

Federal Loan Comparison Chart for Graduate and Professional Students

Please note: You should exhaust all Federal eligibility through the Stafford Direct Loan program before applying for a PLUS loan

	Stafford Subsidized Loans (Direct Loan Program)	Stafford Unsubsidized Loans (Direct Loan Program)	PLUS Loans for Graduate and Professional Students
General Information	A need-based loan, the federal government pays the interest on these loans while you are in school, during a six-month grace period, and during authorized deferment. The borrower becomes responsible for the interest at repayment.	A non need-based loan, the borrower is responsible for all of the interest that accrues on the loan while they are in school. Borrowers may choose to make interest only payments while in school by contacting Direct Lending Servicing.	A PLUS Loan is a fixed interest rate education loan that allows graduate and professional students to borrow up to the full cost of their education (tuition, room and board), less other financial aid received including other Federal Loans. A credit check is required.
What is the Maximum Interest rate?	The interest rate is fixed at 6.8% for loans first disbursed beginning July 1, 2006.	The interest rate is fixed at 6.8% for loans first disbursed beginning July 1, 2006.	The interest rate is fixed at 7.9%.
Are there any fees?	The Stafford loan carries an origination fee of 1.5%. Effective July 1, 2009, the government provides an up-front rebate of 1% resulting in a net disbursement of 99.5% of the gross loan amount. The borrower must make the first 12 payments on time to keep the rebate.	The Stafford loan carries an origination fee of 1.5%. Effective July 1, 2009, the government provides an up-front rebate of 1% resulting in a net disbursement of 99.5% of the gross loan amount. The borrower must make the first 12 payments on time to keep the rebate.	The Direct PLUS Loan carries a 4% origination fee. There is an up-front rebate of 1.5%, so the net disbursement is 97.5% of the gross loan amount. The borrower must make the first 12 payments on time to keep the rebate.
When does Interest Accrue?	Interest accrues while the student is in school, during the grace period, and during authorized deferment, however, that interest is paid by the government. Interest is paid by the borrower during repayment.	Borrowers are responsible for interest beginning immediately upon disbursement, although most students defer interest payments until they leave school or drop below half-time enrollment. Interest accrues during deferment and the six-month grace period prior to repayment. Accrued interest is capitalized once at repayment.	Borrowers are responsible for interest beginning immediately upon disbursement, although most students defer principle and interest payments until they leave school or drop below half-time enrollment. Interest accrues during deferment and the six-month grace period prior to repayment. Accrued interest is capitalized once at repayment.
When does Repayment begin?	Repayment begins after a 6 month grace period once the student drops below half-time, graduates, or leaves school for other reasons.	Repayment begins after a 6 month grace period once the student drops below half-time, graduates, or leaves school for other reasons.	Repayment on PLUS loans begins 60 days after the final disbursement of the loan. In-school deferments are available for borrowers who are certified by their school to be attending at least half time. No payments are required during in-school deferment. Students must complete an in-school deferment form.