

# Student Loans

## A Snapshot of Federal vs. Private Loans

### FEDERAL LOANS



Funded by U.S. Dept. of Education

### PRIVATE LOANS



Financial institutions, banks, credit unions

#### Lender

Free Application for Federal Student Aid (FAFSA)

#### HOW TO APPLY

Lender Application

Origination fee:  
1.057% Direct Loans  
4.228% PLUS Loans

#### Application Fees

Varies by Lender

Aggregate total  
\$31,000 dependent undergrads  
\$57,000 independent undergrads

#### Loan Borrowing Limits

May be able to borrow up to the full Cost of Attendance

Fixed rates  
(usually lower than private loan interest)

#### Loan Interest Rate

Fixed and Variable rates  
(usually higher than federal loan interest)

No  
(except for PLUS loans)

#### Credit Check Required

Yes

Can defer until six months after graduation

#### Repayment Begins

Varies by lender; some may require repayment while still in school

Options available  
(standard and income-based options)

#### Repayment Plan Options

Varies by lender

Limited  
• Public Service Loans  
• Teacher Loans  
• legislation pending for additional options

#### Loan Forgiveness

Rare