

ADDITIONAL INFORMATION ON PLUS AND PRIVATE LOANS

There are many options available to cover the amount that is due after financial aid has been applied. It can be challenging to determine the loan that's best for your family, but this comparison chart will help you understand the features and benefits of each type of loan.

	FEDERAL PLUS LOAN FOR PARENTS	SCHOOL-CERTIFIED PRIVATE STUDENT LOAN	PRIVATE PARENT LOAN
Primary borrower	Parent	Student	Parent or other eligible non-student individual
Credit check required	Yes. Applicant or endorser cannot have an adverse credit history.	Yes. Loan approval and pricing are generally based on creditworthiness; lenders may also consider other factors.	Yes. Loan approval and pricing are generally based on creditworthiness; lenders may also consider other factors.
Cosigner requirement	No, but if a parent has adverse credit history, an endorser may be required.	No, but if you're a student with little or no credit history, it may be difficult for you to qualify for a loan without a creditworthy cosigner.	No, but if the primary borrower is not eligible on their own, some lenders may offer a cosigner option.
Cosigner/parent release option	No, parent (and any endorser) is making a commitment to repay the loan for the life of the loan.	Many lenders provide a cosigner option in which the student can apply to release the cosigner after the student graduates, makes a specific number of on-time payments, and meets underwriting requirements.	Varies by lender; check for availability
Interest rate	For loans first disbursed on or after July 1, 2021, and before July 1, 2022, the interest rate is fixed at 6.28%; interest rates for the 2022-23 academic year will be set July 1, 2022.	Many lenders offer both fixed and variable interest rates; although lenders may consider multiple factors, rates are generally based on the borrower's and cosigner's creditworthiness, so those with good credit may qualify for a lower rate.	Many lenders offer both fixed and variable interest rates; although lenders may consider multiple factors, rates are generally based on the borrower and cosigner's creditworthiness, so those with good credit may qualify for a lower rate.
Origination/disbursement fees	4.228% for loans first disbursed on or after Oct. 1, 2021, and before Oct. 1, 2022	Varies by lender, most offer 0%	Varies by lender, most offer 0%
Application process	FAFSA is required; apply online with the Department of Education at studentaid.gov.	Online with lender	Online with lender
Repayment term	10-25 years of principal and interest payments	Varies by lender, typically terms of 5-20 years of principal and interest payments are offered	Varies by lender, typically; terms of 5-20 years of principal and interest payments are offered
Payment flexibility	PLUS loans are eligible for graduated and extended repayment options, federal consolidation, and some public service loan forgiveness options.	Most lenders will work directly with the borrower to assess repayment options; some lenders offer graduated repayment options.	Most lenders will work directly with the borrower to assess repayment options.
Death and Disability loan forgiveness	Yes, if the student beneficiary or the parent who borrows dies and certain conditions are met, then payments on the loan will be waived.	Varies by lender; some lenders waive the remaining balance in the event of the primary borrower's death or permanent and total disability.	Varies by lender; some lenders waive the remaining balance in the event of the primary borrower's death or permanent and total disability.
Options for denied loans	If parent applies and is denied, the student is eligible for additional unsubsidized Direct loans; parent can also secure an endorser or appeal the denied decision.	Student can apply with a different cosigner if the cosigner is denied.	Varies by lender; parent or other creditworthy individual may be able to apply with a cosigner.
Loan limits	Up to 100% of the school-certified cost of attendance minus other financial aid received	Generally, up to 100% of the school-certified cost of attendance minus other financial aid received; lenders can have different loan limits for different loan programs and may base the limits on various factors.	Varies by lender; may or may not require school-certification, and some lenders may have minimum and maximum loan amounts and may base the limits on various factors.
Minimum enrollment status	At least half-time	Varies by lender; some offer loans to students who are attending school less than half-time.	Varies by lender; some offer loans to borrowers who have students who are attending school less than half-time.