



Federal Stafford vs. Grad PLUS Loans

A **FEDERAL STAFFORD LOAN** IS ONE OF THE BEST WAYS FOR YOU, AS A STUDENT, TO PAY FOR COLLEGE AFTER EXPLORING YOUR OPTIONS FOR SCHOLARSHIPS AND GRANTS.

	Federal Stafford Loan	Grad PLUS Loan
Interest Rate	<ul style="list-style-type: none"> All Federal Stafford loans first disbursed on/after July 1, 2009 and before July 1, 2010 have a fixed interest rate of 6.8% with the exception of the undergraduate, subsidized Stafford loan which is 5.6%. Some lenders offer repayment incentives such as interest rate reductions for auto-debit payments. 	<ul style="list-style-type: none"> Fixed interest rate of 8.5%.
Fees	<ul style="list-style-type: none"> An origination fee, not to exceed 0.5%, may be charged by the lender for Stafford loans with a first disbursement date on or after July 1, 2009 and prior to July 1, 2010. 1% federal default fee. 	<ul style="list-style-type: none"> A 3% Federal Origination Fee and a 1% Federal Default Fee may be deducted from the loan proceeds prior to disbursement.
Credit Requirements	<ul style="list-style-type: none"> No credit check required. 	<ul style="list-style-type: none"> Credit check is based upon federal standards.
Loan Limits	<ul style="list-style-type: none"> Please contact your school's Financial Aid Office regarding your specific Stafford loan eligibility. Visit aesSuccess.org to view the Federal Stafford loan limits. 	<ul style="list-style-type: none"> Students may borrow up to the cost of attendance less other aid.
Interest Accrual	<ul style="list-style-type: none"> Subsidized Stafford Loans – The federal government pays the interest during in-school, grace and authorized deferment periods. Unsubsidized Stafford Loans – You are responsible for paying the interest that accrues from the date of disbursement until the loan is paid in full. <p><small>NOTE: Accrued and unpaid interest may be capitalized according to Federal regulation.</small></p>	<ul style="list-style-type: none"> You are responsible for paying the interest that accrues from the date of disbursement until the loan is paid in full. <p><small>NOTE: Accrued and unpaid interest may be capitalized according to Federal regulation.</small></p>
Cancellation	<ul style="list-style-type: none"> Although Federal Stafford loans must be repaid in full, there are a few situations in which your loan(s) may be discharged and your repayment obligation cancelled including, but not limited to, total and permanent disability and death. 	<ul style="list-style-type: none"> Although Grad PLUS loans must be repaid in full, there are a few situations in which your loan(s) may be discharged and your repayment obligation cancelled including, but not limited to, death or total and permanent disability.

	Federal Stafford Loan (cont.)	Grad PLUS Loan (cont.)
Deferment and/or Forbearance	<ul style="list-style-type: none"> • Various deferment and forbearance options are available. • During deferment or forbearance, loan payments are postponed or reduced. 	<ul style="list-style-type: none"> • A wide selection of deferment and forbearance options are available, including in-school deferment while enrolled at least half-time.
Consolidation	<ul style="list-style-type: none"> • Federal education loans may be consolidated, combined into a single loan, at a fixed interest rate not to exceed 8.25%. 	<ul style="list-style-type: none"> • Grad PLUS loans may be consolidated at a fixed interest rate not to exceed 8.25%.

For more information, visit aesSuccess.org or call [800.692.7392](tel:800.692.7392).



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