

PLUS LOANS

A PLUS loan is potentially available to parents of dependent students to pay for their child's education and graduate and professional students to pay for their own education. PLUS loans are funded by private lenders as well as the federal government.

Eligibility

A PLUS loan is potentially available, regardless of need, to parents of dependent students (Parent PLUS) and to graduate and professional students (Grad PLUS).

A credit check must show that the borrower has no delinquencies in the previous 90 days (however, there are some exceptions for extenuating circumstances) and has not filed for bankruptcy in the previous 5 years. Note: Private lenders, such as banks, may have stricter requirements for potential borrowers. The credit requirement can be met by a cosigner.

Loan Limit

There is no aggregate maximum, and loans may cover the total cost of attendance minus other financial aid.

Interest Rate

Currently, the interest rate for government-funded loans is 7.9 percent. This percentage rate may sometimes be matched by private lenders, whose maximum rate is 8.5 percent.

Origination Fees

Origination fees are 4 percent; however, discounts may be available to borrowers. Borrowers should consult with their lender.