



SAY YES TO YOUR STUDENT'S FUTURE

TAYLOR
UNIVERSITY®
2006-2007

DO YOU NEED HELP PAYING FOR COLLEGE?

The PLUS Loan is a low-interest education loan that allows you to fund the entire cost of your student's education minus financial aid already awarded. Before making your decision, please take a moment to consider the compelling differences between applying for a PLUS Loan over a home equity line or cosigning for an alternative loan.

	FEDERAL PLUS LOAN	ALTERNATIVE LOANS	HOME EQUITY LINE OF CREDIT
INTEREST RATE	Fixed at 8.5% starting July 1 st , 2006.	Variable, usually no cap. Many programs reset quarterly.	Variable or Fixed. Based on Prime Rate (appr. 6%) plus a margin. Always capped at 18%. Another consumer index can also be used.
CURRENT INTEREST RATE 2006-2007	The current federal 2006-2007 interest rate is 8.5%. Student Loan Xpress offers borrower benefits that can reduce the rate or the principal of the loan. Check with your school to see what program they participate in. <i>(Applies to loans first disbursed on or after July 1st 2006)</i>	Varies from lender to lender. Usually based on a consumer index (prime, commercial paper, LIBOR, etc.) plus a margin.	Varies from lender to lender. Usually resets immediately upon Prime Rate change. Ranges from 4.5%-9.25% with a fixed rate normally in the higher range.
BORROWER	Parent. Loan is in parent's name.	Student. While loan is in student's name, usually parent is included as a cosigner. Cosigner bears equal responsibility for loan repayment.	Parent or Student. Typically a parent since loan must be in a homeowner's name.
LOAN AMOUNTS	Up to cost of student's education minus other financial aid.	Minimum and maximum borrowing limits vary from lender to lender.	Borrow the money as needed for a specific duration (5-10 years, for example), utilizing cash advances or checks, up to the credit limit. Loan amounts range from \$25,000 to \$500,000 (usually the appraisal home value).
CANCELLATION	Loan forgiven if student or parent dies.	Not usually discharged if student dies.	Loan is not discharged if borrower dies – debt will be satisfied by estate proceeds. "Good Faith Fee" normally credited upon loan close. Early termination fee usually applies.
INTEREST ACCRUAL	Parent may postpone payments up to 4 years – interest accrued during postponed period is capitalized. Parents may also choose to make interest-only payments while student is in school.	Interest accrues while student is in school. Some programs require student to make minimum monthly payments or interest-only payments while in school. If deferred, repayment usually begins 6 months after student graduates or leaves school.	During the "draw" period (5-10 years, for example), pay only the interest. Remaining interest plus principal payments are usually due for the subsequent 20 years.
DEFERMENT/FORBEARANCE	Deferment and forbearance options available.	Varies from lender to lender. Check with lender for availability.	Deferment and forbearance options are usually unavailable.
QUALIFYING	Based on credit history; debt-to-income is not considered thus making it easier to qualify.	Varies from lender to lender but often debt-to-income ratio is considered in credit decision.	Based on many factors that may include: credit history, satisfactory home appraisal, title review, proof of property/flood insurance, and no change in financial condition/job situation.
EASE OF APPLICATION	Very easy. Parents can get pre-approved and/or apply by fax, telephone, or online.	Usually more difficult. Supporting documentation generally required (proof of income, co-borrower addendum, etc.)	Somewhat easy. Homeowners can get pre-approved online in less than 30 minutes. Further documentation is needed such as an updated home appraisal.
FEES	Typically 3% origination fee and 1% Federal Default Fee.	Fees vary from lender to lender. May include origination and/or repayment fees.	Fees vary, including: home appraisal fee, application fee, origination fee, points (pay a certain percentage up-front to lower the interest rate), closing costs, and annual fees.
REPAYMENT TERM	10 years.	Varies among lenders. Typically, 10-25 years.	Typically, 10-30 years.

FEATURES AND BENEFITS

- Can be used to supplement your child's Federal Stafford Loan funding or cover the full cost of tuition and fees (less other financial aid)
- Is not dependent on your family's income or assets; credit checks are required
- Has a fixed rate that is at 8.5%
- Does not require collateral or cosigners
- No payments for up to 4 years while student is in college*
- Prepayment can be made at any time without penalty
- The loan will be forgiven, in full, in the event of permanent disability of the borrower or death of the borrower or student

STUDENT LOAN XPRESS YOUR PLUS LOAN XPERT

Choosing a lender is an important decision, one that will affect you for the life of your loan.

OUR BENEFITS INCLUDE

- Dedicated experts available 7 days a week at 1.866.759.7737 to answer your questions
- Borrower benefits with real money saving offers
- Second Look® Program to assist with credit approval if needed
- Lending experience with top universities in the country
- Easy application process by mail, fax, phone or online
- Efficient processing for fastest loan delivery

*Parents need to request this option annually.

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