credit profile to determine if you meet the federal eligibility criteria for a PLUS Loan and will notify you upon decision.

- 1) If your application meets the required criteria, PNC Bank will send a PLUS Loan Master Promissory Note to you with the lender sections completed for your signature.
- 2) If your application is denied, PNC Bank will provide you a letter indicating the reasons for the denial. You may obtain an eligible creditworthy endorser to qualify for the PLUS Loan or you may want to contact your child's school regarding any additional Unsubsidized Stafford Funding that may be available.

Benefits of the PLUS Pre-Qualification

- Gives you an idea if you meet the Federal PLUS Loan credit criteria.
- Helps the school's Office of Financial Aid determine a student's financial aid award.
- Saves time in the PLUS Loan application process.

Please Print the Following Information

Please select one of the following Parent PLUS GRADUATE PLUS

Borrower Information

Last Name _____ First Name _____ Middle Initial _____

Social Security Number _____ Loan Amount Requested \$ _____

Permanent Street Address _____

City _____ State _____ Zip Code _____ Home Phone () _____

Work Phone () _____ Date of Birth _____

Student Information (only required for Parent PLUS loan application.)

Last Name _____ First Name _____ Middle Initial _____

Social Security Number _____ Date of Birth _____

School Code _____ City _____ State _____

Enrollment Period _____ to _____

Authorization

I authorize PNC Bank to obtain a copy of my credit report to determine if I meet the federal eligibility criteria for a PLUS Loan. Furthermore, I authorize PNC Bank to disclose the results of my application to the institution which I will be attending.

I understand that this is a PLUS Loan pre-qualification form. To receive a PNC Bank PLUS Loan, I still must complete and submit a PLUS Loan Master Promissory Note to my school's Office of Financial Aid for certification.

Signature of Applicant _____ Date _____

Lender Use Only

- Pre-Approved (Pre-Approval is valid for 60 days from the date below)
 Denied (Reason(s) for denial will be sent to the borrower at the above address)

Lender Signature _____ Date _____