

Partnership No-Cosigner Loan for Graduates or PLUS Loan?

The federal government offers PLUS Loans to help with college costs not covered by other financial aid. However, the PLUS loan comes with an upfront fee of more than 4% while the Partnership No-Cosigner Loan for Graduates has no fees and rates that are lower than or competitive with the PLUS rate. This side-by-side comparison of the Partnership No-Cosigner Loan for Graduates to the PLUS Loan may help you determine which is better for your financial situation.

| | Partnership No-Cosigner Loan for Graduates | Grad PLUS Loan |
|--|---|--|
| Borrower | Graduate student enrolled in full-time studies at an Iowa college or university | Student (for graduate or professional degree students) |
| Interest and Annual Percentage Rates (APRs) | Immediate Payment: ▶ 7.81% fixed interest rate (7.80% APR ¹) Interest-Only Payment: ▶ 7.86% fixed interest rate (7.86% APR ²) Deferred Payment: ▶ 8.15% fixed interest rate (7.68% APR ³) Visit www.iowaStudentLoan.org for full details on rates and terms. | 9.08% fixed interest rate (8.90% APR ⁴) PLUS Loan rates change every year on July 1. The rate you receive is determined by disbursement date (when money is sent to the school), not by application date. The rate listed above is for loans first disbursed on or after July 1, 2024, and before July 1, 2025. |
| Origination Fee | 0% | 4.228% for loans first disbursed on or after Oct. 1, 2020, and before Oct. 1, 2025 |
| Payments Required While the Student Is Enrolled | In-school payments may be required based on the loan selected. You may choose options requiring principal and interest payments or interest-only payments while you're enrolled in school or choose to defer all payments while you're enrolled. | Repayment for grad PLUS loans begins six months after you graduate, leave school or drop below half-time enrollment. |
| Employment and Income Criteria | No employment or income check requirement, however, a specific credit score is necessary to qualify for the loan | No employment or income check requirement to determine eligibility for the loan |
| Cosigner Requirement | This loan does not allow cosigners. | A cosigner is not required; however, an endorser can help an applicant with an adverse credit history qualify for the loan. |
| Borrower Benefits | 0.25% interest rate reduction with automatic payment withdrawal | 0.25% interest rate reduction with automatic payment withdrawal |
| Repayment Term | 10 or 15 years | 10–25 years |



Have High-Rate Loans Already?

If you have private loans with high interest rates, you may be able to refinance today for a lower rate. We offer regular refinancing, where repayment begins immediately, as well as an in-school refinance that lets you delay repayment until after college.

Before applying for an education loan from any lender, including the Direct PLUS loan, you should consider additional characteristics, including: credit requirements, monthly payment amount, origination fees, capitalization frequency, borrower benefits and protections, repayment term, when repayment begins, and the total amount to be repaid over the life of the loan. In addition, for the Direct PLUS loan consider if you may qualify for Public Service Loan Forgiveness or an Income-Driven Repayment Plan.

¹ The APR is based on borrowing \$10,000, a 0% origination fee, and a fixed interest rate of 7.81% during the 120-month principal and interest repayment period.
² The APR is based on borrowing \$10,000, a 0% origination fee, deferring principal for 51 months, and a fixed interest rate of 7.86% during the 51-month interest-only and the 120-month principal and interest repayment periods.
³ The APR is based on borrowing \$10,000, a 0% origination fee, deferring interest and principal for 51 months, and a fixed interest rate of 8.15% during the 51-month in-school and separation period and the 180-month principal and interest repayment period.
⁴ The U.S. Department of Education does not provide annual percentage rate calculations for federal student loans. As a guide for comparing costs however, the APR is based on borrowing \$10,000, a 4.228% origination fee, deferring interest and principal for 51 months and a fixed interest rate of 9.08% during the 51-month in-school and separation period and the 120-month principal and interest repayment period.