

IIT Downtown Campus:

CHICAGO-KENT COLLEGE OF LAW
STUART GRADUATE SCHOOL OF BUSINESS
MASTER OF PUBLIC ADMINISTRATION

Graduate PLUS OR Private Loan: What's Right for Me?

Deciding how to finance a college education is an important decision, and you should consider all of the factors that are important to you. At Chase, we want to help you make educated and intelligent decisions about paying for your education because it is a lifetime investment! In order to assist you in making the choice that is right for you, this chart provides you with basic information about the PLUS Loan and private education loans that are available through a variety of lenders.

	Federal PLUS Loans	Private Loans*
Program Description	Effective July 1, 2006, Federal PLUS Loans are available to graduate and professional students. For graduate students, the student is the borrower on the application.	Private loans are generally available to students enrolled at least half time. The loan is the responsibility of the student; however, the parent or any creditworthy adult can usually serve as a cosigner.
Eligibility	PLUS loans are not dependent upon your income or assets, and no collateral or cosigner is required. You must, however, meet certain credit criteria. Completion of a Free Application for Federal Student Aid (FAFSA) is required.	Terms vary by lender, but often offer a no-income requirement for students. A cosigner may be required for foreign students and students with no credit or an insufficient credit history.
Loan Limits	You can borrow up to the full cost of education minus other financial aid received.	Most programs allow the student to borrow up to the full cost of education minus other financial aid.
Interest Rates	For new loans disbursed on or after July 1, 2006, PLUS Loans will have a fixed 8.5% interest rate. Interest payments may be tax deductible.	Interest rates are often variable, tied to Prime or LIBOR. These rates are typically based upon the student's and/or cosigner's credit score.
Fees	Lenders are required to deduct a loan origination fee of 3%. Guarantors may also deduct a fee of 1%.	Fees may be incurred at disbursement and/or repayment.
Repayment Terms and Plans	Repayment typically begins within 60 days of the last disbursement. You can take up to 10 years to repay your PLUS loans, and you can prepay without penalty. A minimum payment of \$50 is required. Repayment can be extended up to 25 years for those borrowers who qualify for an extended repayment plan. Federal Consolidation is also an available repayment plan.	Repayment may begin immediately after disbursement, depending on your lender. Students usually have a choice of repayment plans and can prepay without penalty.
Deferments	You may qualify for a variety of deferment and forbearance options. Contact your lender for more details. Federal PLUS loans are forgiven and cancelled in the event of death or total disability of the borrower.	Depending on your lender's loan program, payments may be deferred while the student is in school. Borrower may not be able to have loans cancelled in the event of death or total disability, unless they purchase an additional option plan.
Preliminary Approval	Available through most lenders, this option allows you to ensure that you are credit-eligible for a loan prior to completing the full application. The process can typically be completed by phone or on the Web.	Available through most lenders, this option allows the student and/or cosigner to ensure they are credit-eligible for a long prior to completing the full application. The preliminary approval process can typically be completed via Web, phone or fax.
Additional Information	Some lenders offer credit services that assist you with resolving credit problems or those who offer additional savings benefits, such as an interest rate reduction for direct debit of loan payments. Contact your lender for details. Loan(s) can also be cancelled in the event of death, permanent and total disability, closed school, or false certification. Contact your lender for details.	Some lenders offer a cosigner release after a specified number of on-time payments. Contact your lender for details on incentives such as this and others.
		*Programs vary by lender.