

# Types of Federal Loans

## Stafford Loans

Subsidized, need-based, low-interest

Student pays **no interest** during school and through the six-month grace period between leaving school (or beginning less than half-time enrollment) and beginning repayment.



## PLUS Loans

Requires credit check (also sometimes co-signer), low-interest

Available for parents in addition to their child's loans

Also available to graduate students

Repayment begins immediately after final yearly payout

Deferment is possible, but interest accrues continually

## Unsubsidized Stafford

Available regardless of need, low-interest

Accumulate interest during school and after leaving—this can be paid as it accrues or totalled up and added to principal balance after six-month grace period.

## Consolidation Loans

Students or parents may combine loans into one monthly payment:

Cannot include private loans

Private lenders may offer consolidation themselves, but borrower forfeits the benefits of federal loans when taking a private consolidation loan.

## Perkins Loans

Available at select schools (1,700 across the nation)

Need-based, low-interest

Completion of Perkins promissory note required

The money is generated by the school via collections on unpaid loans, collected loan cancellation fees, etc.