

Can a Parent PLUS loan ever be forgiven, discharged, or cancelled?

In regards to a Parent PLUS Loan, the borrower must repay the entire loan even if the student does not complete his or her education, or cannot find a job that is related to their program of study. However, if the child to who you borrowed for dies, the loan may be discharged. Also, if you, the borrower dies or become permanently disabled, you can have your loan discharged.

Here are some of the other reasons and circumstance whereby your loan may be discharged:

1. The school falsely certified that you were eligible for aid
2. The loan was falsely secured through identity theft
3. The school forged the signature on your promissory note
4. The student withdrew from a school that did not pay a refund that was owed to the student. Borrowers will need to check with school to see how their refund policies apply to federal aid
5. The loan was discharged in a bankruptcy claim. Bankruptcies are not automatic as the borrower will need to show the bankruptcy court that further repayment of the loan would cause further undue hardships
6. The school the student was attending closed its doors before the student completed the program