

| Feature                             | Federal Direct PLUS Loan  | Private Loan   | Home Equity Loan  |
|-------------------------------------|---|--|---|
| <b>Borrower Eligibility</b>         | Parent with dependent student   | Student (co-signer required) or Parent   | Homeowner   |
| <b>Loan Payments</b>                | Typically, a shorter repayment which means less finance charges; standard repayment term is 10 years. Consolidation and extended options are available. | Varies by lender, typical terms are 5-20 years of principal and interest payments.   | Monthly payments for 10 years – comparable to PLUS payments |
| <b>Payment Insurance</b>            | Discharged in the event of total and permanent disability or death  | Varies by lender   | Varies by lender  |
| <b>Interest Rate</b>                | Fixed rate, see <a href="#">FSA Website</a> for details   | Fixed or variable rates available, varies by lender  | Fixed or variable rates available, varies by lender         |
| <b>FAFSA Required</b>               | Yes   | No   | No  |
| <b>Origination/Disbursement Fee</b> | Yes, see <a href="#">FSA Website</a> for details  | Varies by lender, most offer 0%  | Varies by lender/product, many offer 0%                     |
| <b>Approval Criteria</b>            | Borrower credit history   | Credit history and debt-to- income ratio   | Credit history, debt-to-income ratio and equity in home     |
| <b>Repayment</b>                    | PLUS loans go into repayment after disbursement by default. Borrower may apply to defer repayment, however interest will continue to accrue.            | Varies by lender. Many lenders offer deferment while borrower is enrolled (interest will accrue during this time and will be added to the principal at the end of the deferment period). Many lenders will offer interest payment options. | Varies by lender  |
| <b>In-school Deferment Option</b>   | Yes   | Yes  | No  |
| <b>Prepayment Penalty</b>           | No  | Most lenders have no penalty   | Penalty may apply   |
| <b>Borrower Benefits</b>            | 0.25 percentage point interest rate reduction for automatic debit enrollment  | Most lenders will offer a 0.25 percentage point interest rate reduction for automatic debit enrollment. Additional benefits vary by lender.  | Varies by lender  |
| <b>Tax Deductible Interest Paid</b> | Yes, subject to IRS guidelines  | Yes, subject to IRS guidelines   | Yes, subject to IRS guidelines                              |
| <b>How to Apply</b>                 | <a href="http://www.studentloans.gov">www.studentloans.gov</a>  | Review our <a href="#">list of preferred lenders</a> or contact your local bank or credit union. We cannot recommend one lender over another.  | Apply with your lender of choice.                           |
| <b>Application</b>                  | Master Promissory Note is good for 10 years. Borrower must apply and pass annual credit check.  | Must apply for each loan   | Must apply for each loan or obtain adequate line-of-credit  |

\*\*Some of the above information provided by Sallie Mae