



**St. Joseph's College of Nursing**  
**Office of Financial Aid**

## **Federal Direct Parent PLUS Loan Credit Balances Guidelines**

### **What is a Federal Direct Parent PLUS Loan credit balance refund?**

Under federal regulation, a credit balance on a student's account is considered to have occurred when the amount of financial aid exceeds allowable charges. In most cases, credit balances are typically refunded directly to students via paper check.

The law requires that if a credit balance is created as a result of a Federal Direct Parent PLUS Loan being applied to the student's account, the credit balance must be returned to the parent (borrower). However, the parent (borrower) may authorize St. Joseph's College of Nursing to transfer the remaining proceeds of a PLUS Loan directly to a student via [www.studentaid.gov](http://www.studentaid.gov).

### **How do I indicate to whom the Federal Direct Parent PLUS Loan credit balance (refund) should be issued?**

When a parent (borrower) completes the online Federal Direct Parent PLUS Loan application via [www.studentaid.gov](http://www.studentaid.gov), the borrower will be asked the following question:

*"If there is a credit balance after your Federal Direct Parent PLUS Loan has been applied to the student's school account, to whom do you want the school to pay the credit balance?"*

The parent (borrower) will have the option to choose "Me" or "The Student." If they choose "The Student," any available refund will be issued to the student. If they choose "Me" (refunds go to the parent (borrower)), we are required to issue the refund to the parent (borrower).

### **What if I indicate that I want the Federal Direct Parent PLUS Loan credit balance refund to go directly to my student?**

If the parent (borrower) indicates that the Federal Direct Parent PLUS Loan credit balance can be issued to the student, it will be refunded to the student via paper check within fourteen (14) days after disbursement occurs.

### **What if I want the Federal Direct Parent PLUS Loan credit balance refund to be issued to me (the parent (borrower))?**

A refund is issued to the parent (borrower) within fourteen (14) days after the loan has been disbursed to the student's account. The parent (borrower) will receive their refund via paper check to the address provided on the Federal Direct Parent PLUS Loan application.

### **What must I do if I indicated that I wanted the Federal Direct Parent PLUS Loan credit balance refunded to me, but now I want to have it issued to my student?**

If a parent (borrower) initially indicated that the refund should be sent to the parent (borrower) and now wants the Federal Direct Parent PLUS Loan credit balance refund to be issued to the student, they can submit a written request to change the refund to the student by emailing [financialaid@sjhcon.edu](mailto:financialaid@sjhcon.edu) from the parent email address indicated on the PLUS Loan application.

### **How will the Federal Direct Parent PLUS Loan be refunded if there are two loan borrowers per student?**

Each borrower's refund will be based on the percentage of their loan amount to the total disbursed PLUS Loan for that quarter.

EX: Total amount disbursed for the term is \$1000.00

Borrower 1 amount is \$600.00 = 60% of disbursed loan

Borrower 2 amount is \$400.00 = 40% of disbursed loan

Refund amount is \$100.00, Borrower 1 gets \$60.00, and Borrower 2 gets \$40.00

**For further information regarding the Federal Direct Parent PLUS Loan, please visit:**

<https://studentaid.gov/understand-aid/types/loans/plus/parent#my-loan-info>