



# LOAN OPTIONS FOR UNDERGRADUATE STUDENTS

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Characteristic	Direct Subsidized Loans	Direct Unsubsidized Loans	Parent PLUS Loans	Private Student Loans
<b>Annual Limits</b>	\$3,500 to \$5,500	\$5,500 To \$7,500 (Dependent student) \$9,500 To \$12,500 (Independent student)	Cost of attendance minus student aid	Cost of attendance minus student aid
<b>Cumulative Limits</b>	\$23,000	\$31,000 (Dependent student) \$57,500 (Independent student)	None	Varies by lender, degree, and academic major
<b>Cosigner Required?</b>	No	No	Endorser if adverse credit history; student cannot be endorser	Cosigner required for 90% of new loans, if student borrower does not satisfy credit criteria
<b>Cosigner Release Option</b>	N/A	N/A	No	Varies by lender and borrower credit. Typically requires 12 to 48 months of consecutive on-time payments
<b>Credit Criteria</b>	None	None	Borrower may not have an adverse credit history	Credit scores Debt-to-income ratios Minimum income No adverse credit history
<b>Interest Rates Based on Credit Criteria</b>	No	No	No	Yes
<b>Interest Rate Type</b>	Fixed	Fixed	Fixed	Fixed and variable options
<b>Interest Rate</b>	Fixed at 4.45% For the 2017-2018 academic year	Fixed at 4.45% For the 2017-2018 academic year	Fixed at 7% for the 2017-2018 academic year	Depends on borrower and cosigner credit
<b>Subsidized Interest</b>	Yes	No	No	No
<b>Interest Capitalization</b>	N/a	Once at repayment	Once at repayment	Monthly, quarterly, annually, or once at repayment
<b>Rate Reduction for Automatic (Auto) Debit</b>	0.25%	0.25%	0.25%	Varies by lender
<b>Loan Fees</b>	1.066%	1.066%	4.264%	Varies by lender and borrower credit typically, 0% to 5%
<b>Requires School Certification</b>	Yes	Yes	Yes	Yes
<b>Requires FAFSA</b>	Yes	Yes	Yes	No
<b>Requires Half-Time Enrollment</b>	Yes	Yes	Yes	Varies by lender
<b>Available for Unpaid Prior School Year Changes</b>	No	No	No	Varies by lender
<b>Available for Continuing Education</b>	No	No	No	Varies by lender
<b>Bar Study, Residency and Relocation Loans</b>	No	No	No	Yes
<b>Borrower</b>	Undergraduate students	Undergraduate students	Parents of dependent undergraduate students	Students and parents

Characteristic	Direct Subsidized Loans	Direct Unsubsidized Loans	Parent PLUS Loans	Private Student Loans
<b>Lender</b>	U.S. Department of Education	U.S. Department of Education	U.S. Department of Education	Banks, credit unions, financial institutions, state agencies, colleges, and universities
<b>Secured?</b>	No	No	No	No
<b>Student Loan Interest Deduction</b>	Yes	Yes	Yes	Yes
<b>Interest Rate Reduction for In-School Interest Payments</b>	No	No	No	Varies by lender
<b>In-School and Grace Period Deferment Options</b>	Full deferment	Immediate repayment, full deferment	Immediate repayment Full deferment	Immediate repayment, interest-only payments, fixed in-school payments, full deferment
<b>Grace Period Length</b>	6 months	6 months	6 months	Generally, 6 months for most loans, but terms may vary by lender
<b>Forbearance Options</b>	3 years	3 years	3 years	1 year
<b>Repayment Term</b>	Varies by Repayment Plan and Loan Balance, 10 to 30 years	Varies by Repayment Plan and Loan Balance, 10 to 30 years	Varies by Repayment Plan and Loan Balance, 10 to 30 years	Varies by Lender, 5 to 25 years
<b>Repayment Plans</b>	Standard, extended, graduated, ICR, IBR, PAYE, and REPAYE	Standard, extended, graduated, ICR, IBR, PAYE, and REPAYE	Standard, extended, graduated	Varies by lender
<b>Public Service Loan Forgiveness</b>	Yes	Yes	No	No
<b>Death Discharge</b>	Yes	Yes	Yes, if borrower or student dies	Varies by Lender
<b>Total and Permanent Disability Discharge</b>	Yes	Yes	Yes	Varies by Lender
<b>Prepayment Penalties</b>	None	None	None	None
<b>Can Be Consolidated?</b>	Yes Does not relock rate	Yes Does not relock rate	Yes Does not relock rate	Varies by lender Rate based on current credit
<b>Dischargeable in Bankruptcy?</b>	Generally no, unless borrower demonstrates undue hardship petition in an adversarial proceeding			
<b>Consequences of Default</b>	Administrative wage garnishment, intercept income tax refunds and lottery winnings, collection charges, ineligible for federal student aid, blocked renewal of professional license, no fha/va mortgages, may be sued, negative credit reports			Wage garnishment with court order, collection charges, may be sued, negative credit reports
<b>Subject to Statutes of Limitation</b>	No	No	No	Yes
<b>Subject to Defense of Infancy</b>	No	No	No	Yes
<b>Truth-in-Lending Act (TILA) Disclosures Required</b>	No	No	No	Yes
<b>Oversight</b>	FSA Ombudsman	FSA Ombudsman	FSA Ombudsman	CFPB