

Parent PLUS Denial

What if I do not pass the credit check for a Parent PLUS Loan?

To qualify for a PLUS loan, the parent borrower must pass a modest credit evaluation and not be in loan default or owe a grant overpayment.

Unlike credit checks for other types of borrowing, the PLUS credit check merely determines if the borrower has an adverse credit history. Indications of adverse credit include being 90 days or more past due in the repayment of a debt greater than \$2085, having been in default or foreclosure on a loan, or having had a bankruptcy discharge or write-off of a federal education debt during the last five years.

Parents whose credit was denied will be notified by Direct Loans. A parent/student will have the following options:

1. The declined Direct PLUS Loan may be approved with an acceptable endorser, who is willing to assume the debt if the parent fails to pay the loan.
2. Direct Lending may approve a PLUS loan if the parent can demonstrate extenuating circumstances, such as updated credit information that shows they have brought their accounts up to date or have made satisfactory arrangements to repay their debts.
3. The student may qualify for additional unsubsidized Federal Direct Stafford loan of up to \$4,000 or \$5,000 depending on their grade level. If an additional unsubsidized loan is desired, please complete page 2 and return the form to the Financial Aid & Scholarship office.

RETURN TO: Student Services Ctr. 250
Financial Aid and Scholarship Office
Chico, CA 95929-0705
Phone: 530-898-6451 Fax: 530-898-6883
Website: www.csuchico.edu/fa

Student's Last Name:	
Student's First Name:	M.I.:
Chico State ID:	Date of birth: <small>MM / DD / YYYY</small>
Email:	Phone:

**Authorization for Additional Unsubsidized Loan
Complete Only If Parent's Credit Check was Denied**

Student:

If this PLUS application is denied, I want to borrow an *unsubsidized* Federal Direct Stafford Loan:

Yes No

Parent/Step-parent:

If the PLUS application is denied:

The student would like to borrow an *unsubsidized* Federal Direct Stafford Loan

We certify all information on this form to be true and correct.

Both signatures are required:

Student Signature

Date

Parent/Step-parent

Date