

# Operational Procedures – Deferment Options for Parent Direct PLUS Loan Borrowers Based on Student Enrollment Status

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## Overview

For Direct PLUS Loans that are first disbursed on or after July 1, 2008, parent borrowers have the option of deferring repayment based on the enrollment status of the dependent student on whose behalf a Direct PLUS Loan was obtained. Specifically, parent Direct PLUS Loan borrowers may defer repayment:

- While the dependent student on whose behalf the loan was obtained is enrolled on at least a half-time basis, *and*
  - During the 6-month period after the dependent student on whose behalf the loan was obtained ceases to be enrolled on at least a half-time basis.
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## Deferment Request Process

Parent borrowers must call the Direct Loan Servicing Center (DLSC) at 800/848-0979 to request a deferment based on the dependent student's enrollment status. Currently there is no available deferment form that a parent borrower may use to request this deferment. We will be revising our deferment forms in the future to reflect this deferment option.

When requesting a deferment, a parent borrower must indicate whether he or she wishes to defer repayment only while the dependent student is enrolled on at least a half-time basis, or both while the student is enrolled and during the 6-month period after the student ceases to be enrolled on at least a half-time basis.

If a parent Direct PLUS Loan borrower does not request a deferment, the first payment on the loan will be due within 60 days after the loan is fully disbursed.

If a parent Direct PLUS Loan borrower requests a deferment, the DLSC will confirm the student's enrollment status by one of the following means:

1. The DLSC will use current loan information in the Direct Loan Servicing System (DLSS) to determine that the student is enrolled on at least a half-time basis.
  2. If there are no current loans, the DLSC will check the National Student Loan Data System (NSLDS) for enrollment information.
  3. If there is no enrollment information in the NSLDS, the parent will be asked to request enrollment documentation from the student's school and submit it to the DLSC.
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## Impact on Interest

Interest will accrue during the deferment period.

The parent borrower will be sent quarterly interest statements and will have the option of paying the interest as it accrues during the deferment period. If the parent does not pay the interest as it accrues, the unpaid accrued interest will be capitalized (added to the principal balance) at the end of the deferment period.

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**Important  
Notes**

The Direct PLUS Loan must have an earliest disbursement date on or after July 1, 2008 and must be booked in the Common Origination and Disbursement (COD) System and the DLSS.

Direct PLUS loans with an earliest disbursement date prior to July 1, 2008 are not eligible for this deferment.

The Direct PLUS Loan does not have to be fully disbursed in order for a parent borrower to request a deferment based on the dependent student's enrollment status.

Deferment periods may vary if a parent borrower has eligible Direct PLUS Loans for more than one student. A separate deferment request must be made for each Direct PLUS Loan obtained on behalf of a different student.

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