

2. Unsubsidized vs Subsidized loan:

Federal loans can be either subsidized or unsubsidized. A subsidized student loan means that the gov pays the interest for you while you're in school, as long as you're enrolled at least half time.

An unsubsidized student loan means that interest "accrues" even while you're in school. Some federal loans and nearly all private loans are unsubsidized.

3. Loan Length of Repayment

When you start repaying a loan, you have a set amount of time to repay your loan known as the length of repayment. A longer length of repayment means a lower monthly payment, but it also means a higher total amount repaid over the life of the loan.

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5. Monthly Loan Payments

The principal, interest rate, and length of repayment of a loan determine your monthly loan payment. This is the amount you'll need to pay each month. Each loan has a separate monthly loan payment, so if you have more than one loan, you will have to pay several loan payments each month. Hence, you should choose monthly instalments very carefully. ■

Private Student Loan Volume in Billions
as reported by large bank lenders

