

WHAT SHOULD YOU LOOK AT WHEN CHOOSING AN ALTERNATIVE LOAN

When you start comparing the different private college student loan products available, you should ask lenders a number of questions to help you evaluate their different loan products. The following should help you get started:

- What are the loan's terms? Will I have at least 10 years to repay the loan?
- Can I defer the loan while I am in school? What are the terms of deferment?
- How will interest be calculated? Can I make interest only payments while I'm still in school?
- Are interest rates fixed for the life of the loan, or will they change as banking interest rates in general go up and down?
- What types fees will I be responsible for?
- What will my monthly payments be? For how long?
- Do they offer a graduated payment system where I can pay more on my loan as I begin to earn more?
- How much interest will I pay over the life of the loan?

REMEMBER:

- Research all possibilities for scholarships, grants, work study and federal loan programs before borrowing from a private loan program.
- Think about a payment plan before a loan.
- Borrow only what you truly need.