

Comparing Federal Direct Parent PLUS, Private Parent Loans and Private Student Loans

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If you are a dependent undergraduate student and need additional funds to pay for the cost of education, beyond what is awarded as part of their Financial Aid Offer, there are three possible loan options for families to consider: a Federal Direct Parent PLUS loan, a Private Parent Loan or a Private Student Loan. **The “Your Other Loan Eligibility*” on your Financial Aid Offer indicates the maximum amount that you can borrow in any of these loans.**

	Private Student Loan	Private Parent Loan	Federal Direct Parent PLUS Loan
Who is eligible? Who is the borrower?	Undergraduate and graduate students are eligible. The student is the borrower. Most undergraduates will require a cosigner.	Parents of undergraduate students. Some lenders will also lend to other family members and to parents of graduate students.	Parents of undergraduate students. Parent is the borrower and responsible for repayment.
How much can be borrowed?	For most lenders, you can borrow up to the cost of attendance minus other financial aid.	Up to the cost of attendance minus other financial aid.	Up to the cost of attendance minus other financial aid.
What is the interest rate? Are there fees?	Determined by the lender. Interest rates vary based on credit-worthiness of student and co-signer. Most have no fees, and most offer an option of a fixed or variable interest rate. Interest begins accruing from the date of disbursement.	Determined by the lender. Most have no fees. Interest begins accruing from the date of disbursement.	For the 2022-23 academic year, the interest rate is a fixed rate of 7.54% with an Origination Fee of 4.228% that is deducted before disbursement. Interest begins accruing from the date of disbursement. Rates for 2023-24 will be announced in June 2023.
When does repayment begin?	Varies by lender but most begin repayment six months after the student is no longer at least half-time.	Varies by lender.	Parents can request to defer repayment until six months after the student is no longer at least half-time.
How do I apply?	Student may borrow from any lender they choose through the lender’s website. Information and applications for lenders UWL students have utilized is available at www.uwlax.edu/finaid/info/private-student-loans .	Parents may borrow from any lender they choose through the lender’s website. Information and applications for lenders UWL students have utilized is available at www.uwlax.edu/finaid/info/private-student-loans .	Apply at https://studentaid.gov . Parent should log in using THEIR FSA User ID and password. First-time parent borrowers must also complete a Parent PLUS Loan Master Promissory Note available at the same website.
Additional benefits	Varies according to lender. Some offer options for forbearance, repayment plans, co-signer release and/or death benefits.	Varies according to lender. Some offer options for forbearance, repayment plans, and/or death benefits.	<ul style="list-style-type: none"> ▪ Loan discharge/cancellation in the event of borrower’s disability or death ▪ Various repayment plan options ▪ Unemployment and/or economic hardship deferment