

## Alternative Student Loan FAQ's

### **Why should I consider applying for an Alternative Student Loan?**

Alternative student loans are intended to be used to fill the gap between your resources, awarded financial aid, and your annual cost of attendance. If all these sources are not sufficient to finance your education, an alternative loan may be a good option for you.

### **How much am I eligible to borrow?**

The maximum you can borrow is your cost of attendance, minus all sources of financial aid received. However, we recommend borrowing as little as you need. If you have any questions determining your eligibility, the Financial Aid Office can assist you.

### **Where can I find up-to-date interest rate information?**

Grad PLUS loans have a fixed interest rate of 7.9%, while private loans have a variable interest rate that is usually tied to LIBOR or prime rate. The following website offers current interest rate information which can be helpful when trying to determine potential interest rates for private loans: [www.bankrate.com/cbsmw/ratehm.asp](http://www.bankrate.com/cbsmw/ratehm.asp). You will not know what interest rate is going to be offered until after you apply for the private loan. Further information about private loans is available at [www.finaid.org/loans/privateloan.phtml](http://www.finaid.org/loans/privateloan.phtml).

### **How can I determine which loan is best for me?**

If you are interested in public service, government, or modest paying work, you should consider Grad PLUS loans. Grad PLUS are eligible for a variety of loan repayment assistance programs, including Income Based Repayment (IBR), Loan Forgiveness for Public Service Employees, and the Law School's Income-Based Debt Management Program (LRAP). Private loans are not eligible for these programs, and offer very little flexibility during repayment. The following website allows you to compute the various terms set by each lender using their listed interest rates, fees, and repayment periods: [www.finaid.org/calculators/loananalyzer.phtml](http://www.finaid.org/calculators/loananalyzer.phtml).

### **I have chosen a lender and know how much I want to borrow, what do I do now?**

If you would like to borrow a Grad PLUS loan, please be sure to complete the school's [Grad PLUS loan application](#), and **not** the one on the StudentLoans.gov website. If you have chosen a private loan, most lenders offer an online application process. If you feel more comfortable with a hard copy application, you may contact the lender for private loans, or the Financial Aid Office for Grad PLUS loans.

### **I have completed the loan application and have been approved. When will I receive the funds?**


Loans typically have multiple disbursements (a percentage released each semester). If your loan application is submitted at least one month prior to the beginning of classes, your first disbursement should be available by the first day of classes. Otherwise, it is a good rule of thumb that the total processing time is either 2-3 weeks for a Grad PLUS loan, or 3-4 weeks for a private loan.

### **How can I obtain a copy of my credit report?**

You can request a free copy of your credit report once every 12 months at [www.annualcreditreport.com](http://www.annualcreditreport.com). Any of the following national credit bureaus will send you a copy for a small fee:

Experian:	1-888-397-3742
TransUnion:	1-800-888-4213
Equifax Credit:	1-800-685-1111

## Grad PLUS vs. Private Loans

	<p style="text-align: center;"><b>Federal Graduate PLUS Loan</b>  <b>Department of Education</b>                      Qualifies for federal loan forgiveness program and Income Based Repayment.                      Further information is available at <a href="#">CCRAA FAQ</a>.</p>	<p style="text-align: center;"><b>Private Loans</b>  <a href="#">Borrower Self-Certification Form</a>                      Requirement for private loans</p>
<p><b>Phone</b> <b>Website</b></p>	<p style="text-align: center;">800.848.0979  <a href="#">Application instructions</a>                      Please complete the application using the link above, and not on studentloans.gov.                      If you do apply on studentloans.gov, we cannot process your loan.</p>	<p style="text-align: center;">The site below is designed to compare private lenders:  <a href="http://www.simpletuition.com/student_loans_home?brnd=dtc">http://www.simpletuition.com/student_loans_home?brnd=dtc</a></p>
<p><b>Loan Limits</b></p>	<p>Maximum: Cost of education minus all other aid received for academic year.                       Minimum: None                      Aggregate: None</p>	<p>Maximum: Cost of education minus all other aid received for academic year.                       Minimum: Varies                      Aggregate: Varies</p>
<p><b>Fees: insurance, origination and/or guarantee</b></p>	<p>Four percent at disbursement</p>	<p>Varies and is usually determined by credit history</p>
<p><b>Interest Rates</b></p>	<p>Fixed 7.9%</p>	<p>Variable (determined by credit history)                      No cap on the interest rate</p>
<p><b>Repayment</b></p>	<p>6-month deferment after graduation                       Up to 25 years                       No pre-payment penalty                       .25 percentage point interest rate reduction with auto-debit                       Grad PLUS loans do qualify for Income Based Repayment (IBR), Loan Forgiveness for Public Service Employees, and the Law School's Income-Based Debt Management Program.                       Federal loans come with generous amounts of deferment and forbearance for economic hardship/unemployment (up to 6 years)</p>	<p>Grace period after graduation varies                       Length of repayment varies by lender but is usually not more than 20 years                       Make sure there are not any pre-payment penalties                       Private loans <b>do not</b> qualify for Income Based Repayment (IBR), Loan Forgiveness for Public Service Employees, or the Law School's Income-Based Debt Management Program. If you have any questions about this, please contact the Financial Aid Office.                       Private lenders offer minimal amounts of forbearance for economic hardship/unemployment (3 – 12 months max)</p>
<p><b>Eligibility</b></p>	<p>Enrolled at least half-time                      No 90 day or more delinquency                      U.S. citizen or eligible non-citizen                      No default on student loans</p>	<p>May be enrolled less than half-time                      Cosigner is encouraged                      Qualifying credit history</p>

Some private lenders offer loans to international students and usually require a US citizen as a co-signer.

For current terms/interest rates please contact your lender.

For loan terms for other private lenders please visit [www.finaid.org/loans/privatestudentloans.phtml](http://www.finaid.org/loans/privatestudentloans.phtml).

**Please note that there are regulations for private loans that require additional disclosure statements due to the Truth-In-Lending-Act. You can help by submitting the Borrower Self-Certification Form promptly, and by allowing at least three weeks for the entire process.**

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