

Graduate PLUS and Private Loan Comparison Chart

	Graduate PLUS Loans	Private Student Loans
Interest Rates	PLUS loans have a fixed interest rate of 8.5%. See “Borrower Benefits” for information about reducing this rate	Private student loans have variable interest rates, which could go higher than 8.5% during the time you are repaying your loan.
Credit Criteria	<p>PLUS loan borrowers must not have adverse credit based on review of at least one credit report from a national credit reporting agency. A lack of credit history or insufficient credit history is not considered adverse credit.</p> <p>“Adverse credit” is defined as having at least one of the following:</p> <ul style="list-style-type: none"> • Currently 90 days or more delinquent on repayment of any debt • Debt discharged in bankruptcy during the past 5 years • Evidence of a default, foreclosure, tax lien, repossession, wage garnishment, or write-off of a Title IV debt during the past 5 years <p>Please note that lenders may have more stringent credit requirements for students to borrow a Federal PLUS Loan.</p>	Private loans are credit-based. A credit report from an authorized reporting agency must show that the applicant meets the minimum FICO credit score requirement, as well as other credit criteria specific to the loan.
Fees	3% origination fee mandated by the federal government and as low as 0% federal default fee.*	While many private loans have both origination and repayment fees, others may have no fees at all.
Borrower Benefits	<p>Some lenders will offer interest rate reductions, principal reductions or other borrower benefits that can help further reduce the cost of your loans.</p> <p>PLUS loans have the same deferment, forbearance, and death and disability provisions as Federal Stafford Loans.</p>	<p>Some lenders offer interest rate reductions, principal reductions or other borrower benefits that can help further reduce the cost of your loans.</p> <p>Private loans have forbearance options at the discretion of the lender. There are no death and disability provisions.</p>
Grace Period	PLUS loans have no grace period. However, lenders may offer an optional forbearance to better align repayment with your Federal Stafford Loans.	Many private student loans have grace periods, typically between 6 and 9 months.
Consolidation	PLUS loans can be consolidated with your Federal Stafford Loans into a Federal Consolidation Loan to combine and simplify monthly payments.	Private loans cannot be consolidated with Federal Stafford Loans or PLUS Loans.

*The federal default fee can range from 0 – 1%.