

THE STUDENT LOAN BREAKDOWN

because we know it can get a lil confusing!

	Federal Loans	Private Loans
PROS	Federal loans have fixed interest rates	Can borrow more to cover the full cost of education
	Do not require payments while in school	Interest rates are based on credit
	The government may pay your interest while you're in college	Easy application - Borrowing student loans from your own bank
	You may be able to delay repayment	
CONS	The government can garnish your salary if you default on your loan	You need to start payments while still in school
	Defaulting can also lead to the loss of other sources of income	Private student loans are not subsidized. No one pays the interest on your loan but you
	There is a maximum loan amount available, based on your dependency status and year in school	The interest rate is variable (it could change over time) may be higher
	Lengthier application	You may be not able to temporarily postpone or lower your payments

- 3 WAYS TO PAY FOR SCHOOL:**
1. SOMEONE ELSE'S MONEY
 2. YOUR OWN MONEY
 3. LASTLY...BORROWED MONEY (STUDENT LOANS)

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Subsidized Loans	Unsubsidized Loans
Based on your financial need .	You can qualify , regardless of income or your financial need.
Available only if you're an undergraduate student.	Available if you're an undergraduate or graduate student.
Government does not usually charge you interest while you're in school at least half-time, for the first six months after you leave school, during a period of deferment (a postponement of payments), and, sometimes, during repayment under an income-driven repayment plan.	Government charges interest from the time your loan is disbursed through the life of the loan, except for some periods of repayment under an income-driven repayment plan.
Your school determines the amount you can borrow, and the amount may not exceed your financial need or the limit set on how much you can borrow per year and total.	Your school determines the amount you can borrow based on your cost of attendance and other financial aid you receive and may not exceed the limit set on how much you can borrow per year and total.

CREDIT PRODUCTS. MYAFCPE. (N.D.).

HTTPS://LEARN.AFCPE.ORG/D2L/LE/ENHANCEDSEQUENCEVIEWER/6814?URL=HTTPS%3A%2F%2F77EA296D-C23E-403E-B028-472DB76DDC2B.SEQUENCES.API.BRIGHTSPACE.COM%2F6814%2FACTIVITY%2F28146%3FFILTERONDATESANDDEPTH%3D1



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