

# PLUS Loan Denial Loan Options

## When denied for a Parent PLUS Loan, you have the following loan options:

1. If only a small amount is needed to cover the balance, the student can request the Additional Unsubsidized Loan for a parent being denied the Parent PLUS Loan. The request form is located on the <https://clarke.edu/parentplus>. The amount the student is eligible for is determined by student's grade level. Freshman and sophomores are eligible for \$4,000 for the year and juniors and seniors are eligible for \$5,000 for the year. (0-29, 30-59, 60-89, 90+) Contingent upon all eligibility factors such as aggregate loan amounts, etc.
2. Please keep in mind that if you proceed with option #2, you will need to complete the following steps on <https://studentaid.gov>. Upon denial of the loan, the Department of Education should direct you to the next steps to proceed. If you proceed with an endorser, you will need to complete the following steps on: <https://studentaid.gov>
  - **Endorser will need to complete the addendum**
  - **PLUS Loan Counseling will need to be completed by the parent being endorsed**
  - **New Loan Agreement (MPN) will need to be completed by Parent borrower**

Also, keep in mind that if you proceed with the Endorsed Parent PLUS Loan, the loan has origination fees so you will need to factor that in when the endorser requests the amount. Loan interest rates and loan origination fees can be found on the following link:

<https://studentaid.gov/understand-aid/types/loans/interest-rates>

The amount can't be increased later because the endorser agrees to a specific amount in the addendum process. If additional loan funds are needed later, a new loan along with all the above steps will need to be completed again so please make sure you request the desired amount with the loan fee factored in.

3. **Private Loan** – Most private loans are in the student's name with a credit worthy cosigner. Some private lenders also have the option where a parent or family member can take out a private loan in their name and disbursed to the school and applied to student's account. A private loan can be applied for through our preferred lender link. You do NOT have to choose a lender on our list, it is for your convenience as a guide listing reputable lenders and great customer service experience. Our preferred lender list can be found on our website: [www.clarke.edu/privateloans](http://www.clarke.edu/privateloans)

It is a matter of affordability, etc. in which route you would like to go. You can definitely select option #1 if you think payments would be manageable up to five equal payments per semester via a payment plan or other means of payment. Please keep in mind that if you decide between option #1 and option #2, you can only proceed with one of the options.