

Alternative/Private Loan

What is an alternative/private loan?

- Not guaranteed by the federal government
- Require a credit check
- May require a co-signer
- Terms and conditions vary with lender

When researching private loans, you should pay close attention to the borrower benefits, fees, interest rates, and repayment options. To calculate the interest, lenders use the LIBOR average, [Prime Rate, or the 91 Day T-Bill](#).

Why consider an alternative/private loan?

Consider this loan if:

- You have reached your Federal Direct Loan borrowing limit
- You have expenses that your financial aid (Pell Grant, federal loans, scholarships, GI Bill, etc.) does not cover
- You have a balance from a previous semester to pay
- You plan on doing a study abroad program in an upcoming term

What should I consider?

- Federal Direct Loans go into repayment when you graduate or stop attending school at least half-time. With an alternative/private loan, you may start repayment right away.
- Interest rate on a federal loan is lower than on an alternative/private loan
- Federal government will pay interest rate while in school at least half-time on a Federal Direct Subsidized Loan
- No co-signer nor credit check with federal loans

Where do I apply for an alternative/private loan?

Compare lenders and loan options and apply at [FASTChoice](#).

The Office of Financial Aid will be notified by the lender to certify your request for an alternative/private loan. Funds will be forwarded to the school and applied to your account.