

## Low interest student loans

Wednesday, 12 December 2007

Federal student loans offer low interest rates for students who need financing of either undergraduate or graduate studies. Parents can also take this loan on behalf of their children. There is no collateral required and the interest rates are fixed. One of such loans is the Federal Parent Plus loan. Though there are other available sources of low interest student loans it is advisable to go for the credible one.

Credible companies that offer low interest student loans are available on the internet and can be found by search on the internet for their websites. Not all students are able to meet the criterion for eligibility but be that as it may the more you meet the criteria the lower the rates you will need to pay.

Another low interest student loan is the Federal Perkins Loan. It is a Federal loan for students who are in very high need for financial assistance. They offer interest rates as low as five percent. A strategic way to drive down interest rates is to make a huge down payment. The lending company has more confidence in people who pay ahead of time because they believe that they are not likely to default. Longer periods of repayment will attract higher rates. To attract lower interest rates it is advisable to take the options of shorter terms. Finding low interest rate is not a white elephant chase it only requires prior planning, careful negotiation and self discipline. You could apply for different types of loans that offer very low interest rates and other attractive payment terms.

You may also go for a non-credit Federal online loan program but the snag here is the loan amount per year since most students prefer loans that would cover all tuition expenses. It is definitely not a bad idea to earn a clean record for a start, prior to applying for private student loans with fantastic rates. Better still, you could first apply for a non-credit Federal loan then later apply for a private student loan for additional funds to make sure that you don't have a cash-crunch throughout your college days. As the saying goes, different situations require different solutions; do your self a favor by assessing your needs first and your ability to pay before signing up for a federal or private student loan. Either way, the aim is to secure a low interest loan with flexible payment terms.