

Comparing the PLUS Loan to Private Education Loans

The Federal Parent Loan for Undergraduate Students (PLUS) is offered by the U.S. Department of Education. The PLUS Loan is in the parent's name. Various lenders offer private education loans. Private loans are typically in the student's name along with a co-signer.

The table below highlights some of the differences between the two loan programs. Feel free to contact the Office of Financial Aid for additional information.

	Federal Parent PLUS Loan	Private Education Loan
Interest Rate	For 2020-21, a fixed rate loan at 5.30%. The rate is set annually on July 1 by the U.S. Department of Education.	Variable or fixed rate products. Rate is provided after an application has been submitted.
Fees	There is a 4.248% origination fee. This fee is set annually on October 1 by the U.S. Department of Education.	Typically zero fees; check with lender to be informed.
Loan Limits	Up to cost of attendance minus financial aid awarded.	Amount is determined by lender through the application process. The maximum is up to cost of attendance minus financial aid awarded.
Application Process	Apply each year online at www.studentaid.gov . New borrowers will also need to complete a Master promissory note (MPN).	Apply each year through the lender's web site. Transy provides a lender list which can be accessed online at https://choice.fastproducts.org/FastChoice/home/198700
Credit Requirements	A credit check is required.	Applicants and/or co-signers must meet minimum income and debt-to-income ratio requirements.
Repayment	Repayment begins 60 days after the loan has been fully disbursed. Repayment may be postponed until after student graduates; contact servicer for more information.	Typical repayment begins after student graduates unless other option chosen.
Additional Requirements	Student must complete the FAFSA.	None unless notified by lender.