

	Federal PLUS Loan For Parents	Home Equity Financing	Private Student Loans
Collateral/Credit Requirements	<ul style="list-style-type: none"> • No collateral required. • Loan is guaranteed by the Federal government. • Does not require a debt-to-income calculation. 	<ul style="list-style-type: none"> • Your home is considered your collateral and is used to secure your loan. • Credit approval is subject to underwriting standards of the lender. 	<ul style="list-style-type: none"> • Collateral usually is not needed for private loans; however, some lenders may require it. • Many private loans require a cosigner in addition to the student. • A comprehensive list of credit criteria must be met before final approval.
Interest Rate	<ul style="list-style-type: none"> • Fixed at 8.50%. 	<ul style="list-style-type: none"> • Interest rates on home equity loans are fixed. • Interest rates on home equity lines of credit are variable. • Typically rates are based on the applicant's credit history, loan term, amount financed, combined loan-to-value, property type, and location. 	<ul style="list-style-type: none"> • Interest rates are generally variable and can be based on the Prime Rate plus a margin, the LIBOR (London Interbank Offered Rate) plus a margin, or other calculations. • Rates are typically based on the applicant's credit history, loan term, and amount financed.
Repayment	<ul style="list-style-type: none"> • Repayment begins after the final disbursement of the loan. • Postpone (forbear) payments for up to four years while the student is enrolled in school at least half-time (must request forbearance annually). 	<ul style="list-style-type: none"> • Repayment on a home equity loan begins immediately. 	<ul style="list-style-type: none"> • Repayment is generally deferred while the student is in school and begins six months after the student graduates or leaves school, although some loans may require immediate repayment.
Tax Benefits	<ul style="list-style-type: none"> • Interest on a Federal PLUS Loan is tax deductible; in 2005, the maximum deductible interest was \$2,500 per return. • Qualified Federal PLUS Loan borrowers can also take advantage of the Hope and Lifetime Learning credits, additional tax credits available to taxpayers with dependents in college. • See your tax adviser for more details. 	<ul style="list-style-type: none"> • In most cases, the interest on a home equity loan or line of credit may be tax deductible. • See your tax adviser regarding deductibility of interest. 	<ul style="list-style-type: none"> • The interest on alternative student loans may be tax deductible; in 2005, the maximum deductible interest was \$2,500 per return. • Qualified borrowers can also take advantage of the Hope and Lifetime Learning credits, additional tax credits available to taxpayers with dependents in college. • See your tax adviser for more details.