FLORIDA ATLANTIC UNIVERSITY

Federal Direct PLUS Loan for Parents vs. Private Student Loans

SECTION	COMPARISON POINT	FEDERAL PLUS LOAN FOR PARENTS	PRIVATE STUDENT LOANS
Eligibility	**Borrower**	Parent	Student borrower. A creditworthy cosigner may be required by the lender. A cosigner may be a parent, relative, or other creditworthy individual.
	Eligibility	Student must be enrolled at least half-time in an eligible degree or certificate program at an eligible institution.	Eligibility varies by lender. Some lenders offer loans for students enrolled full-time, half-time, less than half-time, certificate or licensure programs, or to cover prior-term balances. Borrowers should review individual lender eligibility requirements. Some lenders may offer loans to cover prior-term balances or past-due educational charges. Availability varies by lender.
	Credit requirements	Credit check required. Approval is based on the absence of adverse credit history as defined by federal regulations. A credit score is not used by the Department of Education. Additional unsubsidized Stafford loan may be awarded to dependent undergraduate student based on Federal PLUS Loan for parent's credit denial.	Credit check required. Approval is determined by the lender based on factors such as credit history, credit score, income, and debt-to-income ratio. A creditworthy borrower or cosigner may be required. Dependent undergraduate students are likely to need a credit-worthy cosigner.
	Annual loan limit	All parents combined may borrow up to $20,000 per academic year per dependent student.*	Maximum annual borrowing is determined by the lender and generally may not exceed the student's cost of attendance minus other financial assistance received.
	Aggregate loan limit	All parents combined may borrow up to $65,000 in total for each dependent student, without regard to amounts repaid, forgiven, canceled, or discharged.*	Aggregate borrowing limits vary by lender. Please check with your lender for details.
Cost	**Interest rates**	Fixed interest rate established annually by federal law. For more information, please visit studentaid.ed.gov.	Fixed and/or variable interest rate options may be available, depending on the lender.
	Fees	Federal loan origination fee applies. For more information, please visit studentaid.ed.gov.	Origination or other fees may apply, depending on the lender.
	Borrower benefits	Eligible for certain federal repayment protections, deferment, and forbearance options. Please check with your loan servicer for availability and options.	Borrower benefits, such as interest rate reductions for automatic payments, may be available depending on the lender. Cosigner release may be available after meeting lender eligibility requirements.
Repayment	**Servicer**	U.S. Department of Education contracted servicers.	Determined by lender, please check with lenders.
	Repayment terms	Standard repayment term is up to 10 years, although consolidation may extend repayment. May request deferment of payment while in school and 6-month grace period.	Repayment terms typically range from 5 to 20 years (or longer), depending on the lender. In-school repayment options vary and may include deferred, fixed, interest-only, or immediate repayment.
	Grace period	No automatic grace period. Parents may request a deferment while the student is enrolled at least half-time and for six months after the student graduates, leaves school, or drops below half-time enrollment. Interest continues to accrue during deferment.	Many lenders offer a grace period of approximately 6 to 9 months after the student leaves school or drops below the required enrollment level. Grace periods vary by lender.
	Loan consolidation	Can be consolidated with other federal education loans (i.e., Perkins and Stafford) through the Federal Direct Loan Consolidation Program.	Private loan consolidation may be available, please check with lender for availability.

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	Loan forgiveness options	May be discharged upon the death of the parent borrower or the student, or due to the borrower's total and permanent disability, subject to federal requirements. May qualify for Public Service Loan Forgiveness (PSLF) if consolidated into the Direct Consolidation Loan Program (if applicable) and if all PSLF requirements are met.	Discharge due to the borrower's death or total and permanent disability may be available, depending on the lender's policies.
	Repayment options	Standard, Graduated, and Extended repayment plans are available. Repayment options are determined under current federal regulations. Parent PLUS Loans first disbursed on or after July 1, 2026, have more limited repayment options than previous Parent PLUS Loans. Visit StudentAid.gov or contact your loan servicer for current repayment options. Deferment and forbearance options may be available.	Repayment options vary by lender and may include immediate repayment, interest-only payments, fixed payments while in school, or deferred repayment. Forbearance options may be available, please check with the lender for specifics.
	Borrower protections	Deferment Forbearance Federal discharge provisions Federal loan servicing Federal loan consolidation Public Service Loan Forgiveness (PSLF), when applicable and all federal eligibility requirements are met	Private education loans are not eligible for federal repayment plans, federal loan forgiveness programs, or most federal borrower protections. Some lenders may offer deferment, forbearance, cosigner release, or hardship assistance. Borrowers should review lender-specific benefits and protections before borrowing.

*These borrowing limits generally apply to Parent PLUS Loans for periods of enrollment beginning on or after July 1, 2026. Parent borrowers may qualify for a limited transition exception if the student was enrolled in the same program of study before July 1, 2026, and meets the federal eligibility requirements.

The Office of Student Financial Aid recommends that students and families exhaust federal student loan options before considering private education loans. Borrowers should compare interest rates, repayment terms, fees, borrower protections, and cosigner requirements before selecting a private lender.