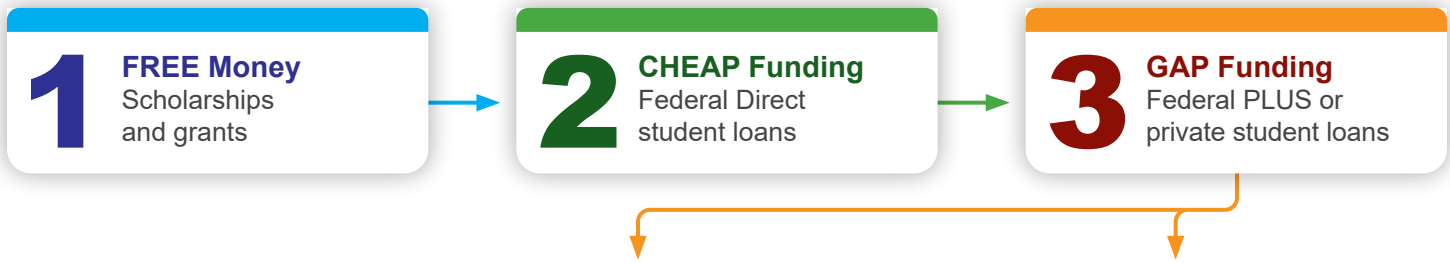


# Follow These Steps for College Funding

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.



	<b>Federal Direct PLUS Loan</b>	<b>vs</b> <b>Private or Alternative Loan</b>
<b>FAFSA Required</b>	Yes	Recommended
<b>Who is the lender?</b>	U.S. Government	Credit unions, banks, and other finance companies
<b>Who can borrow?</b>	Available to parent of undergraduate student and graduate or professional students	Available to eligible borrowers – varies by lender
<b>Who is the borrower?</b>	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.
<b>Credit Check</b>	Yes - FICO and debt to income not considered, but borrower cannot have adverse credit history	Yes – Full credit check – FICO score, employment, income and established credit considered
<b>Interest rate/fees</b>	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.
<b>Deferral while in school</b>	Full deferral – interest only payments.	Some lenders require payments while attending school; others allow a deferment option.
<b>Repayment Terms</b>	Eligible for the following repayment plans: <ul style="list-style-type: none"> <li>• Standard Repayment Plan (10 years)</li> <li>• Graduated Repayment Plan (10 years)</li> <li>• Extended Repayment Plan (25 years but must meet certain criteria)</li> </ul>	You should check with your lender to find out about your repayment options. Private loans often have options for longer repayment terms. For example, a Student Choice line of credit has a repayment term of 20 or 25 years based on loan balance.
<b>Loan Forgiveness</b>	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 from state agencies can be forgiven in certain circumstances.
<b>Learn More</b>	<a href="http://studentaid.gov">studentaid.gov</a>	View more information on your credit union's Student Choice website.

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

[studentchoice.org/college-access-counselor](http://studentchoice.org/college-access-counselor)