

Loan Comparison Chart

This chart was compiled to help you fully understand your education financing choices.
The bottom line is to find the solution that best works for your family.

Feature	Federal PLUS Loan	Home Equity Loan	Alternative Loan
Borrower Eligibility	<ul style="list-style-type: none"> Parents of all income and asset levels, with dependent, undergraduate students. Graduate students. 	<ul style="list-style-type: none"> Homeowners within our markets may apply for a Home Equity Loan. 	<ul style="list-style-type: none"> Enables the student to share in the borrowing responsibility and develop a credit history. International students are eligible to apply with a qualified U.S. co-signer.
Loan Payments & Term	<ul style="list-style-type: none"> Typically, a shorter repayment term means less finance charges over the life of the loan. 	<ul style="list-style-type: none"> Monthly payments for 10-year loans are comparable to the PLUS Loan. Monthly payments for longer term loans may be lower, however, finance charges over the life of the loan may be greater. 	<ul style="list-style-type: none"> Typically, a longer repayment term means smaller monthly loan payments, although finance charges over the life of the loan may be greater.
Payment Insurance	<ul style="list-style-type: none"> PLUS Loans are federally guaranteed and are discharged in the event of total and permanent disability or death. 	<ul style="list-style-type: none"> Payment insurance is not available for Home Equity Loans. 	<ul style="list-style-type: none"> Not federally insured and offers no discharge in the event of disability or death.
Interest Rate & Rate Caps	<ul style="list-style-type: none"> Interest rate is fixed at 8.5%. Many lenders offer additional borrower benefits that reduce the interest rate considerably. 	<ul style="list-style-type: none"> Interest rate is fixed when you apply. 	<ul style="list-style-type: none"> Competitive, variable interest rate.
Approval Criteria	<ul style="list-style-type: none"> Approval is based only on the borrower's credit history. Borrowers must pass an annual credit check. 	<ul style="list-style-type: none"> Approval is based on several factors including credit history, debt-to-income ratio and equity in your home. 	<ul style="list-style-type: none"> Approval is based on several factors including credit history and debt-to-income ratio.
Applying for a Loan	<ul style="list-style-type: none"> The PLUS Loan Master Promissory Note is good for 10 years. You do not need to complete the paperwork annually. 	<ul style="list-style-type: none"> Must apply for each loan. 	<ul style="list-style-type: none"> Must re-apply each year for additional funds.
Payment Deferment Situations	<ul style="list-style-type: none"> PLUS offers unemployment and economic hardship deferments. 	<ul style="list-style-type: none"> No deferment during unemployment or economic hardship. 	<ul style="list-style-type: none"> No deferment during unemployment or economic hardship.
Payment Flexibility	<ul style="list-style-type: none"> Income-sensitive, graduated and extended repayment options are available. 	<ul style="list-style-type: none"> Payment amount is fixed. Borrowers have flexibility in choosing a repayment method including auto deduction or paying by check. 	<ul style="list-style-type: none"> Several repayment options are available.
Borrowing Limits	<ul style="list-style-type: none"> No loan limit - borrowers may borrow up to the cost of education less any other financial aid awarded. 	<ul style="list-style-type: none"> Amount borrowed is limited only by the amount of equity in applicant's home, debt-to-income ratio, and credit-worthiness. 	<ul style="list-style-type: none"> Most alternative loans enable borrowers to borrow up to the full cost of education less any other financial aid awarded depending on the debt-to-income ratio and presence of a qualified U.S. co-signer.
Tax Benefits	<ul style="list-style-type: none"> Potential tax benefits - ask your tax advisor for details. 	<ul style="list-style-type: none"> Potential tax benefits - ask your tax advisor for details. 	<ul style="list-style-type: none"> Potential tax benefits - ask your tax advisor for details.
Prepayment Penalty	<ul style="list-style-type: none"> No prepayment penalty. 	<ul style="list-style-type: none"> Prepayment penalty may apply. See banker for details. 	<ul style="list-style-type: none"> No prepayment penalty.