Undergraduate Loans Comparison Chart

	Federal Direct Subsidized & Unsubsidized Loans	Federal Parent PLUS Loan	College Access Loan (CAL) and Forward Loan - TX Residents ONLY	Private Education Loan	Why It is Important
Who is the borrower?	The student is the borrower.	A dependent student's natural or adoptive parent, or step-parent is the borrower.	The student is the borrower.	The student is the borrower.	Whoever is listed as the borrower is liable for the debt and responsible for repayment.
Who is the lender?	U.S. Department of Education	U.S. Department of Education	State of Texas	Depends on the loan chosen: Private Lending for Higher Education	You will have a long relationship with your lender.
Is a cosigner required?	No cosigner required.	Parent borrower can add an endorser if their credit is not sufficient.	Almost always required for undergraduate students.	Almost always required for undergraduates. Adding a cosigner will likely improve the interest rate.	A cosigner can help a student qualify for a loan. A cosigner is equally liable for the debt and responsible for repayment.
Can the cosigner be "released" from the loan?	Not applicable.	No.	No.	Varies; student must make a certain number of payments on time and pass a credit check to release the cosigner.	Cosigners may be more agreeable to cosigning if there's an opportunity to be removed from debt obligation in the future.

	Federal Direct Subsidized & Unsubsidized Loans, cont.	Federal Parent PLUS Loan, cont.	College Access Loan (CAL) & Forward Loan - TX Residents ONLY, cont.	Private Education Loan, cont.	Why It is Important, cont.
What is the annual loan limit?	Dependent students: 1st year - $5,500 2nd year - $6,500 3rd year and beyond - $7,500 Independent students: 1st year - $9,500 2nd year - $10,500 3rd year and beyond - $12,500	$20,000 per student. For Legacy Provision students, up to the student's estimated Cost of Attendance (COA) as determined by UTA, minus all other financial aid the student receives.	Students may borrow up to their estimated COA, as determined by UTA, minus all other financial aid the student receives. Minimum loan amount is $100.	Students may borrow up to their estimated COA as determined by UTA, minus other financial aid the student receives.	Most families borrow from a combination of loan programs to meet their needs.
What is the interest rate?	Fixed 6.52% for the life of the loan, unless consolidated, for loans first disbursed on or after July 1, 2026 and before July 1, 2027. Subject to change on July 1 each year.	Fixed 9.07% for the life of the loan, unless consolidated, for loans first disbursed on or after July 1, 2026 and before July 1, 2027. Subject to change on July 1 each year.	Fixed 6.30% for the life of CAL applications received on or after Aug. 1, 2024. Fixed 4.30% for the life of Forward Loan applications received on or after Aug. 1, 2024.	Varied and fixed rates available depending on borrower's and/or the cosigner's credit score(s).	Borrowers and cosigners are encouraged to consider all options. With good credit, it's possible to obtain a lower rate on a private loan compared to federal and state fixed options. If you intend to repay the loan early, it may be wise to select a lower rate on a private loan.
Does interest capitalize?	Interest capitalizes (calculated and added to the principal) upon entering repayment and again after any period of deferment or forbearance.	Interest capitalizes (calculated and added to the principal) upon entering repayment and again after any period of deferment or forbearance.	Interest is never capitalized.	Varies by lender; most capitalize upon entering repayment and again after any period of forbearance.	The more often interest is capitalized the more it will cost to pay off the loan.

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What is the loan fee? (Deducted from disbursement.)	1.057% for all borrowers for loans first disbursed on or after Oct. 1, 2020. Subject to change on Oct. 1 each year.	4.228% for all borrowers for loans first disbursed on or after Oct. 1, 2020. Subject to change on Oct. 1 each year.	No origination fee will be assessed for all approved borrowers.	Varies but most private loans do not have upfront fees.	Federal loans have fees which are deducted from the loan disbursements while most private loans do not.
What is the application process?	Students complete a FAFSA online at StudentAid.gov. Students may accept loan offers in MyMav, then complete the Master Promissory Note (MPN) online at StudentAid.gov.	Parents apply online at StudentAid.gov.	Students apply online at www.HHLoans.com. Loan process is about 3-4 weeks.	Apply online with the lender of your choice: Private Lending for Higher Education.	Almost all education loan processes are now online. It is critical that you check your email and keep track of when additional steps must be completed.
What are the credit requirements?	There is no credit requirement.	There is no debt to income ratio or credit used, but cannot have any adverse credit history.	Experian Vantage Score of 650 or higher is required for approval.	Varies based on lender, most require a minimum of three years of positive credit history.	With private loans, a borrower and/ or cosigner's credit history helps determine the interest rate.
Can loans be consolidated?	Yes. Federal Direct Consolidation through the U.S. Department of Education.	Yes. Federal Direct Consolidation through the U.S. Department of Education.	Cannot be consolidated with other types of loans.	A few lenders offer private refinanced loans to assist borrowers with multiple private loans. Usually cannot be consolidated with federal loans.	Refinancing is a helpful tool for students with multiple loans of the same type held by different lenders or servicers.

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What loan repayment plans are available?	Multiple repayment plans including income-driven plans are available. More information can be found online at StudentAid.gov.	Multiple repayment plans including income based plans are available. More information can be found online at StudentAid.gov.	Repayment plans are available in 10 and 20 year terms depending on loan balance; graduate and income sensitive plans are also available.	Traditionally, private loans have repayment periods of 10-25 years based on loan balance and are typically split into equal monthly payments.	Private loans tend to have fewer repayment choice than federal or state loans.
Postponement of Payments	Forebearances and deferments for in-school enrollment, unemployment, military service, and economic hardship are available.	Forebearances and deferments for in-school enrollment, unemployment, military service, and economic hardship are available.	A list of deferment forms is available at www.HHLoans.com under “Forms.”	Some private loans have deferments and forbearances. See promissory note for details.	No one expects to be unemployed or need to postpone payments, but these options can be crucial if you need them.
What are the cancellation and forgiveness options?	Loans cancel upon death or disability of the student borrower. Some forgiveness options are available for certain public service careers.	Loans cancel upon death or disability of the student borrower. Some forgiveness options are available for certain public service careers.	Loans are cancelled upon death or total and permanent disability of the borrower.	Some lenders forgive loans in the event of the borrower’s death or total and permanent disability. See promissory note for details.	If the unexpected occurs, it’s helpful to know remaining loan balances can be forgiven.