



## Direct Graduate Plus Loan Information

One of the eligibility requirements to receive a Direct Graduate Plus Loan is that the applicant must not have an adverse credit history. A credit check is performed to determine whether a Graduate Plus applicant meets this requirement. This document is to provide a better understanding of factors that might negatively impact being approved for a Graduate Plus Loan and your options if you are faced with a denial.

The Department of Education will check your credit history at the time your loan is originated. ***Loans are originated 10 days before classes start. This means you will not know if you are approved until 10 days before classes start.*** To be eligible to receive a Graduate Plus Loan, **you must not have an adverse credit history.**

**The conditions listed below are considered adverse credit history and will result in being denied for a Graduate Plus Loan:**

- Bankruptcy (Chapters 7, 11 or 12 within the last 5 years)
  - Lease of contract terminated by default
  - Country/State/Federal tax lien, within the last 5 years

If you are denied, you may still receive a Graduate Plus Loan if you have an endorser/cosigner who does not have an adverse credit history or someone who agrees to repay the Graduate Plus Loan for you.

**What can you do if you are denied a Graduate Plus Loan?**

- Utilize endorser who has a positive credit history
- Appeal the denial decision with the Department of Education

- Attempt to pay off unpaid collection accounts before applying for the loan
- If you have an account for more than 7.5 years since the first date of delinquency, you can request the credit bureaus to remove it

***How long does information stay on my credit report?***

**What?**