

## PLUS Credit Check FAQ (Frequently Asked Questions)

### 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: Chapter 13 bankruptcy is not considered 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 denied?

You may either obtain an endorser, or you may choose to document extenuating circumstances relating to the reason you were denied. Direct Loan Applicant Services will send you further instructions about these options.

#### ***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. Contact Applicant Services at 1-800-557-7394 or [studentloans.ed.gov](http://studentloans.ed.gov) for more information on how to apply.

#### ***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 denied 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](http://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.