

## **Definition of Adverse Credit History for Grad PLUS Loans**

The following conditions may require you to obtain a co-signer for a Federal Graduate PLUS Loan. If your credit is rejected, you will be notified by the Department of Education.

Conditions for a Denied Credit Check:

- Bankruptcy (Chapters 7, 11, or 12 within the past 5 years)  
Note: Department Policy does not consider Chapter 13 bankruptcy as adverse credit.
- Voluntary surrender within the last 5 years
- Repossession within the last 5 years
- Foreclosure proceedings started
- Foreclosure within the last 5 years
- Deed in lieu of foreclosure
- Accounts currently 90 days or more delinquent
- Unpaid (with a balance greater than zero) collection accounts and charge offs
- Wage garnishment within the last 5 years
- Defaulted loan that has been claim paid
- Lease or contract terminated by default
- County/State/Federal tax lien, within the past 5 years

## **How long does information stay on your credit report?**

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

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