

Are Federal Student Loans a better option for borrowing for college?

Federal student loans will provide their borrowers with many more benefits than a typical private bank loan. Some of these benefits include: lower fixed rates, cancellations for certain employment, deferment of loan payments if borrower re-enters school, other deferment options, and many income-based repayment plans. Private loans on the other hand will require a credit check prior to receiving any loans. Therefore, students and families should try to exhaust all their options with a federally backed loan before considering a private bank loan.