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## ALTERNATIVE LOAN INFORMATION

An alternative loan (or private loan) is a credit-based loan intended for educational expense. Alternative loans offered by private lenders are NOT a part of the Federal Direct Loan program.

FINANCIAL AID BASICS	WHY GET AN ALTERNATIVE LOAN?
<ul style="list-style-type: none"> <li>➤ If borrowing to cover expenses is necessary, you should start with federal loans.</li> <li>➤ Complete a FAFSA (<a href="http://studentaid.gov">studentaid.gov</a>) to be eligible for federal loans.</li> <li>➤ Albright College Federal school code: 003229</li> </ul>	<ul style="list-style-type: none"> <li>➤ You need help to bridge the gap between your bill and the amount the financial aid that you receive.</li> <li>➤ You've met or exceeded your <a href="#">federal loan limits</a>.</li> <li>➤ You are not eligible for federal financial aid because you do not meet Satisfactory Academic Progress (SAP) standards.</li> </ul>
THINK BEFORE YOU BORROW	THINGS TO LOOK FOR
<ul style="list-style-type: none"> <li>• Alternative loans often have higher interest rates and fees than federal loans.</li> <li>• You must have a satisfactory credit history and/or use a co-signer to be eligible.</li> <li>• Alternative loans cannot be consolidated with federal loans.</li> <li>• Never borrow money you do not absolutely need.</li> <li>• Estimate what your monthly payments will be.</li> <li>• Compare your estimated monthly payment with your estimated monthly income.</li> <li>• Be realistic about what your salary will be when you graduate from college.</li> </ul>	<p><b><u>Eligibility Requirements</u></b></p> <ul style="list-style-type: none"> <li>• Does the lender require that you borrow a minimum or maximum amount?</li> <li>• Does the lender require that you meet Satisfactory Academic Progress (SAP) standards?</li> <li>• Does the lender have an enrollment requirement (half-time, full-time enrollment status)?</li> </ul> <p><b><u>Interest rates</u></b></p> <ul style="list-style-type: none"> <li>• Look at both low and high numbers and make sure you're choosing the best rate for your financial position.</li> <li>• I recommend trying not to exceed an interest rate of over 12%</li> </ul> <p><b><u>Repayment</u></b></p> <ul style="list-style-type: none"> <li>• Typically, longer repayment terms mean more overall costs, but also lower monthly payments.</li> <li>• Find out when repayment starts</li> <li>• Ask if the lender offers grace periods, deferments, or forbearance.</li> </ul>
RESEARCH, COMPARE, AND SELECT A LENDER	
<ul style="list-style-type: none"> <li>➤ Use <a href="#">ElmSelect</a> as a resource search engine for private loans.</li> <li>➤ Ask if the lender offers interest rate reductions or other incentives to borrowers</li> </ul>	

## APPLY AND WAIT

### LOAN PROCESSING AND DISBURSEMENT CAN TAKE SEVERAL WEEKS SO PLAN ACCORDINGLY

- Determine the amount you want to borrow. Your loan eligibility is based on your Cost of Attendance (COA) minus any financial aid received. Albright College cannot certify loan amount above your maximum eligibility
- Determine the **loan period** for the loan which you are requesting
  - *Academic year:* August- May
  - *Fall semester:* August- December
  - *Spring semester:* January- May
  - *Summer semester:* May- July

- Most lenders offer the choice of applying **online** or by **telephone**.
- Be sure to complete the application in full to avoid delays in the processing of your loan application.

*Pre-approval* is **NOT** the same thing as *final approval*. Once the lender receives the school certification record the loan could still be denied by the lender.

The lender will contact the Albright College Financial Aid Office via ElmOne (our loan processing system) for the school certification. “School certified” means that Albright College will certify (verify that you are eligible for) an alternative education loan if your lender’s loan eligibility requirements are met.