



## Federal Direct Parent PLUS Loan Credit Balances FAQ

### 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 direct deposit to the bank account they have designated in Campus Connect.

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 DePaul University *in writing* to transfer the proceeds of a PLUS Loan to a student through direct deposit to a bank account in the student's name.

### 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, he or she 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 direct deposit to the checking or savings account that has been designated in Campus Connect. Direct deposit is the fastest way for a family to receive a Federal Direct Parent PLUS Loan credit balance refund.

Students who are anticipating credit balance refunds should be advised to log onto [Campus Connect](#) to ensure that their direct deposit information on file is up-to-date.

### 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 7-10 days after the loan has been disbursed to the student's account. The parent-borrower may elect to receive their refund via Digital Disbursement via Zelle or by Paper check. The default refund method will be via paper check.

### 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. To make such a request, please contact Student Financial Accounts at [studentaccounts@depaul.edu](mailto:studentaccounts@depaul.edu)

### 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