

Commenter: Calvin Ellis

Email: caellis@umass.edu

Comment #1

I offer the suggestion that all schools who elect to participate in the Direct Plus loan program should be required to utilize the online forms and electronic application process as found upon the studentaid.gov website.

For example at my school (University of Massachusetts at Amherst) our Financial Aid office has elected use of custom designed application forms and an internally designed loan approval workflow. Given such authorities, our Financial Aid office staff (or at least a subset of it) will then proceed to "locally manage" the Plus loan award process, unilaterally electing to not disperse otherwise approved loans. (or dispersing Plus loans with later claim of actions in "administrative error")

Requiring all loan program participants to utilize the Department of Education's established electronic loan application and approval platform would mitigate opportunity for such managerial machinations, and would ensure that the actions of loan program participants are consistent with CMR, and published guidance via the IFAP guidebook and Dear Colleague Letters.

Response: Thank you for your comment. Federal Student Aid (FSA) does not have the authority under the Direct Loan Program regulations to require all parent and student Direct PLUS Loan applicants to complete the Direct PLUS Loan Request. The regulations on "Application for a Direct PLUS Loan" at 34 CFR 685.201(b)(1) state that for a parent to obtain a Direct PLUS Loan, the parent must complete the Direct PLUS Loan MPN and the dependent student must complete the FAFSA, and the regulations at 34 CFR 685.201(b)(2) state that for a graduate or professional student to apply for a Direct PLUS Loan, the student must complete the FAFSA and the Direct PLUS Loan MPN. We cannot mandate an additional application beyond what is required by the regulations.

Comment #2

As for the application content itself, my only comment involves program nomenclature. Are the ParentPlus and GradPlus to be considered as discrete loan programs that are marketed to two different pools of applicants? This is the approach our school has taken, whereas language on the proposed application portrays a singular program with diachronic distinctions.

Response: There is just one Direct PLUS Loan Program under which loans are made to both graduate and professional students and to parents of dependent undergraduate students. However, we need to distinguish between Direct PLUS Loans made to grad/professional students and Direct PLUS Loans made to parents because under the law and regulations there are certain differences in the requirements that apply to student PLUS borrowers vs. parent PLUS borrowers. For example, Direct PLUS Loans made to grad/professional students can be repaid under income-driven repayment plans, but Direct PLUS Loans made to parents are not eligible for income-driven plans. Similarly, first-time student PLUS borrowers must complete entrance counseling, but there is no entrance counseling requirement for parent PLUS borrowers. Also, some of the information required from parents differs from what is required from a student PLUS applicant.

Thanks again, for your comments.