



## 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)
- Repossession/Voluntary surrender within the last 5 years
- Foreclosure proceedings started
- Foreclosure within the last 5 years
- Deed in lieu reported in the past 5 years
- Charge Off Account, Collection Accounts currently 90 days or more delinquent on any debt with an outstanding balance of \$2,085 or more
- Wage garnishment within the last 5 years
- Defaulted loan that has been claimed paid. Any Title IV debt that is currently in default
- 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 obtain an endorser/cosigner who does not have an adverse credit history. An endorser/cosigner is someone who agrees to repay the Graduate Plus Loan if you do not repay.

**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?***

<b>What?</b>	<b>How long on your report?</b>
<i>Positive Information</i>	<i>Indefinitely</i>
<i>Bankruptcy</i>	<i>10 years from the date of final order</i>
<i>Late Payments</i>	<i>7.5 years*</i>
<i>Accounts sent to collections</i>	<i>7.5 years*</i>
<i>Other Negative Information</i>	<i>7.5 years*</i>
<i>Lawsuits or Unpaid Judgements</i>	<i>7 years or more</i>
<i>Tax Liens</i>	<i>7 years from the date of payments</i>
<i>Information in response to a job application where the salary is over \$75,000</i>	<i>Indefinitely</i>
<i>Information reported because of a credit or life insurance application for over \$150,000</i>	<i>Indefinitely</i>

\*The seven years start running from the date of first delinquency, which generally means seven and a half years from the date of last payment.

**Please contact the Office of Financial Aid  
with any questions or concerns @ 401-254-4510 or [gradfinaid@rwu.edu](mailto:gradfinaid@rwu.edu)**