

Weighing your options

Consider the following information when choosing the graduate school financing that's right for you or your student.

Federal Direct Graduate PLUS Loan¹

Private education loans²

(Student loans and parent loans)

Who is responsible for repaying?



The student
and endorser (if applicable)



Student loan:
The student
and cosigner (if applicable)



Parent Loan:
Parent or any creditworthy non-student individual

Are there differences in enrollment requirements?

Requires at least half-time enrollment.

Varies by lender; some lenders allow less than half-time enrollment.

What are the approval requirements?

Yes, parents with an adverse credit history may obtain an endorser or meet additional requirements to qualify.

Yes, approval for a private loan is generally based on creditworthiness of the borrower and cosigner (if applicable). Other factors may also be considered.

Are there differences in interest rates?

Fixed

Interest rate

7.08%

All Academic Year 2019-20 loans

Fixed or **Variable**

Interest rates

Many lenders offer both variable and fixed interest rates.

Interest rates for graduate students start from 4.24% to 13.49% for variable and range from 5.35% to 14.29% for fixed.

Parent loan interest rates can start from 5.45% to 12.74% for variable and range from 5.74% to 12.99% for fixed.

Are there disbursement fees?

4.248%

for loans first disbursed on or after October 1, 2018 and before October 1, 2019.

0%

Offered by most lenders, but can vary.

Things to consider

The more options you have to pay for graduate school, the better. By weighing the features of each, you can find the option that is best for you.

- **Lower rate.** Highly qualified applicants may be better served by exploring private education loans, which may offer lower rates than Federal Direct Grad PLUS loans.
- **Payment flexibility.** Federal loan programs offer solutions that let borrowers extend their term or base their payments on income. Many private education loans offer flexibility for making payments as well. Do your research to see which programs best suit your needs, as some options may increase the cost of the loan.
- **Save money.** With either option, consider making interest payments while in school to help you save money and avoid unpaid interest being added to your loan's principal amount.
- **Credit cards.** Credit cards may seem to offer quick access to funds to pay for a graduate education. However, they're not designed specifically for education financing and may be the more expensive and less flexible option, compared to a student loan.
- **Financing options.** The best choice for financing a graduate education may be a combination of affordable financing options, such as federal and private education loans.

For degree-granting institutions only
This information provided by



Sallie Mae does not provide, and these materials are not meant to convey, financial, tax, or legal advice. Consult your own attorney or tax advisor about your specific circumstances.

¹ Federal student loan rate information is based on a May 25, 2019 Electronic Announcement from Federal Student Aid, an office of the U.S. Department of Education. Other federal student loan information was gathered on May 28, 2019 from studentaid.ed.gov.

² Private loan information is based on a April 30, 2019 review of national private loan programs offered by publicly-traded companies or subsidiaries thereof. Interest rates are valid as of April 30, 2019. Private loans that have variable rates may go up or down based on the changes of an underlying interest rate index.

Explore federal loans and compare to ensure you understand the terms and features. Private education loans that have variable rates may increase over the life of the loan. Federal student loans are required by law to provide a range of flexible repayment options, including, but not limited to, Income-Based Repayment and Income-Contingent Repayment plans, and loan forgiveness and deferment benefits, which other student loans are not required to provide. Federal loans generally have origination fees, but are available to students regardless of income.

© 2019 Sallie Mae Bank. All rights reserved. Sallie Mae, the Sallie Mae logo, and other Sallie Mae names and logos are service marks or registered service marks of Sallie Mae Bank. All other names and logos used are the trademarks or service marks of their respective owners. SLM Corporation and its subsidiaries, including Sallie Mae Bank, are not sponsored by or agencies of the United States of America. MKT14306D 0519