



PLUS Loans for Graduate Students

Effective July 1, 2006, graduate students are eligible to borrow the Federal PLUS Loan. This loan allows you, not your parents, to borrow up to the cost of attendance less any other financial aid you receive. It has a fixed interest rate and no aggregate limits. Credit checks are required to be eligible for this loan, but the credit criteria are less stringent than with most private student loans. And, if you don't meet the credit requirements, you can still obtain the loan with an endorser who does meet the credit requirements.

Here are some other points of comparison between the Federal PLUS Loan for graduate students and private student loans.

	Graduate PLUS Loans	Private Student Loans
Interest Rates	PLUS loans have a fixed interest rate of 8.5%.	Private student loans have variable interest rates, which could go higher than 8.5% during the time you are repaying your loan.
Fees	PLUS loans have a 3% origination fee. Up to 1% guarantor fee.	While many private loans may have both origination and repayment fees, others may have no fees at all.
Credit Criteria	To qualify, your credit report cannot reflect any of the following adverse items: <ul style="list-style-type: none"> • Currently 90 days or more delinquent on repayment of any debt • Debt discharged in bankruptcy during the past 5 years • Evidence of a default, foreclosure, tax lien, repossession, wage garnishment, or write-off of a Title IV debt during the past 5 years 	You must meet a minimum U.S. credit bureau score.
Borrower Benefits	Some lenders offer interest rate reductions, principal reductions, or other borrower benefits that can reduce the cost of your loans. PLUS loans have the same deferment, forbearance, and death and disability provisions as Federal Stafford Loans.	Some lenders offer interest rate reductions, principal reductions, or other borrower benefits that can reduce the cost of your loans. Private loans have forbearance options at the discretion of the lender. There are no death and disability provisions.
Grace Period	PLUS loans have no grace period. However, lenders may offer an optional forbearance to align repayment with your Federal Stafford Loans.	Many private student loans have grace periods, typically between 6 and 9 months.
Consolidation	PLUS loans can be consolidated with your Federal Stafford Loans into a Federal Consolidation Loan to combine and simplify monthly payments.	Private loans cannot be consolidated with Federal Stafford Loans.