

# Alternative Loan Information

## **What is an alternative loan?**

An alternative loan is a loan students can take out from a private lender to pay for post-secondary education. Unless a student has a well-established credit history, the student should always apply with a cosigner. Interest rates depend upon the combination of the student and cosigner's credit history. Payments begin within six months of the student's graduation, or six months from the time that they drop below half-time enrollment or withdraw from school. Students can borrow up to the full amount of their cost of attendance, minus any other financial aid awarded. Each lender has specific loan terms. Private student loans are not guaranteed by the government and their interest rates are not capped.

**Before considering an alternative loan, make sure all government and institutional finances are exhausted.** If you are not certain about this, contact the Office of Student Financial Planning (OSFP) regarding financial aid options, and/or the Office of Student Accounts regarding payment plan options.

If there are no other ways to fill the gap, shop around and research various lenders before choosing an alternative loan. Be sure to research your choices before making a final decision: the interest rates do vary and continue to change.

Keep written records of all forms, applications and correspondence, especially regarding discounts and special deals, for the entire life of the loan. Make note of anyone you speak to about the loan.

## **Questions that you should ask** any potential lender before applying for an alternative loan:

- What up-front fees will I be paying for this loan?
- What interest rate will I be paying on this loan?
- What will my payments be on this loan?
- If I do not prepay this loan, what will the total amount of this loan be, including interest?
- What is your lowest interest rate and fee combination and how can I get it?
- Is the lowest rate only for a limited period, or is it for the life of the loan?
- Is there a limit on how high the variable rate can go?
- How often is the interest rate adjusted?
- When do I have to start making payments?
- Would you allow me to defer or reduce my payments temporarily? If so, under what circumstances and for how long?
- How long will I be repaying the loan?
- How can I get the best benefits to reduce my payments at time of repayment?
- In case of permanent disability or death, what happens to my loan? What are my co-signer's obligations?

The contact information below is for lenders who work electronically with the Office of Student Financial Planning, however you may select any lender to process your loan.

<b>Discover</b>	<b>Thrivent Federal Credit Union</b>
1-877-728-3030 <a href="https://www.discover.com/student-loans/">https://www.discover.com/student-loans/</a>	1-866-226-5225 <a href="http://Thriventcu.com/studentloans">Thriventcu.com/studentloans</a>
<b>Sallie Mae Student Loans</b>	<b>PNC</b>
1-855-756-5626 <a href="https://www.salliemae.com/student-loans">https://www.salliemae.com/student-loans</a>	1-800-762-1001 <a href="http://www.pnconcampus.com/">http://www.pnconcampus.com/</a>

**How do I apply for an alternative loan?**

1. **Please wait until after June 1st to apply for an alternative loan for the upcoming school year.**
2. Go to the OSFP website at: <http://www.carthage.edu/financial-aid/loans> and choose “**Alternative Student Loan Information.**” Read the information there.
3. To begin the application process, click on “**apply online**”
4. At the resulting FASTCHOICE web site the student will be directed to an online alternative loan counseling process, which must be completed.
5. At the end of the FASTCHOICE process, the student will find a comparison chart of lender information and the needed links to apply for an alternative loan online, if they choose to use one of those lenders.
6. As part of the application process, the student must provide the lender with all the information they need and also sign a Master Promissory Note (MPN).
7. After the lender receives everything needed, the school will be sent a certification request. Upon certification the loan will be guaranteed and a disclosure statement will be sent directly to the student. **Review the disclosure statement carefully** and call your lender if you have any questions. For an all-year student, the loan will disburse in two halves: one half for the Fall term and one half for the Spring term.

**Please contact the Office of Student Financial Planning (262 551- 6001) if you have further questions about alternative loans.**