

Private Student Loans

Private Student Loans (also known as Alternative Loans) are credit-based loans through a lending institution and are not part of the federal government programs. Prospective Private Student Loan borrowers may qualify for loans and/or other assistance under Title IV HEA programs. In most cases, the terms and conditions of Title IV, HEA program loans are more favorable than the provisions of private student loans. Research and utilize all possibilities for scholarships, grants, work study, and federal loan programs before borrowing from a private loan program.

Lenders' online resources should be used to choose the loan that best fits your needs. Individual lenders set the terms for their own loan products such as, interest rates, loan fees, cosigner release, creditworthiness, repayment term, and in-school deferments. Applications for private student loans are generally made on lender websites. Most undergraduate students will need a cosigner in order to qualify for a private loan and most borrowers will have access to better loan terms with a creditworthy cosigner.

For more information on Private Student Loan counseling, please contact the Financial Aid Office.

Regulation Requirements

As of February 14, 2010, both private lenders and institutions offering private loans to students must comply with a new set of regulations per the Federal Reserve Board.

Under the new laws, a lender offering private loans for postsecondary education expenses must **first** provide a disclosure about loan terms and features at the time of application and must disclose information about federal student loan programs that may offer less costly alternatives. If the initial application reaches an approval status, a **second** loan disclosure statement must be provided to the student at that time. If a student accepts the loan terms provided in the second disclosure statement, a **third** final disclosure must be provided when the loan is consummated.

Additionally, private loan regulations require an applicant to complete a "self-certification form" and return it to the lender before they may disburse the loan to the school. The "self-certification form" may be found on the lenders' websites or you may complete the hard copy found on the next page and return it to your lender.

Each private lender may have a slightly different application process, so it is best to contact your private loan lender directly if you have questions.

Last, a lender must provide the student with a three-day rescission or "right-to-cancel" period after the final loan disclosure form is sent to the student. The three-day rescission period means that once the school has certified your loan and it is ready to be disbursed, there is a mandatory three business day waiting period before the lender may disburse loan funds to the school.



Private Education Loan Applicant Self-Certification

OMB No. 1845-0101
Form Approved
Exp. Date 02-28-2013

Important: Pursuant to Section 155 of the Higher Education Act of 1965, as amended, (HEA) and to satisfy the requirements of Section 128(e)(3) of the Truth in Lending Act, a lender must obtain a self-certification signed by the applicant before disbursing a private education loan. The school is required on request to provide this form or the required information only for students admitted or enrolled at the school. Throughout this Applicant Self-Certification, "you" and "your" refer to the applicant who is applying for the loan. The applicant and the student may be the same person.

Instructions: Before signing, carefully read the entire form, including the definitions and other information on the following page. Submit the signed form to your lender.

SECTION 1: NOTICES TO APPLICANT

- Free or lower-cost Title IV federal, state, or school student financial aid may be available in place of, or in addition to, a private education loan. To apply for Title IV federal grants, loans and work-study, submit a Free Application for Federal Student Aid (FAFSA) available at www.fafsa.ed.gov, or by calling 1-800-4-FED-AID, or from the school's financial aid office.
- A private education loan may reduce eligibility for free or lower-cost federal, state, or school student financial aid.
- You are **strongly** encouraged to pursue the availability of free or lower-cost financial aid with the school's financial aid office.
- The financial information required to complete this form can be obtained from the school's financial aid office. If the lender has provided this information, you should contact your school's financial aid office to verify this information and to discuss your financing options.

SECTION 2: COST OF ATTENDANCE AND ESTIMATED FINANCIAL ASSISTANCE

If information is not already entered below, obtain the needed information from the school's financial aid office and enter it on the appropriate line. Sign and date where indicated.

- A. Student's cost of attendance for the period of enrollment covered by the loan \$ _____
- B. Estimated financial assistance for the period of enrollment covered by the loan \$ _____
- C. Difference between amounts A and B \$ _____

WARNING: If you borrow more than the amount on line C, you risk reducing your eligibility for free or lower-cost federal, state, or school financial aid.

SECTION 3: APPLICANT INFORMATION

Enter or correct the information below.

Full Name and Address of School _____

Applicant Name (last, first, MI) _____ Date of Birth (mm/dd/yyyy) ____/____/____

Permanent Street Address _____

City, State, Zip Code _____

Area Code / Telephone Number Home () _____ Other () _____

E-mail Address _____

Period of Enrollment Covered by the Loan (mm/dd/yyyy) From ____/____/____ to ____/____/____

If the student is **not** the applicant, provide the student's name and date of birth.

Student Name (last, first, MI) _____ Student Date of Birth (mm/dd/yyyy) ____/____/____

SECTION 4: APPLICANT SIGNATURE

I certify that I have read and understood the notices in Section 1 and, that to the best of my knowledge, the information provided on this form is true and correct.

Signature of Applicant _____ Date (mm/dd/yyyy) _____