

Student Loan Comparison 2009/2010

Quick Reference Guide for Academic Year: July 1, 2009 to June 30, 2010



Loan Type		Subsidized Stafford	Unsubsidized Stafford DEPENDENT Students	Unsubsidized Stafford INDEPENDENT Students	Federal Parent PLUS Grad PLUS	Alternative Complete Ed Private Loan
Eligible Borrowers		<ul style="list-style-type: none"> • Dependent undergrad • Independent undergrad • Grad/professional student • Based on financial need 	<ul style="list-style-type: none"> • Dependent undergrad • Not based on financial need 	<ul style="list-style-type: none"> • Independent undergrad or dependent student whose parent applied for but was unable to obtain Parent PLUS Loan. • Grad or professional student • Not based on financial need 	<ul style="list-style-type: none"> • Creditworthy parent or step-parent of dependent undergrad • Graduate or professional • Not based on financial need 	New Loan Applications accepted through Feb. 12, 2010. Student is the borrower and must qualify; a creditworthy co-signer may be required.
Annual Borrowing Limit If student does not accept the maximum amount offered for each year, the maximum funds cannot be requested during that year if needed.	Year 1	\$3,500	\$5,500 minus Subsidized Stafford awarded	\$9,500 minus Subsidized Stafford awarded	Eligible loan amount - the cost of education less financial aid the student receives	Minimum: \$2,500/year Maximum: \$25,000/year
	Year 2	\$4,500	\$6,500 minus Subsidized Stafford awarded	\$10,500 minus Subsidized Stafford awarded		
	Year 3 - 5	\$5,500	\$7,500 minus Subsidized Stafford awarded	\$12,500 minus Subsidized Stafford awarded		
	Grad	\$8,500	N/A	\$20,500 minus Subsidized Stafford awarded		
Aggregate Limits	Undergrad	\$23,000	\$31,000 minus subsidized Stafford total previously borrowed	\$57,500 minus subsidized Stafford total previously borrowed	No cap	Aggregate: \$125,000
	Graduate	\$65,500	N/A	\$138,500 minus subsidized Stafford total previously borrowed		
Interest Rate		Variable: 5.6% Undergraduate Fixed: 6.8% Graduate	Fixed 6.80%	Fixed 6.80%	Fixed 8.50%	Variable interest rate based on prime (exact interest rate factors in cosigner's credit history)
Interest Rate for loans disbursed July 1, 1998 to June 30, 2006		Stafford Loans, in school, grace or deferment: Variable 1.88% Stafford Loans, repayment or forbearance: Variable 2.48%			Variable 3.28%	
Borrower Fees		Default Fee 1%, Origination Fee 0.5% (from loan proceeds)			Default Fee: 1% Origination Fee: 3% (from loan proceeds)	Credit Union Member discount 0.25%; ACH payment discount 0.25% applies at repayment. May be terminated after 3 NSF notices.
Disbursement		Loan proceeds are sent to the school, generally in at least two disbursements.			Loan proceeds are sent to the school, co-payable to the borrower and school, generally in at least two disbursements.	Co-payable to student borrower and school (paper disbursement). Electronic disbursement sent directly to school.
Repayment		Repayment begins six months after the student drops below half-time status or graduates. May prepay any part of loan at any time without penalty. The government pays the interest on the loan while the student is in school and for six months after leaving school (including graduation).	Same as subsidized Stafford. However, interest is payable from the date of disbursement and, if deferred, will be capitalized to the loan balance after the in-school, grace, or deferment period ends. Unsubsidized Stafford borrowers can avoid the extra cost of capitalization altogether by paying the accrued		First payment due within 60 days after final disbursement. Any part of loan may be prepaid any time without penalty. Parent PLUS loans made/after 7/01/08, borrower has option to postpone repayment until six months after student ceases at least 1/2 time enrollment. Grad PLUS borrower may receive deferment while enrolled at least 1/2 time.	Defer principal and interest fully during in-school attendance. Six month grace period begins immediately following completion of school. Co-signer release is eligible after 48 on-time monthly payments, requested by borrower. Other credit requirements need to be met.
Repayment Schedules		Standard (regular principal and interest payments over 10 years) Borrower automatically gets this option, unless they specify otherwise. Graduated (2-4 years interest only payments followed by standard payments) Income-Sensitive (based on gross income) • Extended (regular principal and interest payments over 25 years)				
		Borrower has up to 10 years to repay with a \$50/month minimum payment. Borrower has up to 25 years to repay if their first loan was made on or after 10/7/98 with a balance greater than or equal to \$30,000				

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