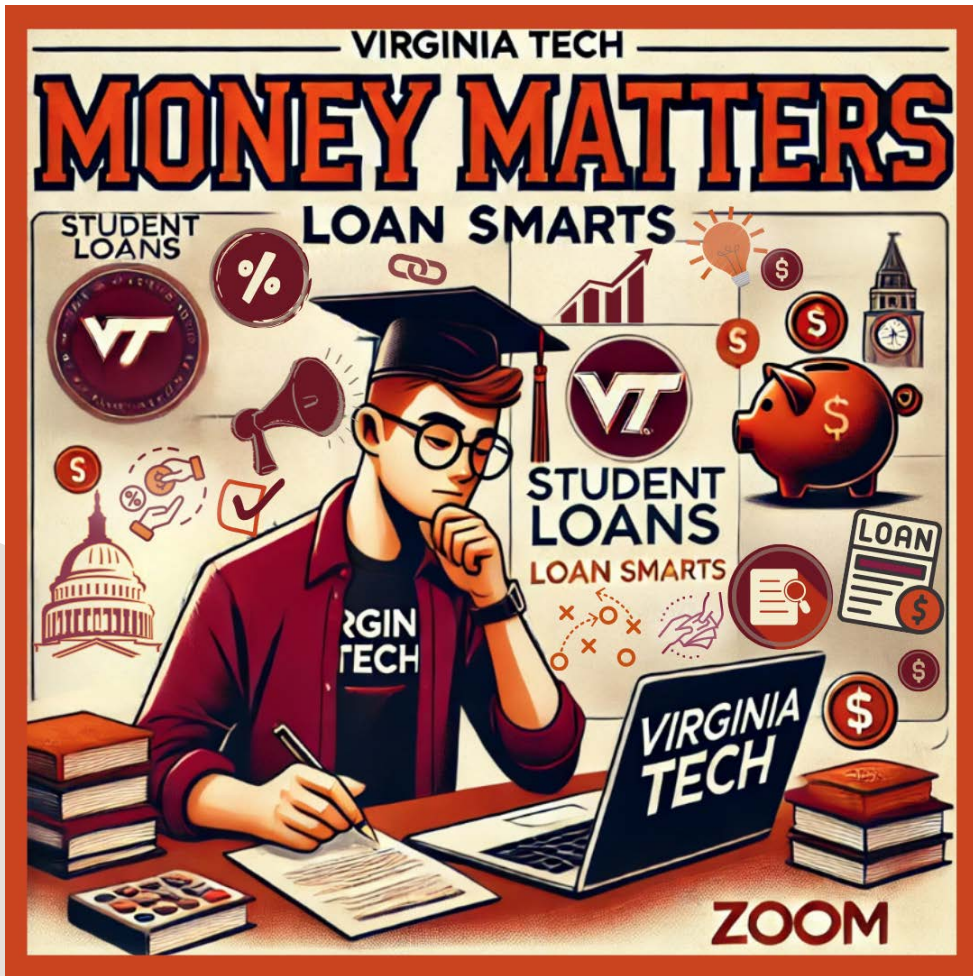


Office of University Scholarships and Financial Aid



MONEY MATTERS

Loan Smarts



Overview:

A college education is one of the most important long-term investments one will make in life. Loans are available to help students fund their education and accomplish their goals, but borrowers should be aware of the benefits and potential pitfalls of student loans.



- Federal Direct Student Loans
- Federal Direct PLUS Loans
- Private Loans

「Avoiding Delays & Errors



└ *Avoid Delays & Errors: Social Security Numbers*

- All loan certifications are matched to students using their Social Security Number (SSN).
- The SSN is optional on the application for admission; however, if there is no SSN in our system for a student, no loans can be processed, federal or private.
- If we receive a private loan certification and no SSN is on file, we will request a copy of the student's Social Security card.
- If a non-citizen applies for a private loan, the lender will assign a pseudo-SSN for the certification.



Federal Direct Loan Program



Federal Direct Loan Program - William D. Ford Federal Direct Loan Program

- Federal Student Aid (FSA) offers loans to help students and families cover the cost of attending college. These loans are often called Direct Loans or simply federal loans.
- There are three main types of Direct Loans:
 - Subsidized Loans
 - Unsubsidized Loans
 - PLUS Loans
- These loans are borrowed directly from the U.S. Department of Education and must be repaid after graduation or if a student drops below half-time enrollment.



Student Eligibility for Federal Direct Loans



To receive federal loans, students must:

- Have a valid FAFSA (Free Application for Federal Student Aid) on file
- Be enrolled in a degree-seeking program
- Be meeting Satisfactory Academic Progress (SAP), which means maintaining good grades and completing courses on time
- Be a U.S. citizen or eligible non-citizen
- Be enrolled in at least 6 credit hours (half-time status)
- Complete any required verification, if selected by the Department of Education or the school

Understanding Federal Direct Loans

- Subsidized Loan – Doesn't accrue interest while the student is enrolled at least half-time and for six months after graduation (grace period). Students must demonstrate financial need to qualify.
- Unsubsidized Loan – Interest starts when loan is disbursed. All eligible students can receive an unsubsidized loan, regardless of financial need.
- Parent PLUS Loan – This loan is available to a legal parent of dependent undergraduate students. A credit check is required, and interest begins as soon as the loan is disbursed.



Financial Need & Subsidized Loans

- To receive a Subsidized loan, students must show financial need—and not all students will qualify.
- Here's how financial need is calculated:

$$\begin{array}{r} 38,725 \\ -16,438 \\ -9,400 \\ \hline 12,887 \end{array}$$

Cost of Attendance (COA) – Amount of funding needed for the academic year

Student Aid Index (SAI) – A financial strength indicator from your FAFSA

Gift aid already awarded – Like grants or scholarships

Remaining Financial Need – The maximum eligibility for additional need-based aid

- A student must have remaining need to qualify for subsidized loans.

Federal Annual Loan Limits- Dependent Students

Federal Annual Loan Limits	
Freshman 0-29 credit hours earned	\$5,500 \$3,500 max subsidized
Sophomore 30-59 credit hours earned	\$6,500 \$4,500 max subsidized
Junior 60-89 credit hours earned	\$7,500 \$5,500 max subsidized
Senior 90+ credit hours earned	\$7,500 \$5,500 max subsidized

Federal Loan Fees & Interest Rates

- Federal student loans come with an origination fee, which is a small percentage taken out of the loan before funds are sent to the school:
 - Student loans: 1.06% (about \$10 for every \$1,000 borrowed)
 - PLUS loans: 4.29% (about \$40 for every \$1,000 borrowed)
- Federal loans have fixed interest rates, which means the rate does not change for the life of the loan:
 - Undergraduate student loans: 6.39%
 - Parent PLUS loans: 8.94%
- Total financial aid, including loans, cannot exceed Cost of Attendance for the academic year.



Cost of Attendance & Accepting Loans



Cost of Attendance- COA

- Cost of Attendance (COA), includes all the actual charges and anticipated expenses a student may have while enrolled for the academic year. It's made up of both billable charges and estimated expenses.
- Billable charges are costs the university will charge directly, such as:
 - Tuition and fees
 - On-campus housing (if the student lives in university housing)
 - On-campus meal plan (if selected)
- Estimated expenses are costs that the university doesn't bill, but that students are likely to have, such as:
 - Books and supplies
 - Transportation
 - Personal expenses (like toiletries or laundry)
 - Off-campus rent and food (for continuing students living off campus)



Financial Aid Portal- Offered Loans

Step 1:

- Student action
- Go to finaid.vt.edu
- Click on View Your Financial Aid Portal

Step 2:

- Click on Hokie SPA tab
- Click on Financial Aid Information/Award Package by Aid Year

Step 3:

- Student needs to ensure 2025-2026 aid year is selected.
- Student clicks on the "Award Offer" tab.
- Student scrolls down to take action on offered loans: Accept, Decline, or Modify loan amounts.
 - Reminder: the loan amount is for the full academic year and will be divided between Fall and Spring.
- Student clicks "Submit."
- A green confirmation box will appear once your changes are submitted successfully.

Loans

Type	Fall 2024	Spring 2025 (tentative)	Amount
Federal Direct Sub Loan	\$1,750.00	\$1,750.00	\$3,500.00
Federal Direct Unsub Loan	\$1,000.00	\$1,000.00	\$2,000.00
	\$2,750.00	\$2,750.00	\$5,500.00

Federal Student Loan Requirements



Federal Student Loan Requirements

- Student must complete two items on studentaid.gov
- 1) Entrance Counseling: online tutorial that teaches students the basics of student loans
 - Terms & conditions
 - Student's responsibilities
- Hover over "Grants & Loans" at the top
 - Click "Loan Entrance Counseling"
 - Locate "I am an Undergraduate Student"

Complete Your Student Loan Entrance Counseling Requirement

Entrance counseling ensures you understand the terms and conditions of your loan and your rights and responsibilities. You'll learn what a loan is, how interest works, your options for repayment, and how to avoid delinquency and default.

When you're finished, a record of your completion will be sent to the schools you selected, and you can then receive your loan money. Keep in mind that you cannot save and leave an incomplete session; you must complete entrance counseling in one sitting.

Select Your Student Status to Begin

Your school may have different entrance counseling requirements. Check with your school's financial aid office to be sure that the counseling on this Web site satisfies your school's entrance counseling requirements.

If your school requires you to complete and return a written entrance counseling document, download [Entrance Counseling PDF](#).



I am an Undergraduate Student ⓘ

Entrance counseling for undergraduate students is required if you have not previously received a Direct Subsidized Loan or a Direct Unsubsidized Loan.

You're an undergraduate student if you are enrolled in an undergraduate course of study that usually doesn't exceed four years and that leads to an undergraduate degree or certificate.

[Log in to Start](#)

[View Demo](#)

Federal Loan Requirements


- 2) Master Promissory Note: Contractual agreement between student and U.S. Department of Education to repay loans
 - Contact Info
 - References
 - Terms & conditions
- Hover over "Grants & Loans" at the top
 - Click "Master Promissory Note (MPN)"
 - Locate "I am an Undergraduate Student"
- Student must complete both requirements for federal loans to disburse.
 - Once completed, the MPN and Entrance Counseling are valid for 10 years, so the student shouldn't need to do another as an undergrad


Master Promissory Note (MPN)

The *Master Promissory Note (MPN)* is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education. It also explains the terms and conditions of your loan(s).

You may receive more than one loan under an MPN over a period of up to 10 years to pay for your or your child's educational costs, as long as the school is authorized to use the MPN in this way and chooses to do so.

The school will tell you which loans, if any, you are eligible to receive.

Choose the Direct Loan MPN you want to  preview or complete

	I'm an Undergraduate Student MPN for Subsidized/Unsubsidized Loans Use this MPN for Direct Subsidized Loans and Direct Unsubsidized Loans available to eligible undergraduate students. Learn More	Log In To Start View Demo <small>OMB No. 1845-0007 • Form Approved</small>
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Federal Loan Origination



Federal Loan Origination and Errors



- Loan Origination
 - The process where your school and the U.S. Department of Education work together to make your student loan official so the money can be sent to your school account.
- What happens if your information doesn't match?
 - Your personal information , including your name, Social Security number, and date of birth , must match exactly to link your loan requirements to the loan origination.
- What if the requirements don't link to the origination?
 - If the system can't match your information, your loan won't process. Loan requirements cannot be edited once submitted, so you'll need to complete a new MPN or Entrance Counseling.

Federal Loan Servicers & Repayment



Federal Loan Servicers & Repayment

- Once your federal student loan disburses, the U.S. Department of Education assigns you to a loan servicer — a company that manages your loan.
 - Send billing statements and collect payments
 - Answer any loan-related questions
 - You can find your loan servicer and loan details by logging into studentaid.gov
- Repayment Basics
 - Repayment starts after a 6-month grace period, which begins at graduation, leaving school, or drop below half-time (less than 6 credits for undergraduates).
 - Federal loans are initially placed in the Standard Repayment Plan, which divides payments over 10 years (120 payments).
 - Additional repayment plans and Public Service Loan Forgiveness are available on studentaid.gov
 - There is no penalty for paying off your loan early.





Federal Direct Parent PLUS Loan



「Federal Parent PLUS Loan

- A Direct Parent PLUS Loan is a federal loan that parents of dependent undergraduate students can take out to help pay for college.
 - The loan is in the parent's name, not the student's.
 - It can help cover educational expenses not paid by other aid, like grants, scholarships, or student loans.
 - Cannot exceed Cost of Attendance
 - The parent is responsible for repaying the loan, not the student.



Federal Parent PLUS Loan- Eligibility Requirements

- The dependent student must have a valid FAFSA
- The parent applicant must meet FAFSA citizenship requirements
- During the application, the borrower must certify that they:
 - Are not in default on a federal loan
 - Have no federal overpayments, judgments, or liens
 - Did not have previous loans canceled due to total and permanent disability, or
 - If they did, they must:
 - Regain eligibility
 - Complete the Certification for Renewed Direct Loan Eligibility
 - Have a doctor fill out the Physician Certification Section
 - Acknowledge that future loans cannot be discharged for the same condition



Federal Parent PLUS Loan- Eligibility Requirements



- Who Can Apply for a Parent PLUS Loan?
 - The applicant must be the student's biological parent, adoptive parent, or in some cases, a stepparent.
 - Biological or adoptive parents do not have to be listed as a contributor on the FAFSA to apply.
 - A stepparent can only apply if they are:
 - Currently married to the student's biological or adoptive parent and
 - Listed as a contributor on the FAFSA
 - If a parent who is not on the FAFSA applies, their relationship to the student must be verified.

Apply for a Federal Parent PLUS Loan



Apply for a Federal Parent PLUS Loan

- The parent should login at studentaid.gov using their own FSA ID
- Once logged in:
 - Click on the "Loans & Grants" tab at the top
 - Select "PLUS Loans: Grad PLUS and Parent PLUS"
 - Locate "I am the Parent of a Student"
- Things You Should Know...
 - Notice that credit check will be completed
 - Security freezes on credit must be lifted before applying
- Start application

I am a Parent of a Student

Direct PLUS Loan Application for Parents


The PLUS Loan Application allows you (the parent) to:

- request a Direct PLUS Loan;
- change the amount of a Direct PLUS Loan you previously requested;
- authorize how the school may use your Direct PLUS Loan funds to pay for educational expenses;
- designate who the school pays any credit balance to; and
- request deferment of repayment while the student is in school and for up to 6 months after.



Apply for a Federal Parent PLUS Loan

- Select Award Year
 - The new aid year becomes available around mid-June each year
- Student Information
 - If the parent is a contributor on the FAFSA, student details will auto-fill, just review and confirm
 - If not, the parent will need to manually enter the student's information
- School Information
 - Enter Virginia as the state and search for Virginia Tech
 - A search for "Virginia Polytechnic" will result in a notice that the school does not participate in Parent PLUS loans.




The school you selected is participating in the Direct PLUS Loan application process through StudentAid.gov

School Name
VIRGINIA TECH

School Code/Branch
G03754

School Address
800 DRILLFIELD DR.
BURRUSS HALL, SUITE 210
BLACKSBURG, VA 240612000



The school you selected doesn't participate in the Direct PLUS Loan application process for parents of dependent undergraduate students through StudentAid.gov. Contact your school's financial aid office.

School Name
Virginia Polytechnic Institute & State University - VTCOM

School Code/Branch
G42186

School Address
2 RIVERSIDE CIRCLE
ROANOKE, VA 240164950

Apply for a Federal Parent PLUS Loan

- Loan Amount Options:
 - Choose from:
 - Maximum amount
 - Specific dollar amount (default option)
 - Unknown amount

How much do you want to borrow?

☐ I want to borrow the maximum Direct PLUS Loan amount for which I am eligible, as determined by the school.

☒ I would like to specify a loan amount.

Loan Amount Requested
May not exceed the school's cost of attendance, minus other financial assistance.

\$.00

i Have you considered how loan fees will affect the amount you need to borrow?
Use this tool to help you calculate PLUS Loan Fees >

☐ I don't know the amount I want to borrow. [How do I know what to borrow? >](#)



- Origination Fee:
 - A fee of \$40 per \$1,000 borrowed
 - To calculate: Needed amount \div 0.95772
 - Example: To receive \$25,000, request \$26,104
- Use the PLUS Loan Calculator at finaid.vt.edu

Amount Needed: \$ 25000 PLUS Gross Amount: \$ \$26,103.66

Apply for a Federal Parent PLUS Loan

- Loan Period
 - Full-year loans (Fall/Spring) are recommended
 - The amount you need for Fall will be very close to the amount you will need for Spring
 - Single semester loans (Fall Only or Spring Only) are also an option
 - Keep in Mind! Campus closes for Winter Break
Christmas Eve – New Year Day
- Deferment Options
 - Request to delay payments:
 - While the student is enrolled at least half-time
 - For an additional 6 months after student ceases to be enrolled



Apply for a Federal Parent PLUS Loan

- Authorization to Cover Other Charges
 - PLUS Loans automatically pay towards Tuition & Fees, On Campus Housing and Campus Meal Plans
 - You can also authorize the loan for auxiliary expenses (clinic charges, library fines, parking tickets, etc.)
- Credit Balance Options
 - If the loan creates a credit balance, the applicant chooses who receives the refund:
 - The student
 - The parent borrower



Apply for a Federal Parent PLUS

- Loan Default Status
 - The system checks the National Student Loan Data System (NSLDS) to confirm the parent is not in default
- Relationship to Student
 - Enter relationship to student, must be a biological parent, adoptive parent, or a qualifying stepparent
- Parent Citizenship Status
 - US Citizen or Eligible Non-Citizen
- Borrower's Permanent Address
 - Auto-filled from FSA ID, but must be reviewed and confirmed as current
- Contact Information
 - Auto-filled from FSA ID profile
- Employer Information
 - "I am not employed" is the default
 - Unclick to enter parent employer information



Apply for a Federal Parent PLUS Loan

- Credit Check
 - A credit check is required as part of the application
 - If you have a security freeze on your credit file, it must be removed before applying
- Important Notices You'll Review
 - Gramm-Leach-Bliley Act (financial information privacy)
 - Privacy Act Notice
 - Financial Privacy Act Notice
 - Paperwork Reduction Act Notice
- Certifications
 - All information is true, complete, and correct
 - You have read and understood all Important Notices
 - You authorize the U.S. Department of Education to check your credit



Apply for a Federal Parent PLUS Loan

- The credit check only looks for adverse credit history — not credit scores.
- A parent may be denied if they have:
 - One or more debts over \$2,085 that are 90+ days delinquent
 - Accounts placed in collections or charged off in the past 2 years
 - Any of the following in the past 5 years:
 - Default
 - Bankruptcy
 - Foreclosure
 - Repossession
 - Tax lien
 - Wage garnishment
 - Write-off of a federal student aid debt
- If the applicant is in default on a prior federal student loan, that must be resolved before the new loan can be processed.
- Good news: The lack of credit history will not result in a denial.



Federal Parent PLUS Loan Decision



Federal Parent PLUS Loan Decision

- Instant Decision!
- Approved
 - The borrower will receive confirmation, and the school is notified within 24 business hours
 - The school still needs to verify the student meets all eligibility requirements to receive the loan
 - Allow 1 week upon receipt for loan to be certified
- Denied- The parent now has two options for approval:
 - Obtain an Endorser (Co-signer)
 - The endorser cannot be the student or the student's sibling
 - Appeal the Decision
 - Submit documentation of extenuating circumstances directly to the U.S. Department of Education
 - Allow 4-6 weeks for a decision



Federal Parent PLUS Loan Decision

- If a Parent PLUS application is denied, the student becomes eligible for an additional Unsubsidized Direct Loan:
 - Freshmen & Sophomores: Up to \$4,000 more per year
 - Juniors & Seniors: Up to \$5,000 more per year
- This additional loan will be in the student's name and will increase their existing loan eligibility.
 - The increase will be offered to the student, and they need to accept the increase in their HokieSPA



Federal Parent PLUS Loan Decision

- If a previously Denied PLUS Loan Is Later Approved
 - The student or parent must notify the school of the new approval so the loan can be processed.
- Newly approved borrowers **MUST** complete PLUS Loan Credit Counseling at studentaid.gov before the loan can be disbursed.
 - Credit Counseling helps borrowers understand:
 - Their responsibilities as a PLUS loan borrower
 - The terms and conditions of the loan
 - What to consider before taking on student loan debt
- Important Reminders
 - If an additional unsubsidized loan was already awarded to the student due to the denial, it will be cancelled because a student cannot receive both the PLUS loan and the additional unsubsidized loan for the same term.

PLUS Loan Credit Counseling

PLUS Loan Credit Counseling (PLUS counseling) can help students and parents understand the obligations associated with a PLUS loan and what to consider when taking on student loan debt.

PLUS counseling can be required (see below) or voluntary. If you voluntarily pursue counseling and the U.S. Department of Education (ED) determines your credit history is adverse within 30 days of completion, your counseling requirement is fulfilled.

PLUS Loan Credit Counseling is required if ED has informed you that you have an adverse credit history and you have:

- 1 Obtained an endorser or
- 2 Documented extenuating circumstances to the satisfaction of ED

I am completing PLUS Loan Credit Counseling to receive Direct Loans as a:



Parent of an Undergraduate Student

If you requested a parent PLUS loan and were denied but wish to pursue the PLUS loan, you are required to complete this credit counseling along with other eligibility requirements.

If you are unable to obtain a parent PLUS loan, your dependent undergraduate student may be eligible for additional unsubsidized loans. Your student should contact their school's financial aid office for more information.

Parents must be logged in with their own StudentAid.gov account username and

Log In To Start

Federal Parent PLUS Loan Requirements



Federal Parent PLUS Loan Requirements

- All parent borrowers must login to studentaid.gov and complete the Master Promissory Note (MPN)
- Hover over "Grants & Loans" at the top
 - Click "Master Promissory Note"
 - Locate "I am the Parent of an Undergraduate Student"
- Complete MPN
 - Student Information
 - Contact Info
 - References
 - Terms & conditions
- A Parent PLUS MPN is required for each student recipient. If a parent borrows for more than one child, a separate MPN must be completed for each student.




Master Promissory Note (MPN)

The Master Promissory Note (MPN) is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education. It also explains the terms and conditions of your loan(s).

You may receive more than one loan under an MPN over a period of up to 10 years to pay for your or your child's educational costs, as long as the school is authorized to use the MPN in this way and chooses to do so.

The school will tell you which loans, if any, you are eligible to receive.

Choose the Direct Loan MPN you want to preview or complete

 I'm an Undergraduate Student MPN for Subsidized/Unsubsidized Loans Use this MPN for Direct Subsidized Loans and Direct Unsubsidized Loans available to eligible undergraduate students. Learn More	Log In To Start View Demo <small>OMB No. 1845-0007 • Form Approved</small>
 I'm a Graduate/Professional Student PLUS MPN or MPN for Subsidized/Unsubsidized Loans for Graduate/Professional Students Find and use the MPN that you need as a graduate or professional degree student to borrow federal student loans. Graduate or professional students can be eligible for Direct Unsubsidized Loans, Direct PLUS Loans, and Graduate PLUS Loans. You should request to complete an MPN for each loan type you are eligible to receive. You should request to complete an MPN for each loan type you are eligible to receive. You should request to complete an MPN for each loan type you are eligible to receive. You should request to complete an MPN for each loan type you are eligible to receive. Learn More	Log In To Select MPN Type <small>OMB No. 1845-0007 • Form Approved</small>
 I'm a Parent of an Undergraduate Student PLUS MPN for Parents of Dependent Undergraduate Students Use this MPN for Direct PLUS Loans available to eligible parents of eligible dependent undergraduate students. Learn More	Log In To Start View Demo <small>OMB No. 1845-0007 • Form Approved</small>

Federal Parent PLUS Loan Origination & Disbursement Process



Federal Parent PLUS Loan Origination & Disbursement Process

- Eligibility Check
 - Virginia Tech verifies that both the student and the parent are eligible for the PLUS Loan
 - The PLUS loan and student's award package cannot exceed the COA
 - Once certified, the loan is originated and sent to the U.S. Department of Education
 - It must link with:
 - A valid Master Promissory Note (MPN)
 - PLUS Loan Credit Counseling, if required
- If the student or borrower information doesn't match or the MPN is expired, the loan will not link
 - The parent will need to complete a new MPN
- Disbursement & Refunds
 - Once linked properly, the loan can pay to school:
 - Initial disbursement is 10 days before classes start
 - If after initial disbursement, will pay within 2 business days
 - University Bursar starts processing refunds the week before classes start
 - Students are encouraged to sign up for Direct Deposit
 - PLUS loan refunds are processed based on the parent's indication on the PLUS application:
 - Student refund: Can be received within 3 business days if student has Direct Deposit, otherwise a check is mailed
 - Parent refund: Allow 2 weeks as a paper check must be mailed via USPS. Direct Deposit is not an option
 - Note: Refund method cannot be changed once the loan has disbursed

Private Loans



Private Loans

- Private loans are a type of self-help financial aid that students can use to help meet their educational expenses.
- Key Points to Know:
 - Funded by banks, credit unions, or other private lenders, not the federal government
 - May offer competitive interest rates and repayment terms
 - No federal loan limits, students may borrow more, based on credit and lender approval
 - No origination fees, the full amount borrowed is disbursed
 - Often offer greater flexibility in eligibility, especially with a creditworthy co-signer
 - Most lenders loan to international students or non-citizens, but may require a US citizen as a co-signer



Private Loans

- Choosing a Private Loan Lender
 - Virginia Tech does not endorse any specific private lender or loan product
 - Students and families are free to choose any lender and any private loan product that best fits their needs
 - To assist with the process, Virginia Tech provides a historical lending list through ELMSelect, a tool to help compare lenders used by our students in the past



ELMSelect

ELMSelect

Lenders Filter Loan Estimator

Comparing: 3 of 4 Selections

SoFi Private Student Loans - No Fees & Flexible Options

SoFi Private Student Loan for Undergraduates (Variable Rate)

Earnest No Fees Student Loans

Earnest Student Loans for Undergraduate Students

College Ave

College Ave Undergraduate Student Loan (Variable Rate)

Helpful Tutorials and Links

ELMSelect

Parent PLUS vs Private Loan Comparison Chart

Grad PLUS vs Private Loan Comparison Chart

Subsidized/Unsubsidized vs Private Loan Comparison Chart

Details Calculate

0.25% reduction for Autopay

- finaid.vt.edu
- Click SEARCH
- Enter "ELMSelect" in the search box
- Select the first result "Private Loans"
- Click ELMSelect link

Private Loan Certification & Disbursement Process



Private Loan Certification & Disbursement Process

- Private Loan Certification: What to Know
 - The primary borrower owns the loan
 - Only the borrower can make changes.
 - Co-signers cannot make changes to the loan.
 - Processing Guidelines:
 - Loans are processed in the order received, no expedited processing
 - During July & August allow 3 weeks for processing
 - Remainder of year, allow 1 week
 - We certify loans exactly as submitted
 - If there is an error in the loan amount or loan period, we will not make corrections.
 - A new loan application must be submitted if changes are needed.
- Tip: Carefully review your loan period and requested amount before submitting your loan application.



Private Loan Certification & Disbursement Process

- Disbursement & Refunds
 - Private lenders observe a Right To Cancel period before disbursing funds, up to 14 days
 - The loan will memo on the student account in the meantime, which is honored by the Bursar
 - Once the loan disburses and the student account balance is paid, any remaining funds are refunded to the student.
 - Private loans do not offer a parent refund option.
 - Refunds can be used for educational expenses that aren't included on their VT bill (books & supplies, off- campus rent & food, personal expenses, etc.)



Private Loan Repayment

- Deferment available with most loans (must be enrolled at least half-time)
- Interest-only payments may be available
 - Helps prevent interest from accruing
- Fixed repayment plans
 - Reduces overall cost
- Immediate repayment
 - Lowest total cost
- No prepayment penalties
 - You can pay off the loan early
- Auto-debit discounts
 - Most lenders offer a 0.25% reduction in interest rate for enrolling in automatic payments
- Some lenders offer .5% reduction on interest rate for applying before August



Comparing Federal Parent PLUS Loans & Private Parent Loans



PARENT LOAN TYPE COMPARISON

	PLUS	PRIVATE
ORIGINATION FEE RESULTS IN REDUCED NET DISBURSEMENT ¹	YES!	NO
DECISION BASED ON CREDIT SCORE	NO	YES!
DECISION BASED ON ADVERSE CREDIT HISTORY	YES!	NO
BORROWER MUST SIGN MPN	YES!	YES!
IF DENIED, STUDENT ELIGIBILITY INCREASES ²	YES!	NO
DENIED APPLICATIONS CAN GET ENDORSER/COSIGNER	YES!	YES!
DISBURSEMENT DELAYED UNTIL AFTER RIGHT TO CANCEL PERIOD	NO	YES!
DISBURSEMENT STARTS RIGHT TO CANCEL PERIOD	YES!	NO
INTEREST RATE IS BASED ON CREDIT SCORE	NO	YES!
INTEREST RATE IS ALWAYS FIXED	YES!	NO
INTEREST ACCRUES UPON DISBURSEMENT	YES!	YES!
DOES NOT REQUIRE AT LEAST HALF-TIME ENROLLMENT	NO	YES!
CERTIFICATION OF LOAN REQUIRED	YES!	YES!
BORROWER MUST BE U.S. CITIZEN or ELIGIBLE NON-CITIZEN	YES!	NO
CANNOT EXCEED COST OF ATTENDANCE BUDGET	YES!	YES!
FAFSA REQUIRED ³	YES!	NO ³
ENROLLED IN DEGREE SEEKING PROGRAM	YES!	YES!
FAFSA VERIFICATION MUST BE COMPLETED	YES!	NO
SATISFACTORY ACADEMIC PROGRESS REQUIRED	YES!	YES!
BORROWER MUST BE BIO, ADOPTED OR STEP PARENT ⁴	YES!	NO
LOAN CAN BE CONSOLIDATED	YES!	YES!
LOAN CAN BE FORGIVEN	NO	NO
LOAN CAN BE DEFERRED	YES!	YES!
LOAN CAN BE IN STUDENT'S NAME	NO	YES!



Potential Federal Changes



- H.R.1 - One Big Beautiful Bill Act
- <https://www.congress.gov/bill/119th-congress/house-bill/1>

A screenshot of the CONGRESS.GOV website. The page displays the details for H.R.1 - One Big Beautiful Bill Act, introduced in the 119th Congress (2025-2026). The bill's title is prominently displayed at the top. Below the title, there is a section for the bill's overview, including the sponsor (Rep. Amodeo, Jodey C. [R-TX-19]), committees (House - Budget), and committee meetings (05/12/25 1:00AM). The bill's progress is shown as a horizontal timeline: Introduced, Passed House, Passed Senate, To President, and Became Law. The 'Passed House' stage is currently active. The page also includes a summary section with a 'Listen' button and a dropdown menu to select the version of the bill (Passed House (05/22/2025)). The summary text states: 'This bill reduces taxes, reduces or increases spending for various federal programs, increases the statutory debt limit, and otherwise addresses agencies and programs throughout the federal government.'

Questions?

- Contact Our Office
 - Phone: (540)-231-5179
 - Email: finaid@vt.edu
 - In person
- Follow us!
 - Our Website: finaid.vt.edu
 - Social Media- Facebook and Instagram

