

Additional Loan Eligibility GradPlus vs. Private Loan Comparison

Dental students can now choose between the Grad Plus and the Private/Commercial Loan to bridge the gap between their financial aid package and the remaining cost of education.

The new Graduate PLUS (Grad PLUS) loan is the biggest change in graduate financial aid in nearly 15 years. As a result, many students will no longer be utilizing a commercial loan to finance their dental education. Lenders reviewed the regulations and developed different discounting models to provide dental students competitive loan options.

Your award letter shows your eligibility amount under Additional Loan Eligibility. Please review this information before making your borrowing choice between a GradPlus and Private loans.

How Grad PLUS differs from commercial/private loans.

- The interest rate is fixed for the life of the loan at 8.5%.
- Offers the same deferment and forbearance options as the federal Stafford Loan
- Lenders are required by federal regulation to charge an “origination fee” of 3%
- The credit requirement is less stringent than commercial loans
- The interest rate charged is the same for all borrowers
- The Grad PLUS may be consolidated with other federal loans
- Loan may be discharged in case of death or permanent disability

You may prefer the Grad PLUS if:

- You like the certainty that a fixed-rate loan provides
- Your credit is good, fair, or poor, your cost will likely be lower
- You like the protection that the greater deferment and forbearance options provide

You may prefer a private/commercial loan if:

- You are comfortable with the possibility of interest rates increasing beyond the interest rate cap of the Grad PLUS loan.
- You have top-tier credit – at this point in time, these borrowers will presently be charged less interest, but if interest rates continue to climb, this benefit decreases or disappears altogether.
- You believe that there is very little possibility that you may use the deferment or forbearance options
- You plan to borrow the loan only for a short time.

Please go to **ELMSelect.com** for a list of lenders and the products offered.