

Parent PLUS Loans: Are They Right For You?

Parent PLUS loans are one way to help your child pay for college, but they're not for everyone. Here's a quick overview of PLUS loans to help you decide if they're a good option for you and your family.

Amount and Eligibility

You can borrow up to the full cost of attendance of your child's school, minus any financial aid they've already received.



To be eligible for a parent PLUS loan, you need to:

- ☐ Be the parent or adoptive parent of a dependent undergraduate student who is enrolled/will be enrolled at least part-time in college
- ☐ Meet credit requirements*
- ☐ [Meet the general eligibility requirements for federal financial aid](#) (if your student received financial aid, you're most likely eligible!)

Applying for a parent PLUS loan

Before you apply, your student will need to have submitted the FAFSA. The application will take about 20 minutes to complete.



You'll need:

- ☐ Your [FSA ID](#)
- ☐ The name of the college your student will attend
- ☐ Your student's Social Security Number, mailing address and date of birth
- ☐ Basic information about yourself
- ☐ Contact information for your employer

** Unlike other federal loans, a credit check will be done for a parent PLUS loan. But don't worry if you don't have good credit or a cosigner – **your student can get some additional loan funds if you're denied!** If this happens, contact the college's financial aid office.*

[Go to the PLUS loan application site for more information and to apply.](#)

Paying Back Your PLUS Loan

Your PLUS loan will be managed by a federal student loan servicer. You can look up your servicer at studentaid.gov once the first loan payment has been disbursed. There are [several repayment plans](#) you could be eligible for, and there's no penalty if you prepay your loan. While you can borrow up to the amount of the cost of attendance minus any financial aid your student receives, that doesn't necessarily mean you *should*. You can get an idea of what your monthly payment would be by using the [Loan Simulator](#). Remember to factor in any other payments you need to make before you decide to take on a PLUS loan, and for how much.



PLUS Loan vs. Private Loan

For most people, a loan from the federal government is better than one from a private lender. Interest rates on federal loans are fixed (which means they won't change over time), so you'll know exactly what you're getting into. You also have several options for repaying the loan, including ones that depend on your level of income. Private loans tend to have much stricter repayment rules and their interest rates can change at any time. [Learn more about the advantages of federal loans over private loans.](#)

For more details about the parent PLUS loan program, [check out this publication](#) from studentaid.gov.