



When you need more money for college

Follow these THREE steps for additional financing options

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Step 1

What options are available?

First, complete the FAFSA (Free Application for Federal Student Aid) and make sure you take full advantage of free aid (scholarships and grants) and the Federal Stafford Loan.

Next, consider the following loan programs in order to complete your college financing package and ensure that you can meet your expenses:

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.

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

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