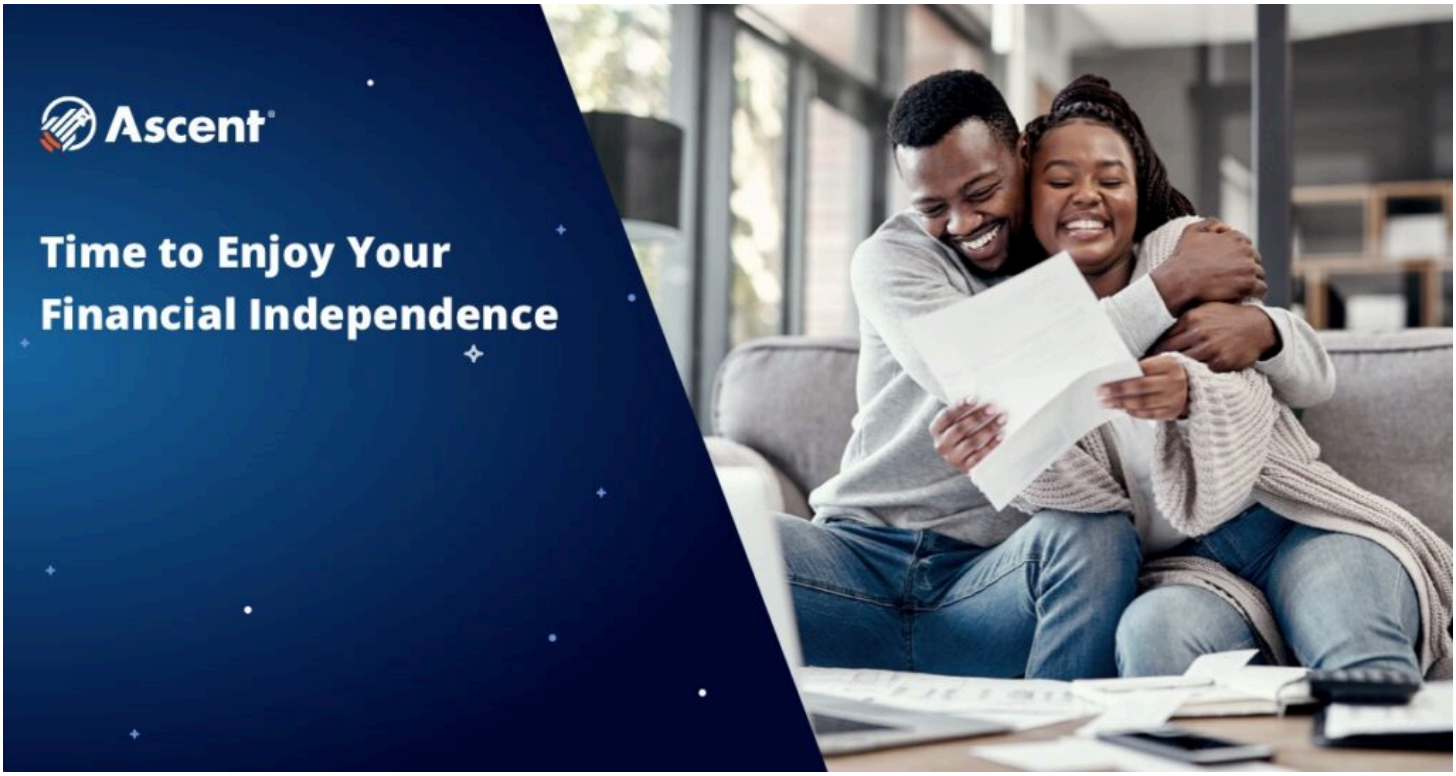
How to Remove a Cosigner from a Student Loan

Jul 28, 2021 | By: Ascent
Categories: Blog, For Cosigners, For Parents and Cosigners, For Students



You've negotiated that great job offer and are now enjoying the benefits of post-grad life. You're even getting pretty good at this whole budgeting thing. Navigating the "real world" is starting to come together, finally!

But every month when you make your student loan payment, you remember something: You weren't eligible to get a student loan without a cosigner. Ever since your application was accepted, the responsibilities that come with your student loans have been intertwined with your cosigner.

There's no shame in having a cosigner. In fact, according to a report by MeasureOne, 92% of undergraduate student loans have a cosigner.

It can be incredibly empowering to know your cosigner had faith in you to support you as you conquered your academic goals. Now that you've found your financial independence, it may be time to consider getting your cosigner off your student loan.

We've created a comprehensive guide to help you understand why removing a cosigner from your student loan may benefit both parties, the criteria required for removal, and options in case you don't qualify for cosigner release.

Can a Cosigner Be Removed From a Student Loan?

You can usually remove your cosigner from your college loans once you've reached specified milestones, but those requirements may vary from lender to lender. Before you start to explore how to remove your cosigner, make sure you understand who your lender is and if they offer this option to you.

Fortunately, if you have secured a private student loan with a cosigner for undergraduate or graduate student loans from Ascent, you may be able to remove your cosigner, if certain criteria are met. We'll go into this a little more later.

When taking out a student loan with (or without) a cosigner, it's essential to read the fine print before signing. Whether a lender allows cosigner release could be a factor in your cosigners' decision as they weigh the pros and cons of signing a student loan.

Why Student Cosigner Release is a Good Idea?

Removing a student loan cosigner can result in greater financial independence for you and your cosigner. Not only will you feel empowered with your newfound responsibilities, releasing your cosigner may help open up new possibilities for future loan opportunities, such as car loans and mortgage loans, or even investments.

Taking on the responsibility of your student loans is only the beginning, and making your monthly payments each month may help boost your credit score that can impact your financial wellness for years to come.

Financial Independence

It's important to find your own definition for "financial independence" and what that means to you. For some people, it may mean not having to rely on other people to support you financially. For others, it may mean having a retirement plan ready and starting one as early as possible.

However you choose to define "financial independence" is up to you, and releasing your cosigner from your student loans might be one step for you on your financial wellness journey.

A cosigned loan means both you and your cosigner are committed to making your monthly payments each month. What you do (or don't do) will have a direct impact, positively or negatively, on your cosigner.

As long as their name is on your application, your cosigner is also taking your student loan as debt in their credit history. This could impact their credit history and limit their ability to qualify for additional loans or pursue personal investments. Releasing your cosigner allows them to free up their credit and move on with their own financial freedom, too.

Easing the Tension

If you've ever had a friend say, "I'll get you next time," after you pick up the restaurant bill, you've probably been left with that wondering feeling: will your friend ever repay you, or is that money good as gone?

Far greater than the cost of a meal, defaulting on your student loan payments could have your cosigner on the hook for thousands of dollars. Neither of you wants that to happen, and you're working hard to make sure it won't. Still, every time you see each other, the cosigned loan arrangement may be looming in the back of your minds.

Releasing your cosigner takes this stress out of the equation, allowing you to go back to worrying about who's picking up the next dinner tab.

How to Release Your Ascent Funding Cosigner

At Ascent, we want to make the cosigner release process as simple as possible. You can apply to release a cosigner after fulfilling a minimum payment history, in addition to meeting the other eligibility criteria to qualify for a loan on your own. With an Ascent loan, your loan servicer is Launch Servicing. To check your eligibility, you can contact Launch Servicing using the information below:

- Phone: 877-209-5297
- Email: AscentFunding@LaunchServicing.com
- Website: AscentFunding.LaunchServicing.com

Regardless of who your loan provider is, typically you must make this request directly with your loan servicer or loan holder. DACA recipients and international students may be eligible to release their cosigner too if they meet the requirements. Check with your loan servicer for details of your respective cosigner release provision.

Meet Payment Requirements

With Ascent, before you can apply to get your cosigner off your student loan, you must make twelve (12) consecutive, full principal and interest payments on-time or an equivalent prepayment amount and meet other eligibility criteria.

If you want to verify if you fulfill the minimum requirements to release a cosigner from an Ascent loan, or ask additional questions you may contact Ascent's loan servicer, Launch Servicing by calling 877-209-5297 or emailing them at AscentFunding@LaunchServicing.com.

Talk to Your Loan Servicer

If you applied for your loan with Ascent on or after June 10, 2019, Launch Servicing oversees your loan, and you will need to contact them about getting this process started.

If your loan originated earlier, check your account to see who you need to talk to about releasing your cosigner.

While Launch Servicing ultimately decides if you satisfy the requirements for removing a cosigner from a loan, there are a few common requirements for release. While some of these rules were set by Ascent and Launch Servicing, a few are required by law or represent best practices.

Fill Out the Application Thoroughly

Make sure your i's are dotted and t's are crossed before turning in your cosigner release application. Every detail counts. Check with your loan servicer for details of your respective cosigner release provision.

Be a Legal Adult

When you take a cosigner off your student loan, you will need to meet the eligibility requirements to qualify for a loan on your own. One of these requirements is being of the age of majority, or the legally recognized age of adulthood, based on your state's guidelines. In most states this is 18, but check your local state law to be sure.

Make Your Loan Payments Automatically

Sign up for automatic debit payments if you haven't already—we recommend doing this as early as possible. When you set up automatic payments with Ascent, you may be eligible for our Automatic Payment Discount which could reduce your cosigned loan interest rate by as much as 0.25%.

Qualify for a Loan on Your Own

Essentially, if you were to apply for a loan from Ascent today and don't need a cosigner, you're likely to qualify for cosigner release.

For Ascent borrowers, this means you need to have at least two years of credit history with a minimum credit score. You may also have to prove you make enough money—likely a minimum of $24,000 per year—to continue paying your loans on your own and have an acceptable monthly debt-to-income (DTI) ratio.

Your loan servicer will determine if your credit score, income, and DTI qualify you to take sole liability for your student loan.

Do I Have to Remove My Cosigner From My Student Loan?

The only time a cosigner *must* be removed from a student loan is upon the cosigner's death. Your loan won't be canceled if this happens. If you find yourself in this situation, contact your loan servicer to determine next steps as soon as possible.

Otherwise, you're not required to remove a cosigner from your student loan. There are benefits to having a cosigner even if you can qualify on your own, including lower interest rates in some cases.

However, your cosigner may want to be removed as soon as possible, as the loan appears on their credit report. If you meet the criteria required to remove your cosigner from your loan, consider making this decision with your cosigner.

Can I Refinance or Consolidate My Loans to Remove my Cosigner?

In some cases, you can refinance a private student loan to remove a cosigner. You may sometimes hear “refinancing” referred to as “private loan consolidation,” depending on the financial institution.

When a loan is refinanced, you essentially apply for a new loan from a new lender—not your current one. If they approve your application, they pay off your original loan, and you begin making payments to the new lender. Your cosigner is removed from the loan when this happens.

Not all lenders offer refinancing. Currently, Ascent does not refinance either originated loans nor other private/federal loans for college loans or bootcamp loans. If you have no choice but to refinance, you will need to shop around.

Making Good Financial Choices May Help with Cosigner Removal

If you and your cosigner don’t want this arrangement to last long-term, planning ahead may make it easier to make those 24 qualifying payments.

Here at Ascent, we want to help you be financially savvy while in college and beyond. Creating and following a budget, joining our rewards program, and figuring out additional ways to help pay are just a few options that may make this whole process smoother.

To learn more, check out our roundup of blogs, videos, and other posts regarding financial wellness and the benefits of applying with Ascent.

As current and former students, we provide free resources to help you throughout your education, which may include links to third-party websites (where security and privacy policies may differ from Ascent’s). For our full disclaimer, please click here.