

X. Loan Comparison Chart

Stafford, Federal Parent PLUS, and alternative/private loans help families finance a college education by bridging the gap between a student's financial aid package and the remaining cost of education. Before choosing a loan product, parents and students should carefully weigh the costs and benefits of each. The table below will help you compare various aspects of these loan programs. Sample repayment charts are available online at www.milligan.edu/SFS.

	Federal Direct Stafford: Subsidized	Federal Direct Stafford: Unsubsidized	PLUS	Private/Alternative
Interest Rate	3.4% fixed rate for loans disbursed July 1, 2011, through June 30, 2012 6.8% fixed rate for graduate students	6.8% fixed rate for undergraduate and graduate students	7.9% fixed rate	Variable interest rate with no cap and subject to change as often as monthly. Current rates can range from 6.25% to 14% or higher.
Interest Accrual	Interest payments will be deferred while you are in school, enrolled at least half-time.	Interest is the responsibility of the student from the date of disbursement.	Unpaid interest is capitalized at repayment.	Accrued interest may be capitalized as often as monthly.
Borrower	Undergraduate and graduate students.	Undergraduate and graduate students; does not require students to demonstrate financial need.	Parent or stepparent of dependent, undergraduate students who are enrolled at least half time.	Student; however, a creditworthy co-borrower is often required and responsible for any outstanding debt. Enrollment may be less than half-time.
Loan Limits	Annual Base: \$3,500: First-year (0-25 hrs) \$4,500: Second-year (26-57 hrs) \$5,500: Other Undergraduates (58+ hrs) \$8,500: Graduate/Professionals AGGREGATE: Undergraduates: \$31,000: Dependent Undergrads \$57,500: Independent Undergrads \$23,000: Maximum Subsidized Graduate or Professional: \$138,500: Graduate or Professional Students \$65,500: Maximum Subsidized The base Stafford awards for Subsidized and Unsubsidized loans are NOT combined. The type of loan for which you are eligible is determined based on your financial need.	Annual Base: <i>Dependent or Independent</i> \$3,500: First-year (0-25 hrs) \$4,500: Second-year (26-57 hrs) \$5,500: Other Undergrads (58+ hr) <i>Dependent Additional Eligibility</i> \$2,000 per year <i>Independent Additional Eligibility</i> \$6,000: First-year (0-25 hrs) \$6,000: Second-year (26-57 hrs) \$7,000: Other Undergrads (58+ hrs)	Up to the cost of education minus other financial aid received. No aggregate loan limits.	Up to the cost of education minus other financial aid received. Limits also depend on maximums established by private lender. Borrower's and co-borrower's credit may also affect the limit.
Credit Requirements	Not applicable	Not applicable	Based on federal standards. No debt to income ratios or credit scoring used. If parent is denied, student can apply for Unsubsidized Stafford Loan.	Most lenders review debt to income ratios and credit scores. A minimum income amount is also usually required.
Death/Disability	Loan will be discharged upon death of student.	Loan will be discharged upon death of student.	Can be discharged upon death of parent borrower or student. Loan can also be discharged if a parent borrower becomes permanently disabled.	Check with lender regarding death or disability discharge.
Deferment/Forbearance Options	Both principal and interest payments will be deferred while you are in school, enrolled at least half-time.	Both principal and interest payments can be deferred while you are in school, enrolled at least half-time. Interest can be paid or capitalized (added to the principal by your lender) at your request.	Various flexible options available. Interest-only payments or full deferment of payments may be available while student is enrolled at least half-time.	Deferment options may be available but vary widely and are generally less flexible than PLUS loan deferments. Consolidation loans are available but at a variable rate.
Repayment Options	Begins 6 months after you graduate or fall below half-time status. Minimum monthly payment is \$50 per month. Maximum loan repayment is 10 years.	Begins 6 months after you graduate or fall below half-time status. Minimum monthly payment is \$50 per month. Maximum loan repayment is 10 years.	Begins within 60 days of final disbursement. Maximum term is 10 to 25 years depending on the amount borrowed. However, many lenders offer deferment while student is enrolled at least half	Often begins within 45 days of disbursement. Most lenders offer interest-only payment options and some offer full payment deferment during enrollment.