



## Didn't Qualify for a PLUS Loan?

Sometimes, a parent borrower's credit history does not result in an approval and therefore limits access to the [Federal Direct Parent PLUS Loan](#). See the options below to learn about alternatives for when a PLUS loan is not approved for credit reasons.

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### Utilize Another Parent Borrower

The "parent" in Federal Direct Parent PLUS Loan applies to biological or adoptive parents or a step-parent listed on the FAFSA. Therefore, some students can elect to have another PLUS applicant.

Any other qualifying parent or step-parent willing to apply for the PLUS Loan can complete a PLUS loan request, and the new parent borrower will have a credit check completed to determine their eligibility. The new parent borrower will then, have to complete a master promissory note (MPN) on the student loan website.

### Pursue Additional Student Unsubsidized Stafford Loan

In cases when a parent's credit is denied or when an eligible endorser is not available, the student is eligible for additional Unsubsidized Stafford Loan funds. The additional student loan amount, will likely, be less than the PLUS, but can assist the student in meeting educational costs.

Freshmen and sophomores are eligible for an increase of up to \$4,000 based on cost of education. Juniors and seniors can get up to an additional \$5,000. This increase is not available if any parent passes the credit check or an endorser is approved through the PLUS credit check process.

Requests for the additional unsubsidized loan should be made to the [Financial Aid Office](#).

### Utilize an Endorser

Similar to a co-signer, an endorser is someone who passes the credit check, and agrees to repay the PLUS Loan if the borrower is unable to do so. Almost anyone can serve as an endorser. However, the student cannot serve as an endorser for their parent.

If you choose to obtain an endorser, they must complete the endorser addendum on [www.studentloans.gov](http://www.studentloans.gov). The endorser will need the Loan Reference Number (if a Direct PLUS Loan Request was completed) or Loan Identification Number to connect the endorsement to the denied PLUS Loan. Completing the endorsement online also requires an FSA ID. The endorser must obtain an [FSA ID](#) if they do not already have one.

Inform the [Financial Aid Office](#) whenever the borrower decides to use an endorser so that the loan is not canceled during the endorser application process.

The Loan Reference number can be found in the confirmation email received in the denial notice, or by logging into [www.studentloans.gov](http://www.studentloans.gov) and selecting "Direct PLUS Loan Requests."

The master promissory note (MPN) is used for PLUS Loans, and allows for multi-year borrowing under the same terms. However, when an endorser is used, the terms of the MPN used for that loan is specific only to that loan. Therefore, a borrower who has previously received a PLUS Loan without an endorser will need to complete a unique MPN for the endorsed loan. Also, any additional PLUS borrowing will require a new MPN and endorser addendum (though the same endorser can be used). [PLUS Counseling](#) must be completed on [www.studentloans.gov](http://www.studentloans.gov) prior to the disbursement of the loan. NOTE: The endorser addendum and PLUS Loan application amounts all must match.

## Appeal a Credit Decision

The Department of Education allows borrowers whose credit was denied, the opportunity to document either of the following situations:

1. Information showing that credit reporting used in the credit denial is incorrect and/or has been corrected.
2. Extenuating circumstances exist relating to the adverse credit history of the primary PLUS borrower.

Borrowers make a credit appeal through the following process:

1. Log in to [studentloans.gov](http://studentloans.gov) and select “Document Extenuating Circumstances” on the left navigation bar. Follow the directions and a representative from the Department of Education’s Applicant Services will contact the borrower with further instructions.
2. Contact Applicant Services at 1-800-557-7394 between 8a to 8p, Monday through Friday.

If the borrower appeals the credit decision, please [inform the Financial Aid Office](#), so the PLUS Loan is not canceled during the appeal process.