

****Below is a brief summary of your financing options in order to meet the gap between your student's Cost of Attendance and their Federal Student Loan eligibility****

Federal Parent PLUS Loan and Private Student Loan Comparison

	Federal Parent PLUS Loan	Private Student Loan
Principal/Primary Borrower	Parent	Student
Cosigner Required	Only if primary borrower has an adverse credit history	Yes - Unless student has established long term credit-worthy rating
Credit Criteria	Borrower may not have an adverse Credit History (if so, he/she must have a creditworthy endorser) Unsecured, no loss of assets	Credit Scores Debt-to-Income Ratios No Adverse Credit History Secured
Impact of Loan Denial	Increased Federal Direct Unsubsidized Student Loan Limits	
Interest Rate Type	Fixed	Fixed and Variable Options
Interest Rate	7.60%	Depends on Borrower and Cosigner Credit Variable options can have lower rates
Interest Rate Reduction for Automatic Payments	0.25%	Varies by Lender
Loan Fees	4.248% - First disbursed on 10/1/18 or before 10/1/19 4.264% - First disbursed on or after 10/1/17 and before 10/1/18	Varies by Lender and Borrower Credit
Interest Capitalization	Once at Repayment	Monthly, Quarterly, Annually, or Once at Repayment
Annual Loan Limits	Cost of Attendance minus Aid	Cost of Attendance Lower Limits for Some Degrees/Majors
Cumulative Loan Limits	None	Varies by Lender Varies by Degree and Academic Major
In-School and Grace Period Deferment Options	Immediate Repayment Full Deferment	Immediate Repayment Full Deferment Interest-Only Payments Fixed In-School Payments
Forbearance Options	1-Year, with Maximum of 3-Years	Varies by Lender
Repayment Term	10 to 30 years, contingent on loan balance	5 to 25 years
Repayment Plans	Standard, Extended, Graduated	Varies by Lender
Death Discharge	Yes (Student or Parent)	Varies by Lender
Disability Discharge	Yes (Parent Only)	Varies by Lender
Can Be Consolidated	Yes Does Not Relock Rate	Varies by Lender Rate Based on Current Credit

How to Apply	Step 1: Log-in to studentloans.gov and apply for the loan. Simply click the green "Sign In" button in the top left corner of the screen and log in using your own federal personal Identification number (PIN). Don't use your student's PIN to log in! You will receive a notification via email indicating the approval or denial of your Parent PLUS loan	Step 1: Look for a lender and apply for a private alternative loan directly with the lender. As a consumer you have the options of banks, credit unions, and financial institutions.
	studentloans.gov	Step 2: The University of California, Office of the President, has compiled a list of private loan lenders, yet you may choose any lender.
	Step 2: If your parent loan was approved, sign the Master Promissory Note (MPN) at studentloans.gov	UC Santa Cruz Lender List
	Master Promissory Note (MPN)	Step 3: Lenders are required by federal law to collect the Private Loan Certification Form . If you plan to apply for a private loan, complete and submit this form to your lender.
	Step 3: If your loan is denied, contact our financial aid office for additional information on other loan options available	Private Education Loan Applicant Self-Certification Form