Direct Parent PLUS Loan and Adverse Credit

One of the eligibility requirements to receive a Direct PLUS Loan is that the applicant must not have an adverse credit history. A credit check is performed to determine whether a Direct PLUS Loan applicant meets this requirement. Below are answers to common questions about adverse credit and Direct PLUS Loans.

Q: How can I find out why I was denied?

Contact Applicant Services at 1-800-557-7394 between 8am to 11pm EST, Monday through Friday.

Q: What is considered adverse credit history?

For purposes of qualifying for a Direct PLUS Loan, you are considered to have an adverse credit history if:

- you have one or more debts with a total combined outstanding balance greater than $2,085 that are 90+ days delinquent as of the date of the credit report, or that have been placed in collection or
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3. **Obtain an Endorser**

   If you choose to obtain an endorser, the endorser should complete the endorser addendum at studentaid.gov. The endorser will need the PLUS Endorser Code (if a PLUS Loan Request was completed) or Loan Identification Number to connect the endorsement to the denied PLUS Loan. Completing the endorsement online also requires the endorser to create an FSA ID if they do not already have one.

   If the borrower completed the Direct PLUS Loan Request at studentaid.gov, the PLUS Endorser Code is found in the confirmation email received in the denial notice or by logging into studentaid.gov and selecting "Apply for a Parent PLUS Loan."

   Master Promissory Notes (MPNs) are used for PLUS Loans and allow for multiple 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).