

Federal student loans

Federal student loans, available to students who are at least half-time, typically offer the most favorable terms. Here's a description of the major student loans offered.

FEDERAL PROGRAM	REQUIREMENTS	INTEREST RATES	LOAN LIMITS
Undergraduates			
Perkins Loan	Exceptional financial need	5%; no fees; govt. pays interest while student in school.	\$4,000 per year, \$20,000 cumulative
Subsidized Stafford Loan	Eligibility based on income	6.8% in 2007-08; 6% in 2008-09; 5.6% in 2009-10; 3.4% in 2010-11; fees charged; govt. pays interest while student in school.	\$3,500 for 1st year, \$4,500 for 2nd year, \$5,500 for each following year; cumulative limit of \$23,000; larger limits for independent undergraduates.
Unsubsidized Stafford Loan	No income limits	Stays at 6.8%, fees charged, student accrues interest while in school.	Total of subsidized and unsubsidized cannot exceed above figures except for those whose parents are denied PLUS loans.
Graduate, professional students			
Perkins Loan	Exceptional financial need	5%; no fees; govt. pays interest while student in school.	\$6,000 per year; \$40,000 for undergraduate and graduate combined.
Subsidized Stafford Loan	Eligibility based on income	Stays at 6.8%; fees charged; govt. pays interest while student in school.	\$8,500 per year; cumulative total undergrad, grad \$65,500.
Unsubsidized Stafford Loan	No income limits	Stays at 6.8%	Combined Stafford loans can total up to \$20,500 per year; cumulative total undergrad and grad of up to \$138,500, including \$65,500 subsidized.
Grad PLUS		7.9% from government; 8.5% from private lenders; fees charged; in-school deferment can be requested.	Maximum amount is cost of attendance minus any other financial aid received.
Parents			
Parent PLUS	For parents of dependent undergraduates. Also for independent undergraduates or dependents whose parents are denied PLUS Loans; credit check required.	7.9% from government; 8.5% from private lenders; fees charged; payments begin 60 days after disbursement.	For parents, maximum amount is cost of attendance minus any other financial aid the student receives; independent undergraduates may borrow \$4,000 in each of first two years; \$5,000 annually after that.