

# Consolidating vs. Refinancing

## Similarities

Both combine multiple loans into one loan (which means one monthly payment and repayment plan)

Both offer the opportunity to change term(s) of the loan(s)

## Differences

<b>Interest Rate</b>	Consolidate	weighted average of the interest rates on the previous loans
	Refinance	new interest rate, often lower (if you have good credit)
<b>Loan Eligibility</b>	Consolidate	Federal loans only
	Refinance	Private, federal and/or any combination