

Financing for Families: A Comparison of Parent PLUS Loans and Private Loans

At Dickinson, we understand each family's financial situation is unique. We encourage families to consider their choices as they create a financial plan and invest in their child's education. In addition to the [Nelnet monthly payment plan](#), student and parent educational loan products are summarized below.

	Federal Direct Parent PLUS Loan	Private Loans
<i>Borrower Eligibility</i>	Parent only- cannot be transferred to student.	Student- will likely require a co-signer to share liability. Parent loans are now available from select lenders.
<i>Rates</i>	5.30% fixed until June 30, 2021	Fixed or variable, dependent upon credit score and income.
<i>Fees</i>	Origination fee- 4.236% from October 1, 2019 – September 30, 2020	Most feature no fees.
<i>Tax Considerations</i>	Interest may be tax deductible.	Interest may be tax deductible.
<i>Features</i>	May request deferment while student is enrolled at least half time. Many repayment plan options, including income-based plans. Deferments or forbearances available for hardship.	May choose to defer payments until graduation. Repayment terms range from 10 to 25 years. There will likely not be an income-based repayment option. Deferment and forbearance options for hardship may be available but vary widely and are less flexible.
<i>Forgiveness</i>	Federal insurance forgives loan in case of parent or student death.	Some lenders will dismiss loan in case of death- see disclosures.

For more information regarding Parent PLUS Loans, please visit [Financial Aid: Direct PLUS Loan](#).

For more information regarding Private Loans, including our historical lender list, please visit [ELM Select](#). This is NOT a preferred lender list. Dickinson does not endorse any particular lender(s). You have the right to choose any lender you desire.

We strongly urge families to contact their financial planner or a tax professional for further assistance particularly if considering non-educational financing products such as borrowing from home equity or retirement.

As a note of caution, retirement distributions are counted as income when determining need. Please speak with your financial aid counselor to determine if taking a distribution to pay college expenses will negatively affect your grant in future academic years.