| **Federal Student Loans** | **Private Student Loans** |
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| You will not have to start repaying your federal student   loans until you graduate, leave school, or change your enrollment status to   less than half-time. | Many private student loans require payments while you are   still in school. |
| The ***interest rate*** is fixed and is often   lower than private loans—and much lower than some credit card interest rates.   View the [current interest rates](http://studentaid.ed.gov/types/loans/interest-rates)on federal student loans. | Private student loans can have variable interest rates,   some greater than 18%. A variable rate may substantially increase the total   amount you repay. |
| Undergraduate students with ***financial need***   will likely qualify for a ***subsidized loan*** where the government   pays the interest while you are in school on at least a half-time basis. | Private student loans are not subsidized. No one pays the   interest on your loan but you. |
| You don’t need to get a credit check for most federal   student loans (except for PLUS loans). Federal student loans can help you   establish a good credit record. | Private student loans may require an established credit   record. The cost of a private student loan will depend on your credit score   and other factors. |
| You won’t need a cosigner to get a ***federal student   loan*** in most cases. | You may need a cosigner. |
| Interest may be tax deductible. | Interest may not be tax deductible. |
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| If you are having trouble repaying your loan, you may be   able to temporarily postpone or lower your payments. | Private student loans may not offer ***forbearance***   or ***deferment*** options. |
| There are several repayment plans, including an option to   tie your monthly payment to your income. | You should check with your lender to find out about your   repayment options. |
| There is no prepayment penalty fee. | You need to make sure there are no prepayment penalty   fees. |
| You may be eligible to have some portion of your loans   forgiven if you work in public service. Learn about our [loan forgiveness programs](http://studentaid.ed.gov/repay-loans/forgiveness-cancellation). | It is unlikely that your lender will offer a loan   forgiveness program. |
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