

LOAN COMPARISON CHART

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

	FEDERAL DIRECT: SUBSIDIZED	FEDERAL DIRECT: UNSUBSIDIZED	FEDERAL PLUS PARENT OR GRADUATE	PRIVATE/ALTERNATIVE
Interest Rate	For loans first disbursed on or after July 1, 2025, and before July 1, 2026: 6.39% for undergraduate students.	For loans first disbursed on or after July 1, 2025, and before July 1, 2026: 7.94% for graduate students; 6.39% for undergraduate students.	For loans first disbursed on or after July 1, 2025, and before July 1, 2026: 8.94% for parents and graduate students.	Fixed and variable rates offered. Check with your lender for rates.
Interest Accrual	Interest payments will be deferred while you are in school, enrolled at least half-time.	Interest is the responsibility of the borrower from the date of the disbursement. Unpaid interest is capitalized at repayment.	Interest is the responsibility of the borrower from the date of disbursement. Unpaid interest is capitalized at repayment.	Accrued interest may be capitalized as often as monthly.
Loan Fees	Federal student loans have loan fees that are a percentage of the total loan amount. This loan fee is deducted proportionately by the Department of Education from each loan disbursement received.			
	Loan Origination Fees for October 1, 2020–September 30, 2025, are 1.057% for Federal Direct Subsidized and Unsubsidized Loans. Loans first disbursed on or after October 1, 2025, may have different loan fees.		Loan Origination Fees for October 1, 2020–September 30, 2025 are 4.228% for Federal Direct PLUS Loans. Loans first disbursed on or after October 1, 2025, may have different loan fees.	
Borrower	Undergraduate students.	Undergraduate and graduate students; does not require students to demonstrate financial need.	Graduate students or parent/stepparent of dependent undergraduate students.	Student or parent; however, a creditworthy co-borrower may be required.
Loan Limits	The base Direct Loan 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.		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, as approved by the lender.
	Annual Base: <i>Dependent or Independent</i> \$3,500: First-year (0-25 hrs) \$4,500: Second-year (26-57 hrs) \$5,500: Other Undergraduates (58+ hrs)	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+ hrs) \$20,500: Graduate Dependent Additional Eligibility \$2,000 per year Independent Additional Eligibility \$6,000: First-year (0-25 hrs) \$6,000: Second-year (26-57 hrs) \$7,000: Other Undergrads (58+ hrs)	If parent borrower is denied, the student can receive additional Unsubsidized Stafford Loan as follows: \$4,000: First-year (0-25 hrs) \$4,000: Second-year (26-57 hrs) \$5,000: Other Undergrads (58+ hrs)	
	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			
Credit Requirements	Not applicable.	Not applicable.	Borrower cannot have an adverse credit history.	Most lenders review debt to income ratios, credit scores and other financial information.
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 or if a parent borrower becomes permanently disabled.	Check with lender regarding death or disability discharge.
In-school Deferment Options	Both principal and interest payments will be deferred while you are in school, enrolled at least half-time.	Both principal and interest payments will be deferred while you are in school, enrolled at least half-time. Interest will be capitalized if not paid while in school.	In school deferment is available while student is enrolled at least half-time.	Deferment options may be available, but could be less flexible than PLUS loan deferments.
Repayment Options	Begins six months after you graduate or fall below half-time status. Minimum monthly payment is \$50 per month. Maximum loan repayment is 10 years.	Begins six months after you graduate or fall below half-time status. Minimum monthly payment is \$50 per month. Maximum loan repayment is 10 years.	If not deferred, could begin within 60 days of final disbursement. Maximum term is 10 to 25 years depending on the amount borrowed.	Loan terms will vary by lender.