

# Alternative Loan (or private loan)

is a credit-based loan intended for educational expenses. Alternative loans are offered by private lenders and are NOT a part of the Federal Direct Loan Program.

## Financial Aid Basics

- If borrowing to cover expenses is necessary, you should start with federal loans.
- Complete a FAFSA ([studentaid.gov](http://studentaid.gov)) to be eligible for federal loans.  
*UNCG Federal School Code: 002976*

## Why Get an Alternative Loan?



- You need help to bridge the gap between your bill and the amount the financial aid that you received.
- You've met or exceeded your [federal loan limits](#).
- You are not eligible for federal financial aid because you are not meeting Satisfactory Academic Progress (SAP) standards.

## Think Before Your Borrow

- \* Alternative loans have higher interest rates and fees than federal loans.
- \* You must have a satisfactory credit history and/or use a co-signer to be eligible.
- \* Alternative loans cannot be consolidated with federal loans.
- \* Never borrow money you do not absolutely need.
- \* Estimate what your monthly payments will be.
- \* Compare your estimated monthly payment with your estimated monthly income.
- \* Be realistic about what your salary will be when you graduate from college.

Determine the amount you want to borrow. Your loan eligibility is based on your Cost of Attendance (COA) less any other awarded financial aid. UNCG cannot certify your loan amount above your maximum eligibility.

Determine the **loan period** for the loan which you are requesting.

Academic year: August 2023—May 2024

Fall semester: August 2023—December 2023

Spring semester: January 2024—May 2024

Summer semester: May 2024—July 2024

## Research, Compare and Select a Lender

Do an online search for "[Private Student Loans](#)". It's important to check out the different options and compare lenders and loan details.

### THINGS TO LOOK FOR:



#### Interest Rates

Look at both low and high numbers, very few borrowers qualify for the lender's best rate.



#### Fees

Does the lender charge origination fees, prepayment penalties or late payment fees?

#### Borrowing Limits

Does the lender require that you borrow a minimum or maximum amount?



#### Repayment

Typically, longer repayment terms mean more overall costs but also lower monthly payments.

Find out when repayment starts.



Ask if the lender offers interest rate reductions or other incentives to borrowers!

## Apply and Wait

**LOAN PROCESSING CAN TAKE SEVERAL WEEKS SO PLAN ACCORDINGLY.**

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 a **FINAL APPROVAL**. Once the lender receives the school certification record the loan could still be denied by the lender.

The lender will contact the UNCG Financial Aid Office directly for the school certification. "School-certified" means that the Financial Aid Office will *certify* (verify that you are eligible for) an alternative education loan if your lender's loan eligibility requirements are met.