



Student Loan Tips

Choosing Between Fixed and Variable Interest Rates

Trying to choose between a fixed or variable rate on your private student loan? Here's what you need to know to make the smart choice.

By **Brian Carp** / May 26, 2025

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When applying for a private student loan, one of the most important decisions you'll make is choosing between a fixed and variable interest rate. Each option comes with its own risks and benefits, and the right choice depends on your financial goals and tolerance for uncertainty.

Here's a breakdown to help you decide:

Fixed Interest Rate

- Stays the same for the life of the loan
- Offers predictable monthly payments
- Great for students who want stability and plan to repay over a longer period
- Typically starts higher than variable rates

Variable Interest Rate

- Starts lower than fixed but can increase or decrease based on the market
- Monthly payments may change over time
- Better for students who plan to pay off the loan quickly or who are comfortable with rate changes
- Can become more expensive if interest rates rise significantly

Which Should You Choose?

If you value predictability and want to avoid surprises, a **fixed rate** is often the safer choice. If you're planning to pay off the loan fast — or expect market rates to stay low — a **variable rate** might save you money in the short term.

At GradBridge, we offer **transparent rate options** tailored to students who were declined by traditional lenders but still demonstrate strong potential. Our second-look student loans are built to give students access to responsible credit with clear repayment terms.

Before you choose, use a loan calculator to estimate how much you'll pay under different scenarios — and talk to your cosigner about what's most comfortable for your situation.

Choosing the right interest rate today can save you money — and stress — in the future.