

Compare federal and private student loan options

		Federal PLUS Loan for parents	Private student loans
Eligibility	Borrower	Parent	<ul style="list-style-type: none"> • Student and cosigner (if required) • Cosigner can be parent, relative, or willing sponsor
	Eligibility	At least half-time and degree-seeking	<ul style="list-style-type: none"> • Full-time, half-time, less than half-time degree, certificate, and licensure-seeking depending on lender, check with lenders for availability • Past due option may be available depending on lender
	Credit requirements	<ul style="list-style-type: none"> • Credit check required • Approval determined by federal criteria and is not based on credit score • Additional unsubsidized Stafford loan may be awarded to dependent undergraduate student based on Federal PLUS Loan for parents credit denial 	<ul style="list-style-type: none"> • Credit check required • Approval determined by lender criteria based on credit score, credit history, and income (if credit-worthy applicant or cosigner required) • Dependent undergraduate students are likely to need a credit-worthy cosigner
	Annual loan limit	May borrow up to the cost of education less other aid received	May borrow up to the cost of education less other aid received
	Aggregate loan limit	None	Amount depends on lender, check with lender
Cost	Interest rates	7.90% fixed interest rate	Fixed and/or variable interest rate options available depending on lender, check with lenders for availability
	Fees	4.00% origination fees deducted from loan amount	Fees may or may not apply depending on lender
	Borrower benefits	0.25% interest rate reduction for electronic debit account repayment	<ul style="list-style-type: none"> • Borrower benefits available to reduce interest rates and overall loan costs, check with lenders for availability and types of benefits available • Cosigner release option, check with lender for availability and eligibility
Repayment	Servicer	US Department of Education contracted servicers	Determined by lender, check with lenders
	Repayment terms	<ul style="list-style-type: none"> • 10 year repayment • May request deferment of payment while in school and 6-month grace period 	<ul style="list-style-type: none"> • Typically 15 – 25 years (depending on lender) • No payments while in school
	Grace period	See “Repayment terms”	6- to 9-month grace period after enrollment ends (depending on lender)
	Loan consolidation	Can be consolidated with other federal education loans (i.e., Perkins and Stafford) through the Federal Direct Loan Consolidation Program	Private loan consolidation may be available, check with lender for availability
	Loan forgiveness options	<ul style="list-style-type: none"> • Loan forgiven in the event of permanent disability or death of student • Public Loan Service Forgiveness option 	Loan may be forgiven in the event of permanent disability or death of student, check with lenders for availability
	Repayment options	<ul style="list-style-type: none"> • Various repayment options available, including IBR, ICR, graduated, standard, and extended (IBR and ICR option not available on Federal PLUS Loan for parents) • Deferment and forbearance options available 	<ul style="list-style-type: none"> • Standard and interest-only options may be available, check with lender • Forbearance options may be available, check with lender for specifics