



NEW ORLEANS

NASFAA CONFERENCE 2002

The NASFAA Conference 2002 ♪ July 21-24 ♪ New Orleans, LA





Sessions S107 & S107R

PLUS MPN

(It's really gonna happen!)





- **Developed by NCHELP Task Force in conjunction with the Department.**
- **Entering OMB clearance on**



To The Extent Possible-

- **Make Process and forms consistent with Stafford MPN**
- **Use with existing processing flows**
- **Consistent with Direct Loans PLUS MPN**



- **Support future technologies and enhancements, such as electronic signatures**
- **May need to be revised when HEA is reauthorized in 2004**





Documents on ED Web Site

<http://edicsweb.ed.gov/>





- **Federal PLUS Loan Application and Master Promissory Note**
- **Borrower's Rights and Responsibilities Statement**
- **PLUS Loan Information and School Certification**
- **Endorser Addendum**



Application Process

- **School certifies annually**
- **Lender conducts credit check and approves or denies loan annually**
- **If borrower has adverse credit, lender may allow an endorser**



Application Process

- **Use one PLUS MPN for multiple:**
 - **loans**
 - **years (if school qualifies)**
- **NOT MULTIPLE DEPENDENTS**



Application Process

- **Borrower may use same MPN if school or guarantor changes**
- **Borrower must sign new MPN if lender changes**
- **Borrower or school can require new MPN**



Application Process

- **Borrower must sign new MPN for each dependent for whom borrowing**
- **New MPN if student moves between FFELP and DL school**





- **Parent may not be aware of need to complete a separate MPN if student switches attendance between FFELP and Direct Loan school**





Application Process

- **If borrower uses endorser, not eligible for multi-loan feature**
- **For each loan requested during period of adverse credit:**
 - **borrower must sign a new promissory note, and**
 - **endorser must sign new endorser addendum**





Application Process

- **MPN is revoked if:**
 - **borrower requests revocation**
 - **12 months after borrower signs note if no initial disbursement has been made**
 - **10 years from borrower's signature date on MPN**



School Eligibility

- **Task Force proposed that all schools may use multi-year feature unless ED excludes the school**
- **Department has not agreed to this proposal to date**





PLUS Loan Application and MPN Differences





Promissory Note

- **Information moved from checkboxes to certification section:**
 - **default & grant overpayments**
 - **EFT authorization**
 - **deferment authorization**



Promissory Note

- **Additions:**
 - **borrower e-mail address (optional)**
 - **e-mail address for reference (optional)**
 - **relationship to borrower for references**



Promissory Note

- **Deletions:**
 - **loan period**
 - **requested loan amount**
 - **state of legal residence**
 - **student signature space**





- **Borrower Options:**
 - **Decline the multi-year feature of the MPN**
 - **Cancel authorization for subsequent loans to be made (written)**





School Certification

- **Mirrors Stafford School Certification**
- **Removed from application to separate form**
- **Includes parent and student information**
- **Includes requested loan amount**



School Certification

- **School or lender may complete parent and student information section, or**
- **School may send School Certification for parent and student to complete information section**





PLUS Endorser Addendum Differences





Endorser Addendum

Major addition at the top of the new form is a “Notice to Endorser” paragraph indicating that by signing this form the endorser agrees to repay the loan if the borrower fails to do so.





Endorser Addendum

- **Additions:**

- **endorser e-mail address (optional)**
- **reference e-mail address (optional)**
- **relationship to endorser for each reference**





Confirmation

- **Task Force proposed**
 - **only active confirmation**
 - **method and timing determined by school or lender**
- **Active confirmation means borrower takes action to confirm loan each year for each dependent**



Outstanding Issues

- **Phase-in period (FFEL loans)**
 - **May use vs. Must use**
 - **Stafford MPN – 12 months phase-in period**



Outstanding Issues

- **Electronic Signature use**
 - **guidance provided by ED in June 2001 for Stafford MPN applies**



DL PLUS MPN Implementation

- **03-04 program year software will be released probably in March**
- **Will be new PLUS MPN**





We appreciate your feedback and comments. I can be reached:

Pat Newcombe

FFELP Section Chief

Phone: 202-377-4034

Fax: 202-275-4552

E-mail: Patricia.newcombe@ed.gov





***We appreciate your feedback and
comments. I can be reached:***

Jon Utz

Direct Loans Program Specialist

Phone: 202-377-4040

Fax: 202-275-4552

E-mail: Jon.Utz@ed.gov

