



UCLA

PLUS VS Private
loan fact sheet

UCLA

Financial Aid and Scholarships

A129 Murphy Hall, Box 951435
Los Angeles, CA 90095
www.financialaid.ucla.edu
finaid@saonet.ucla.edu

PLUS LOAN VS. PRIVATE LOAN

| | Federal PLUS Loan Program | Private Loan Programs |
|---------------------------------|---|---|
| Borrower | <ul style="list-style-type: none"> • Parent PLUS Loan: Parent • Graduate PLUS Loan: Student | Student |
| Fixed Interest Rate | 7.29% (2015/2016) | Varies by Lender |
| Variable Interest Rate | N/A | Most lenders have a fixed and variable rate, the fixed will typically be higher initially than the variable |
| Origination Fee | <ul style="list-style-type: none"> • 4.292% (10/1/14-09/30/15) • 4.272% (10/1/15-09/30/16) | Usually 0% (check with lender) |
| Credit Requirements | <ul style="list-style-type: none"> • Credit check required • Approval determined by federal criteria, not credit score • No adverse credit & no excessive debt | <ul style="list-style-type: none"> • Credit check required • Approval determined by lender criteria • Credit score & credit history important • Cosigner with good credit recommended (cosigner is only responsible if borrower (student) fails to make payments. Only the borrower's credit history will be impacted, not the cosigner's. |
| Enrollment Requirements | At least half-time (6 units) | At least half-time (6 units) – Some Lenders will provide loans to students studying less than half time |
| Eligibility | U.S. Citizen or permanent Resident | U.S. Citizen or permanent resident OR must apply with a creditworthy U.S. Citizen or permanent resident cosigner |
| Pay for Past due Balance | No | <i>Charter One TruFit Student Loan</i> (180 days) and <i>Sallie Mae Smart Option Loan</i> (365 days) |
| Annual Loan Limit | Cost of Attendance minus other financial aid | Cost of Attendance minus other financial aid |
| Aggregate Loan Limit | None | Varies by lender |

| | | |
|--------------------------------------|---|---|
| Grace Period | No federal grace period; can request deferment while student is in school | Varies by lender. Determined by how application is originally completed. |
| Deferment | PLUS offers unemployment and economic hardship deferments. | No deferment during unemployment or economic hardships |
| Repayment Terms | <ul style="list-style-type: none"> • Standard • Graduated • Income-based • Pay as You Earn • Income Contingent | Determined by lender; Varies by lender; Chosen during application process and cannot be changed after application is completed. |
| Master Promissory Notes (MPN) | <ul style="list-style-type: none"> • Regular approval: MPN is good for 10 years • Endorsed loan: new MPN need for each application | New MPN required for each application. Part of application process with lender. |
| Consolidation | Consolidate with other federal PLUS loans (Direct Loans & FFEL) | Cannot be consolidated with federal loans. Some lenders offer consolidation |
| Borrower Benefits | 0.25% interest rate reduction for electronic debit account repayment (ACH) | <ul style="list-style-type: none"> • Benefits offered to reduce interest rates and overall loan costs (usually include 0.25% reduction for use of ACH. Check with lender) • Cosigner release options – varies by lender |
| Loan Discharge | PLUS Loans are federally insured and are discharged in the event of total and permanent disability or death. | Most lenders offer the ability to discharge a loan in the event of total and permanent disability or death. Check with lender. |
| Tax Incentives | Yes; 1098E given if interest paid is over required amount. Check with tax advisor to determine eligibility for benefit. | Varies by lender. Contact lender to determine eligibility to receive 1098E. Contact tax advisor to determine eligibility for tax benefit. |

Federal Loan Processing Center
(800) 557-7394
www.StudentLoans.gov

Student Loan Office
A-227 Murphy Hall
(310) 825-9864
www.loans.ucla.edu

Financial Aid and Scholarships
A-129 Murphy Hall
(310) 206-0400
finaid@saonet.ucla.edu
www.financialaid.ucla.edu

Student Financial Services
1125 Murphy Hall
(310) 825-9194
www.sfs.finance.ucla.edu