

What are private loans?

Private loans are from lending institutions; they are not part of the federal government guaranteed loan programs. Private loans are more expensive than federal government loans and should be used only when all other options have been exhausted. It's important for you to complete a FAFSA to ensure eligibility is calculated for federal loan programs, grants, and Work-Study before you borrow from a private loan program. If you need a private loan, use the comparison chart on the back of this page and research the lenders for additional information. Choose the loan that best meets your needs and remember — borrow only what you need!

What should I look for in a private loan?

Annual Percentage Rate (APR)

What is the APR on the loan? The APR is the annual cost of your loan; it includes interest and the effect of any fees and charges. APRs will differ depending on the terms of your loan and the amount of your loan. Make sure you compare like loan amounts when you compare APRs so you receive a true comparison. If the rate is variable, the APR may change during the life of the loan. Carefully consider the terms and APRs when you borrow a private loan.

Pre-approval

Do you want to know quickly if you qualify? Does the lender offer loan pre-approval over the phone or internet?

Repayment

When does repayment begin? You should make regular payments. If you have trouble making regular payments while you're in school, consider a loan that provides other options for repayment, such as deferment.

Repayment Period

How long is the repayment period you have to repay the loan? If your education costs require you to borrow large amounts, you may need a longer time to repay the loans.

Cosigner Release

Does the loan require you to have a cosigner? Does the lender offer a cosigner release option after you make a required number of on-time payments?

Repayment Incentives

Does the lender reward you when you make payments on time? Does the lender reduce the interest rate for automatic payments? Does the lender offer an interest rate reduction after a specific number of consecutive rate reduction after a specific number of consecutive on-time monthly payments?

Loan Limits

Is there a maximum amount you can borrow? Does the loan have an annual or aggregate limit? Will these limits meet your needs? It's a good idea to borrow from the same lender each year, so make sure the aggregate loan limit is high enough to cover your costs throughout your entire education.

Interest Capitalization

What happens if you choose not to pay the interest while you are in school? If you choose not to pay the interest, it may be capitalized (added to your principal balance). When is the interest added? Annually? At repayment? If the interest is capitalized annually, the loan is more expensive than if interest is capitalized once at repayment.

Servicer

Does your lender sell its loans? Some lenders sell their loans to a third party, others retain ownership throughout the life of the loan. If your loans are sold, all future correspondence should be sent to the new owner of your loan.

Give yourself credit!

Lenders use credit scores to make fast and objective decisions on which applicants are likely to repay their loans on time. Credit scoring is calculated using many pieces of your past bill payment history (number and types of accounts, late payments, outstanding debt, and the age of your accounts). The way you managed credit in the past is often a good indication of how you will manage credit in the future. Therefore, your credit score is like a snapshot of your level of credit risk at a particular time. When your credit information changes, so does your credit score. Give yourself the credit you deserve! Pay your bills on time, pay down any outstanding debt, and avoid taking on new debt or applying for too many credit cards.

MSOE's Lender Selection Policy Disclosure:

The lenders selected above were rated on various aspects of their Stafford, Parent PLUS, and alternative loan products. Each lender that submitted information to MSOE went through detailed scoring of each loan product including but not limited to benefits offered, approval rates, loan servicing, and other services offered to MSOE students. Lender selection will be reviewed annually to ensure that the benefits that lenders offer continue to adhere to our student's needs. Any lender that no longer adheres to our needs will be removed, and new lenders that meet our criteria are added. At least three lenders will be presented to you at all times. You are free to select any lender, including those not presented. Application processing will not be delayed if you choose a lender not presented. MSOE maintains a professional relationship with all lenders. Our officials are prohibited from accepting financial or other benefits in exchange for displaying lenders. These include: receiving compensation to serve on any lender's board of directors or advisory boards; accepting gifts including trips and entertainment; allowing lenders to staff our institution's financial aid office; allowing lenders to place our institution's logo on any of their products; and owning lenders' stock (only pertaining to those college officials who make loan decisions for our institution).



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Milwaukee, WI 53202-3109
Phone 1-800-778-7223
Fax 1-414-277-6952



Information Regarding

Alternative Loans



www.msoe.edu/finaid/loans



Guide to Alternative Loans

To apply online, visit MSOE's Web site at www.msoe.edu/finaid/loans and click on "Alternative Loans"

Loan Program	Wells Fargo Collegiate Loan		Sallie Mae SMART Option Loan	Discover Student Loans
Loan Servicer	Wells Fargo Education Financial Services		Sallie Mae	Great Lakes Educational Loan Services
Phone	800-658-3567		888-272-5543	877-728-3030
Eligibility of Borrower or Cosigner	<ul style="list-style-type: none"> • U.S. Citizen or permanent resident • Undergraduate or graduate student in a degree, or certificate program 		<ul style="list-style-type: none"> • U.S. Citizen or permanent resident • Undergraduate or graduate student in a degree, or certificate program 	<ul style="list-style-type: none"> • U.S. Citizen or permanent resident • Undergraduate or graduate student in a degree, or certificate program
Loan Limits	Minimum: \$1,000 Maximum: Cost of attendance minus aid		Minimum: \$1,000 Maximum: Cost of attendance minus aid	Minimum: \$1,000 Maximum: Cost of attendance minus aid
Aggregate Limits	\$120,000		\$200,000	\$120,000
Interest Rates	Variable Index + 0.25% to Index + 6.74%	Fixed 7.24% to 13.99%	Variable 1 month LIBOR + 2.0% to 1 month LIBOR + 9.88%	Variable Prime + 0% to Prime + 6.25%
Loan Fees	None		None	None
Payments Required While Enrolled	No		Yes – 3 options available	No
Repayment Period	Up to 15 years		Up to 15 years	Up to 15 years
Grace Period	6 months		6 months	6 months
Enrollment Requirements	Full-time, half-time, or less than half-time		Full-time, half-time, or less than half-time	Full-time, half-time, or less than half-time
Prior Balances	No limit with verification of current enrollment		Up to 6 months in the past	Up to 6 months in the past
Discounts/Benefits	<ul style="list-style-type: none"> • 0.25% interest rate reduction for automatic payments • 0.25% interest rate reduction upon graduation • 0.25%-0.50% Student Loan Relationship Discount • Cosigner release option after 24 consecutive on-time payments • Death and total disability protection 		<ul style="list-style-type: none"> • 0.25% interest rate reduction for automatic payments • 2% reward in borrower's Upromise account each month • Tuition Insurance Benefit • Cosigner release option after 12 consecutive on-time payments • Death or total disability protection 	<ul style="list-style-type: none"> • 0.25% interest rate reduction for automatic payments • Graduation Reward- Borrower may receive a cash reward, calculated as 2% of outstanding principle principal balance of the loan on the last day of the month of graduation