

# Helping your student?

## Compare two ways to pay

To help their student pay for college, many parents consider either a **Sallie Mae® undergraduate student loan**—borrowed by the student—or a **Federal Direct Parent PLUS Loan**, borrowed by the parent. Here's how they stack up.

	Sallie Mae® undergraduate student loan <sup>1</sup>	Federal Direct Parent PLUS Loan <sup>2</sup>
Borrower	Student	Parent
Credit check required	Yes	Yes
Cosigner requirement	No, but a student with little or no credit history, may have a better chance of approval by applying with a creditworthy cosigner	No, but a parent may obtain an endorser if needed
Interest rate	Choice of variable and fixed interest rates	For loans first disbursed on or after July 1, 2025 and before July 1, 2026, the interest rate is fixed at 8.94%
Origination/disbursement fees	0%	4.228% for loans first disbursed on or after October 1, 2020
Minimum enrollment status	Students can be enrolled less than half-time, half-time, or full-time	Must be enrolled at least half-time
Cover up to 100% of the cost of attendance minus financial aid <sup>3</sup>	Yes	Yes
Cosigner release	Yes, student may apply for cosigner release <sup>4</sup>	No

### Things to consider

- **Lower rate.** Well-qualified applicants may get a lower interest rate with a Sallie Mae undergraduate student loan.
- **Save by paying during school.** Sallie Mae loans offer interest-only or fixed repayment options during school, which could lower your total student loan cost compared to deferring payments.
- **Cosigner release.** With a Sallie Mae loan you can apply to release your cosigner after graduating, making 12 on-time principal and interest payments, and meeting certain credit requirements.<sup>4</sup>

## Borrow responsibly

We encourage students and families to start with savings, grants, scholarships, and federal student loans to pay for college. Evaluate all anticipated monthly loan payments, and how much the student expects to earn in the future, before considering a private student loan.

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

1 Sallie Mae loans are subject to credit approval, identity verification, signed loan documents, and school certification. The Smart Option Student Loan is available to students at participating schools and is not intended for students pursuing a graduate degree. Student or cosigner must meet the age of majority in their state of residence. Students who are not U.S. citizens or U.S. permanent residents must reside in the U.S., attend school in the U.S., and apply with a creditworthy cosigner (who must be a U.S. citizen or U.S. permanent resident). Requested loan amount must be at least \$1,000.

2 Federal student loan information was gathered on May 27, 2025 from studentaid.gov.

3 For applications submitted directly to Sallie Mae, loan amount cannot exceed the cost of attendance less financial aid received, as certified by the school. Applications submitted to Sallie Mae through a partner website will be subject to a lower maximum loan request amount. Miscellaneous personal expenses (such as a laptop) may be included in the cost of attendance for students enrolled at least half-time.

4 Only the borrower may apply for cosigner release. To do so, they must first meet the age of majority in their state and provide proof of graduation (or completion of certification program), income, and U.S. citizenship or permanent residency (if their status has changed since they applied). In the last 12 months, the borrower can't have been past due on any loans serviced by Sallie Mae for 30 or more days or enrolled in any hardship forbearances or modified repayment programs. In addition, the borrower must have paid ahead or made 12 on-time principal and interest payments on each loan requested for release. The loan can't be past due when the cosigner release application is processed. The borrower must also demonstrate the ability to assume full responsibility of the loan(s) individually and pass a credit review when the cosigner release application is processed that demonstrates a satisfactory credit history including but not limited to no: bankruptcy, foreclosure, student loan(s) in default or 90-day delinquencies in the last 24 months. Requirements are subject to change.

Explore federal loans and compare to make sure you understand the terms and features. Private student loans that have variable rates can go up 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.

Information advertised valid as of May 27, 2025. Sallie Mae loans are made by Sallie Mae Bank.

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