

## 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 Federal Direct Parent PLUS Loan is refunded to the parent borrower. The refund is typically processed within 10 business days of the loan's completion. The refund amount is the difference between the total amount of the loan and the amount of the student's other federal and state aid. For example, if a parent borrower has a \$10,000 loan and the student has received \$3,000 in other aid, the parent borrower will receive a \$7,000 refund. The refund is typically sent to the parent borrower's bank account on file with the lender.