

Graduate PLUS Loan Options

The Graduate PLUS loan is a credit-based loan that students may need to borrow in order to pay tuition and/or to receive a refund for living expenses. Students will need to [apply](#) for the PLUS loan in order to gain credit approval to borrow. Applicants with adverse credit history may have their applications declined.

What is Adverse Credit History?

According to the U.S. Department of Education, adverse credit history includes:

- Bankruptcy (Chapters 7, 11, or 12 within the past 5 years)
- Foreclosure within the last 5 years, including foreclosure proceedings
- Wage garnishment within the last 5 years
- Defaulted loan that has been claim paid
- Accounts currently 90 days or more delinquent

More details on adverse credit conditions can be found [here](#) in the *Credit Check* section under *What is considered "Adverse Credit?"*

What Should I do After a PLUS Application Denial?

Receiving a denial does not necessarily mean that students are unable to borrow the Graduate PLUS loan. There are additional ways to obtain the credit approval needed—either through an appeal or a cosigner (endorser).

First, it is important to learn why the PLUS application was declined. You should:

- **Request a free [credit history report](#).**
A credit history report can be obtained for free each year from each of the 3 credit reporting agencies. You can space out your requests to obtain a credit history report every 4 months if you wish to monitor your credit throughout the year. Note that this is a credit *history* report. It will not show your credit score.
 - Review your credit history for any negative items.
 - Review all accounts and lines of credit to ensure that they are ones that you have actually opened.
 - Check the reported items and amounts for accuracy.
- **Contact the Department of Education's Student Loan Support Center.**
Representatives can be reached at 1-800-557-7394 Monday through Friday from 8 A.M. to 8 P.M. Eastern time.
 - Request information about what particular items on your credit history caused the denial.
 - Ask about your appeal options (See the *Can I Appeal the Credit Decision* section below).

Contact your creditors to correct any inaccurate information or to discuss options to improve your credit history.

Can I Appeal the Credit Decision?

Applicants may appeal if incorrect information led to the credit denial or if there are extenuating circumstances. The Department of Education has a list of examples of adverse credit decisions and proof of extenuating circumstances [here](#).

You can submit your appeal [online](#) through the *Appeal Credit Decision* link. You will need to provide a statement explaining your circumstances and include all documentation that supports your claim.

Submitting an appeal does not guarantee that there will be an approved credit decision. The Department of Education will review and contact you with appeal results.

How Can Someone Cosign (Endorse) my Loan?

If you choose not to or are unable to successfully appeal the credit decision, you may be able to gain credit approval by adding a cosigner (endorser) on your Graduate PLUS loan. Your cosigner can be anyone in good credit standing who is willing to help you borrow.

Your cosigner will need to complete the following:

1. Create an [FSA ID](#) if they do not already have one.
2. Submit an [Endorser's Addendum](#) through the *Complete an Endorser Addendum* link. It should include:
 - a. Your Endorser Code
You received would have received this Endorser Code via email in the PLUS application response from the Department of Education.
 - b. The amount your cosigner is willing to endorse
Our office recommends that your cosigner enter an amount that is more than you think you will need. This is so the same loan can be increased if you decide you would like additional funds. Requests to increase loans beyond the endorsed amount will require that the PLUS loan and endorser steps be completed again.

Note that cosigners who receive a denial due to adverse credit history are not eligible to appeal their credit decisions.

What Do I Do Next?

If you are able to gain credit approval through the appeal or endorser options, there are still some steps you need to take:

1. **Complete [PLUS Credit Counseling](#).**
Click the *Complete Loan Counseling* link and the START button next to *PLUS Credit Counseling*.
2. **Sign a new PLUS [Master Promissory Note](#) for graduate/professional students.**
This is only necessary for students who have not borrowed a Graduate PLUS loan previously or for new, endorsed loans.
3. **Keep the Office of Financial Aid informed.**
Our office will need this information to continue processing your Graduate PLUS loan.