

# 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.

## **Which lender does the Financial Aid Office recommend?**

The lenders on this list are only a sample of alternative lenders currently utilized by some of our students. You are not limited to the lenders listed, although each lender listed has been added because of the favorable terms offered, and their record of good customer service. You should select your lender carefully based on criteria that meets your borrowing needs.

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

The following Web site offers current interest rate information:

[www.bankrate.com/cbsmw/ratehm.asp](http://www.bankrate.com/cbsmw/ratehm.asp). You can also check directly with the lender.

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

Interest rates and fees can vary by lender. We would like to encourage you to visit the following Web site: [www.finaid.org/calculators/loananalyzer.phtml](http://www.finaid.org/calculators/loananalyzer.phtml). This comprehensive Web site allows you to compute the various terms set by each lender, using their listed interest rate, fees, and repayment period.

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

Most lenders offer an online application process. If you feel more comfortable with a hard copy application, you may contact the lender to request one. In order to ensure proper processing, your application must be certified by the school before any lender will disburse funds.

## **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 on the first day of class. Otherwise it is a good rule of thumb that the total process takes two to three weeks from submission of the application until funds are available.

## **How can I obtain a copy of my Credit Report?**

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

## 2008-2009 Sample List of Alternative Loan Providers

	<b>Federal Graduate PLUS Loan Department of Education</b>	<b>* CITIBANK: CitiAssist</b>	<b>* Sallie Mae: LawLoans Private Loan</b>
<b>Phone Web site</b>	800.848.0979 <a href="#">Application instructions</a>	800.967.2400 <a href="http://www.studentloan.com">www.studentloan.com</a>	800.634.9308 <a href="http://www.customschool.com/umich/smet/law/">www.customschool.com/umich/smet/law/</a>
<b>Loan Limits</b>	Maximum: Cost of education minus all other aid received for academic year.  Minimum: None Aggregate: None	Maximum: Cost of education minus all other aid received for academic year.  Minimum: None Aggregate: \$180,000	Maximum: Cost of education minus all other aid received for academic year.  Minimum: \$500 Aggregate: \$150,000 - none with co-signer
<b>Fees: insurance, origination and/or guarantee</b>	Two and a half percent at disbursement  Additional one and a half percent fee if the first 12 payments are NOT made on time	Zero to three and a half percent ( determined by credit history)	None
<b>Interest Rates</b>	Fixed 7.9%	Interest rates range from Prime rate plus 1% to plus 4% (determined by credit history) both while in school and in repayment	One eligible individual: LIBOR rate plus 4.5% to LIBOR plus 11.25% Two eligible individuals: LIBOR rate plus 4.5% to LIBOR plus 10.25%
<b>Repayment</b>	30 - 45 days after last disbursement  In school deferment  Up to 25 years No pre-payment penalty .25 percentage point interest rate reduction with auto-debit	9-month grace period after graduation  Up to 20 years No pre-payment penalty Interest-only option: 24 or 48 months of interest-only payments	9-month grace period after graduation  Up to 20 Years No pre-payment penalty .50 percentage point interest rate reduction with auto-debit
<b>Eligibility</b>	Enrolled at least half-time  No 90 day or more delinquency  U.S. citizen or eligible non-citizen  No default on student loans	May be enrolled less than half-time  Qualifying credit history	Enrolled at least half-time  Qualifying credit history

\* = Lenders that offer loans to international students. Some require a US citizen as a co-signer. (Terms may be different than those listed above. Please contact the lender)

Please note that these terms and rates are subject to change. 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).

November 14, 2008