Options For Denied Federal Direct Parent PLUS Loan

What are my options if my parent’s Federal Direct Parent PLUS Loan is not approved?

Listed below are available options.

Option 1: Appeal the credit decision and complete PLUS Credit Counseling.  
Your parent may appeal the credit decision by providing documentation of extenuating circumstances to the Federal Student Aid Information Center. Please call (800) 433-3243 for assistance with the appeal process.

Option 2: Obtain an endorser and complete PLUS Credit Counseling.  
Your parent may obtain an endorser for their Federal Direct Parent PLUS Loan application. An endorser is someone who does not have adverse credit history and agrees to repay the loan if you do not repay it. If your parent chooses to obtain an endorser, the endorser will complete the addendum at studentaid.gov.

To complete the addendum online, the endorser will need the Endorser Code, Borrower’s Last Name and a Federal Student Aid (FSA) ID. The Endorser Code is found in the confirmation email your parent received during the online application for the Federal Direct Parent PLUS Loan or by signing into studentaid.gov and selecting “My Documents”.

Please note: If your parent is approved for the Federal Direct Parent PLUS Loan with an endorser, he/she will need to complete a new Loan Agreement (Master Promissory Note) at studentaid.gov.

Option 3: Request an additional student loan and cease processing PLUS loan  
If your parent chooses not to appeal or use an endorser, your parent can elect to cease processing of the Federal Direct Parent PLUS Loan and you can request an additional student loan called the Federal Direct Unsubsidized Loan. This is an unsubsidized loan that you would borrow, rather than your parent. The amount you will be eligible for depends on your term(s) of enrollment and academic level. Freshman and sophomore students may request a maximum of $4,000; juniors and seniors may request a maximum of $5,000.

If you have additional questions or wish to discuss these options, please contact our office at (312) 362-8610.