When you need more money for college
Follow these THREE steps for additional financing options

Embry-Riddle Aeronautical University

Admissions Office
800-888-3728  |  pradmit@erau.edu

Financial Aid Office
928-777-3765  |  prfinaid@erau.edu
### Federal PLUS Loan for parents

This loan is available for parents of dependent undergraduate students. This loan can cover up to 100% of remaining education-related expenses. A credit check is required, but the parent’s debt and current income are not considered.

### Private (or alternative) student loans

These loans are made available to students through banks and other private lenders. Private student loans can typically cover 100% of the remaining eligible education-related expenses. A credit check is required and many students — particularly undergraduate students — will need to apply with a qualified adult cosigner to increase the likelihood of being approved and receiving the best pricing and terms.

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**Important note:** Be aware that all types of student loans need to be repaid. As you make your plans, give serious consideration to the total amount you may need to borrow to cover your entire education. Do not borrow more than you can comfortably manage to repay.

Visit the Bureau of Labor Statistics at bls.gov/bls/blswage.htm to find the estimated starting salary for various careers and use Mapping Your Future’s Debt Wizard calculator at mappingyourfuture.org/paying/debtwizard to help determine how much student loan debt you can manage based on your starting salary upon graduation.

**Tip:** Student loan payments should be 10 – 15 percent or less of a student’s net monthly income after graduation.
Step 2
What option will work for me?

Finding the loan that best suits your needs is an individual decision that depends on your family’s circumstances and preferences. We recommend you research all options to determine the loan program that works for you.

We have developed the following questions and the chart on the back to help you determine what option meets your individual needs.

Questions to ask when comparing eligibility:
• Who is the borrower on the loan?
• Will I need a cosigner and under what circumstances can the cosigner be released?
• Am I eligible if I am not going to school at least half time?
• Can I borrow for past due balances?
• Do I need to be enrolled in a degree-seeking program in order to qualify?

Questions to ask when comparing the cost of student loans:
• What are the ranges of available interest rates?
• Is the lender offering fixed rates, variable rates, or both?
• Are there any loan fees?
• What types of interest rate discounts are available?
• What will the monthly payment be upon graduation?

Questions to ask when considering repayment:
• Is there a grace period after graduation?
• How long is the repayment term?
• Who will service my loans?
• What repayment options are available?
• Are there deferment or forbearance options?
• Is loan forgiveness available and under what circumstances?

Tip: While the Federal PLUS Loan terms are the same for every borrower, private student loan terms will vary based on lender and your financial situation and credit. For this reason we recommend that you compare all loan options carefully.

Step 3
How do I apply?

Students should research options early and apply no earlier than 90 days prior to the beginning of the term.

Apply for a...
Federal PLUS Loan
Visit your school’s website

Private student loan
Visit the lender’s website. Many lenders allow you to apply either online or by phone.

Regardless of what loan option and lender you choose to use, the financial aid office will process your loan as quickly as possible.

Want to compare interest rates?
Applying for a private student loan won’t impact eligibility for a Federal PLUS Loan. Also, if you are comparing rates between private student loan lenders, be sure to do your comparison shopping within a 30-day window so that your credit score is not impacted by multiple inquiries.

Visit our school’s website:

Tip: Know what is being shared with lenders when you apply for credit by reviewing your credit report annually. Visit annualcreditreport.com to get free access to your credit report from the three credit bureaus: Equifax, Transunion, and Experian.
## Compare federal and private student loan options

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Federal PLUS Loan for parents</th>
<th>Private student loans</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Borrower</strong></td>
<td>Parent</td>
<td>Student and cosigner (if required)</td>
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<tr>
<td></td>
<td></td>
<td>Cosigner can be parent, relative, or willing sponsor</td>
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<tr>
<td><strong>At least half-time and degree-seeking</strong></td>
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<td>Full-time, half-time, less than half-time degree, certificate, and licensure-seeking depending on lender, check with lenders for availability</td>
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<td></td>
<td></td>
<td>Past due option may be available depending on lender</td>
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<tr>
<td><strong>Credit requirements</strong></td>
<td></td>
<td>Credit check required</td>
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<tr>
<td></td>
<td></td>
<td>Approval determined by lender criteria based on credit score, credit history, and income (if credit-worthy applicant or cosigner required)</td>
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<td></td>
<td></td>
<td>Dependent undergraduate students are likely to need a credit-worthy cosigner</td>
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<tr>
<td><strong>May borrow up to the cost of education less other aid received</strong></td>
<td></td>
<td>May borrow up to the cost of education less other aid received</td>
</tr>
<tr>
<td><strong>None</strong></td>
<td></td>
<td>Amount depends on lender, check with lender</td>
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<tr>
<td><strong>7.90% fixed interest rate</strong></td>
<td>Fixed and/or variable interest rate options available depending on lender, check with lenders for availability</td>
<td></td>
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<tr>
<td><strong>4.00% origination fees deducted from loan amount</strong></td>
<td>Fees may or may not apply depending on lender</td>
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<tr>
<td><strong>0.25% interest rate reduction for electronic debit account repayment</strong></td>
<td>Borrower benefits available to reduce interest rates and overall loan costs, check with lenders for availability and types of benefits available</td>
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<td></td>
<td></td>
<td>Cosigner release option, check with lender for availability and eligibility</td>
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<tr>
<td><strong>US Department of Education contracted servicers</strong></td>
<td>Determined by lender, check with lenders</td>
<td></td>
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<tr>
<td><strong>10 year repayment</strong></td>
<td>Typically 15 – 25 years (depending on lender)</td>
<td></td>
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<tr>
<td><strong>May request deferment of payment while in school and 6-month grace period</strong></td>
<td>No payments while in school</td>
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<tr>
<td><strong>See “Repayment terms”</strong></td>
<td>6- to 9-month grace period after enrollment ends (depending on lender)</td>
<td></td>
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<tr>
<td><strong>Can be consolidated with other federal education loans (i.e., Perkins and Stafford) through the Federal Direct Loan Consolidation Program</strong></td>
<td>Private loan consolidation may be available, check with lender for availability</td>
<td></td>
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<tr>
<td><strong>Loan forgiveness options</strong></td>
<td>Loan may be forgiven in the event of permanent disability or death of student, check with lenders for availability</td>
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<tr>
<td><strong>Various repayment options available, including IBR, ICR, graduated, standard, and extended (IBR and ICR option not available on Federal PLUS Loan for parents)</strong></td>
<td>Standard and interest-only options may be available, check with lender</td>
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<tr>
<td><strong>Deferment and forbearance options available</strong></td>
<td>Forbearance options may be available, check with lender for specifics</td>
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