

Borrowers of Direct PLUS Loans

If you plan to utilize a Direct PLUS Loan from the U.S. Department of Education to help meet educational expenses for you or for your son or daughter, we want to bring to your attention some recent changes in the law that will affect your Direct PLUS Loan.

On August 2, 2011, Congress passed the Budget Control Act of 2011, which put into place automatic federal budget cuts, known as the "sequester." While this law does not otherwise change the amount or terms or conditions of your Direct Loan, it does raise loan fees on Direct PLUS Loans first disbursed after March 1, 2013. Specifically, the fee on your loan will increase from 4.0 percent of your loan amount to 4.204 percent. For example, the fee on a \$10,000 PLUS loan will increase by \$20.40 from \$400.00 to \$420.40.

If you accept the loan that has been or will be disbursed for you, you will be agreeing to this higher fee and there is nothing you need to do at this time. However, if you wish to cancel or reduce your loan, you may do so by contacting our office. Requests for cancellation should be made as soon as possible. If you have additional questions about your loan, please do not hesitate to contact us at (573) 681-6156 or financialaid@lincolnu.edu.