

The Student Loan

The rising costs of college tuition have made it almost a necessity to apply for a student loan today. Students not only have tuition costs, but the cost of books, meals, gas, cell phones, recreation, etc. The variety of student loans enables students to take care of their varying college expenses. A student loan however, is a loan that must be repaid under specified circumstances.

Each of the following are student loans with differing conditions and time frames for repayment:

? A Direct Student Loan is a loan with a schedule of repayment six to nine months after the student has completed school. The Direct Student Loan is distributed through the school the student is attending, which enables the interest rates to be much lower than a Guaranteed Student Loan.

? Guaranteed Student Loans, also known as Stafford Loans have a low interest rate. A student can apply for a subsidized or unsubsidized student loan. A subsidized loan means the government pays the interest for you while you are in school. The subsidized student loan is based on the student's financial need. An unsubsidized student loan means you will be charged interest while you are attending school. The principal must start being paid after you have finished school. Both types of student loans need to start repayment six months after the student has finished college.

? Federal Parent Loans or PLUS loans as they are known is a student loan not contingent on your income, but lenders do consider personal credit history. Parents or guardians who have a dependent child enrolled in college at least part-time are eligible for the PLUS loan. The interest rate is 9% or less.

Virtually any school or program will allow you to utilize the Direct Student loan, Guaranteed Student loan or PLUS loan. It is very important to thoroughly research all available options for funding long-term education. Your future is tied to your funding, which is your student loan.

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About the Author

John Williams is the student loan blogger at <http://studentloan.blogspot.com>. He reviews student loans and interprets often complicated financial data into simple to understand language.