



Does my debt to income ratio, credit score, or employment status count against me?

These factors are not taken into account when your credit history is reviewed. A lack of credit is not considered adverse credit.

What is considered "Adverse Credit"?

Adverse Credit Conditions include but are not limited to:

Bankruptcy (Chapters 7,11, or 12 within the past 5 years).

Note: Department Policy does not consider Chapter 13 bankruptcy as adverse credit.

Voluntary surrender within the last 5 years.

Repossession within the last 5 years.

Foreclosure proceedings started.

Foreclosure within the last 5 years.

Deed in lieu of foreclosure.

Accounts currently 90 days or more delinquent.

Unpaid collection accounts.

Charge offs/write offs.

Wage garnishment within the last 5 years.

Defaulted loan that has been claim paid.

Lease or contract terminated by default.

County/State/Federal tax lien, within the past 5 years.

What are my options when I am declined?

You may either obtain an endorser, or you may choose to document extenuating circumstances relating to the reason you were declined.

Contact the school's financial aid office as soon as possible to let them know whether you plan to pursue a Direct PLUS Loan by obtaining an endorser or submitting documentation of extenuating circumstances.

If you decide not to pursue a Direct PLUS Loan, the school's financial aid administrator may be able to provide information concerning other options to assist you with paying for your or the student's education.

Obtain an Endorser

An endorser is someone who does not have an adverse credit history and agrees to repay the loan if you do not repay it. If you are a parent borrower, the endorser may not be the student on whose behalf you are requesting the Direct PLUS Loan.

If you choose to obtain an endorser, the endorser may complete the endorser addendum on our secure StudentLoans.gov Web site. To complete the endorser addendum online, the endorser will need the Loan Reference Number (if you completed a Direct PLUS Loan Request) or Loan/Award Identification Number and a Federal Student Aid (FSA) PIN. If you completed a Direct PLUS Loan Request, the Loan Reference Number may be found in the confirmation email you received or may be found by logging in to the StudentLoans.gov Web site and selecting "Direct PLUS Loan Requests" located on the left navigation bar. If you did not complete a Direct PLUS Loan Request, the Loan/Award Identification Number may be obtained from the school. If the endorser does not have an FSA PIN, they may obtain one by visiting the FSA PIN Web site at www.pin.ed.gov.

Document Extenuating Circumstances

Document to the satisfaction of the U.S. Department of Education that:

The information causing the adverse credit decision is incorrect or has been corrected.

OR

There are extenuating circumstances relating to the adverse credit history. **(Note: Endorsers aren't eligible for this option.)**

If I am declined and decide to document extenuating circumstances, how long will this process take?

After you submit your request to document extenuating circumstances, Applicant Services will contact you. Once all documentation has been received, a determination will be made and provided to you within 7-10 business days.

How do I begin the process of documenting extenuating circumstances?

If you believe there are extenuating circumstances related to the adverse credit information that should be considered in evaluating your eligibility for a Direct PLUS Loan, you may begin the process in one of two ways:

1. Log in to StudentLoans.gov and select "Document Extenuating Circumstances" on the left navigation bar. Follow directions. Applicant Services will contact you with further instructions.
2. Contact Applicant Services between 8:00 AM to 8:00 PM, Eastern Time, Monday through Friday. Applicant Services may be reached toll-free, at 1-800-557-7394.