

Comparing Federal Direct Parent PLUS & Private Student Loans

	Federal Direct Parent PLUS Loans	Private Education Loans
Lender	U.S. Dept of Ed	Bank, Credit Union, Private Lender, State not-for-profit
Borrower	Parent (or Stepparent on FAFSA)	Student, Parent, or Other
Interest Type	Fixed	Fixed or Variable
Interest Rate	9.07% for 2026-2027	Depends on Credit (Typically 2.6% to 18%)
Loan Origination Fee	4.228%	Usually None
Credit Requirements	Minimal: No Adverse History	Good Credit (mid-600s), Income/Employment, Debt-to-Income Ratio
Increased Unsub Loan Eligibility if Denied	\$4,000 (1st and 2nd years) \$5,000 (junior +)	No
Borrowing Limits	\$20,000 per year (\$65,000 aggregate)	Up to Cost of Attendance
Loan Repayment Term	Fixed Payments (10-25 years)	Fixed Payments (5-15 years)
Deferment/ Forbearance	Federally Regulated	Varies by Lender, Often Limited
Loan Forgiveness	Very Limited	Generally No
Death/ Disability	Dischargeable	Usually Dischargeable, Varies by Lender
Application	Complete FAFSA, then apply at studentaid.gov	Compare lenders at elmselect.com , then link to the lender's site to apply
May be a better fit if you:	want federal borrower protections prefer a set fixed interest rate don't have strong credit can borrow within set limits	have strong credit and stable income want to compare lender rates and terms need to borrow above PLUS Loan limits