

Follow These Steps for College Funding

If you've exhausted free and cheap money for college costs and are still faced with funding gaps, you may be considering PLUS or private student loans. Review the chart below to understand key differences.



	Federal Direct PLUS Loan	vs	Private or Alternative Loan
FAFSA Required	Yes		Recommended
Who is the lender?	U.S. Government		Credit unions, banks, and other finance companies
Who can borrow?	Available to parent of undergraduate student and graduate or professional students		Available to eligible borrowers – varies by lender
Who is the borrower?	The parent (or graduate student) is the borrower.		The loan is in the student borrower's name, though a co-borrower may be needed to meet credit requirements.
Credit Check	Yes - Credit score and debt to income not considered, but borrower cannot have adverse credit history		Yes – Full credit check – credit score, employment, income and established credit considered
Interest rate/fees	View current rates on the federal government's website. There is a loan fee added to PLUS loans.		May be fixed or variable depending on the lender. Rates vary based on the lender and your circumstances.
Deferral while in school	Full deferral – interest only payments.		Some lenders require payments while attending school; others allow a deferment option.
Repayment Terms	Eligible for the following repayment plans: <ul style="list-style-type: none"> • Standard Repayment Plan (10 years) • Graduated Repayment Plan (10 years) • Extended Repayment Plan (25 years but must meet certain criteria) • Additional options may be available under income-driven repayment plans 		You should check with your lender to find out about your repayment options. Private loans often have options for longer repayment terms. For example, your credit union's Student Choice line of credit has a repayment term of 10 years for fixed rates and 20 or 25 years based on loan balance for variable rates.
Loan Forgiveness	You may be eligible to have some portion of your loans forgiven if you work in public service.		Although many private lenders do not offer loan forgiveness programs, some student loans can be forgiven in certain circumstances.
Learn More	studentaid.gov		View more information on your credit union's Student Choice website.

If you need additional help evaluating your options for student loans, our College Counselor can provide one-on-one advice via phone or email.

studentchoice.org/college-counselor