

Fund Your Professional Future:

SMART BORROWING FOR GRADUATE SCHOOL

You decided to go to graduate school to pursue your passion and establish a new professional identity. Now you need help funding this investment in your future.

Follow these steps to smart borrowing:

1. Consider your funding options: assistantships, fellowships, loans, savings, or jobs
2. Complete the Free Application for Federal Student Aid (FAFSA)
3. Learn your maximum federal **Stafford loan** eligibility from the financial aid office
4. Accept the maximum Stafford loan amount you need before considering other loans
5. Consider the benefits of federal **Grad PLUS loans** if you need additional funds
6. Compare costs and benefits for **private loans**
7. Apply for the loans that are best for you
8. Receive loan funds and pay for graduate school



ABOUT THE LOANS

Federal Stafford Loans

You can borrow up to \$20,500 annually in Stafford loans at a fixed interest rate of 6.8% with automatic in-school deferment and other benefits not available with other student loans.

TIP

Maximize your Stafford loan eligibility first! If you have accepted the Stafford loans awarded and need additional funds, consider a PLUS loan next.

Federal Grad PLUS Loans

Grad PLUS loans are fixed rate loans that can bridge the gap between the Stafford loans you receive and the cost of your education. They offer many of the same benefits as Stafford loans.

TIP

A credit check is required for a Grad PLUS loan. If you don't pass the credit check, you may not be able to get the loan...just another reason maintaining good credit is so important.

Private Loans

If you have exhausted your options with Stafford and Grad PLUS loans, private loans are also available. Private loans generally have a variable rate determined by your credit history.

TIP

Not all private loans are alike so be sure to compare the costs and benefits to determine which loan is right for you.



Compare Your Funding Options

To make smart borrowing decisions, compare the available loan programs. Look at the interest rate, loan limits, and repayment plans. You'll be better able to make more informed financial choices so you can pay for your program and experience all of the benefits that come with it.

	Stafford	Grad PLUS	Private
Interest Rate	Fixed rate at 6.8%	Fixed rate at 8.5%	Variable rate that may be tied to your credit history Current rates ranging from 6% to 15%
Fees	Origination and federal default fees combined range from 0–2.0%	Origination and federal default fees combined range from 0–4%	Fees vary based on lender, loan type, and your credit history
Loan Limits	Up to \$20,500* per year including up to \$8,500 subsidized (interest-free while in school, grace, and deferment)	Up to the total cost of education minus other financial aid received	Depends on maximums established by lender Your credit history may limit the amount you can borrow
Credit Requirement	No credit check No cosigner requirement	Credit check required No debt-to-income scoring	Credit check required Debt-to-income scoring may be required A minimum income may be required
Repayment	Automatic in-school deferment and six-month post-deferral period after you graduate or stop attending school at least half time Standard, graduated, extended, income-sensitive, and income-based** plans available Maximum term of 10 to 25 years Standard federal deferment and forbearance options available	No grace period Extended, income-sensitive, graduated, and extended plans available Maximum terms of 10 to 25 years Standard federal deferment and forbearance options available	No grace period Repayment options vary Deferment and forbearance options vary by lender and loan

*Limits may be higher for some medical and other health professions programs

** Plan to become available on July 1, 2009.

For forty years, Great Lakes has partnered with schools and lenders to help people pay for college and build brighter futures. As a nonprofit organization, our mission is to help you succeed by providing the resources and the information you need to make the best possible choices. To learn more, visit mygreatlakes.org.