

# What is a "Private" Student Loan?

Not eligible for federal student loan forgiveness programs

Not eligible for federal repayment programs

Usually requires good credit or a cosigner

## What are the Differences Between Federal & Private Student Loans?

Federal student loans are disbursed by the government, the conditions are mandated by law, and include specific protections (fixed interest rates and income-driven repayment plans) not usually associated with private loans. Unlike federal loans, private loans are disbursed by private companies like banks or credit unions. Private loans have terms and conditions that are set by the lender. Private student loans are generally more expensive and offer less benefits than federal student loans.

## How Do I know If I Have a Private or Federal Loan?

- ✓ Federal student loan information can be found by going to [www.StudentAid.gov](http://www.StudentAid.gov).
- ✓ If you do not know the name of your lender or servicer, and you cannot find your loan information at [StudentAid.gov](http://StudentAid.gov), you most likely have a private loan.
- ✓ You can find information about your private loan by checking your credit report.

## Are There Different Interest Rates With Federal and Private Loans?

Federal loans have fixed interest rates that are usually lower than private loans. Private student loans can have variable or fixed interest rates. The interest rate on private student loans can be higher or lower than the interest rate on federal loans.

## Do Private Student Loans Have Repayment Plans?

Only federal student loans have mandated repayments plans by the government. If you have a private student loan, and are struggling to make your monthly payment, you should contact your loan servicer to inquire about any repayment plans they offer.

### COVID-19 UPDATES

#### State-specific Relief - Private Loans

Multi-state agreement with private student loan companies in California, Colorado, Connecticut, Illinois, Massachusetts, New Jersey, Vermont, Virginia, and Washington.

- Forbearance relief for at least 90 days
- Stopping debt collection lawsuits for at least 90 days.
- Waiving late payment fees.
- Stopping negative credit reporting
- Working to enroll borrowers in other assistance programs.
- New York State reached a similar agreement.
- Texas has issued a state court order limiting wage garnishment on defaulted debts until after May 7, 2020.
- Washington, D.C. has issued an order prohibiting debt collection activity until at least June 12, 2020.
- Kentucky and North Carolina stopped collections on state-held debt