

## Dean College Guide to Private Loans

Private loans should always be a last resort when seeking educational funding. We strongly encourage all eligible students to file the 2018–2019 FAFSA (Free Application for Federal Student Aid). Dean College uses this application to award federal and state-based aid to those who qualify.

You may borrow up to your cost of attendance for the current academic year. The [cost of attendance](#) is an estimate of a student’s educational expenses for the period of enrollment, including billed charges and allowances for books and living expenses. Any excess funding after your direct charges have been paid will be refunded to you to be used for your indirect costs.

The loan period or period of enrollment is the semester(s) for which you wish to use a loan. Generally, a loan period is the first day of class through the last day of class in a given semester. If you are applying for a multiple-semester loan, you will want to use the first day of the semester through the last day of your last semester. We strongly recommend using the academic year (beginning of September through the end of May) versus processing an application each semester in order to avoid delays in the posting of funds and therefore the student’s ability to register and/or check in. Having your credit checked for multiple loans in one year also will decrease your credit score.

Summer 2018	May 21, 2018 through August 16, 2018
Fall 2018	September 5, 2018 through December 13, 2018
Spring 2019	January 22, 2019 through May 9, 2019

Please note: Dean College SCS dates may be different.

### What are common repayment options?

There are three common repayment options: deferred, interest only, and immediate repayment. Keep in mind that lender repayment options may vary.

- **Deferred repayment**—Make no payments while enrolled in school. Interest will accumulate and be added to the total principal of your loan. This is generally the most expensive repayment plan.
- **Interest-only repayment**—Make interest payments but defer payments on the principal amount while enrolled in school. This helps keep your overall loan balance close to the original amount borrowed.
- **Immediate repayment**—Pay both principal and interest of the loan while enrolled in school. This is generally the most cost-effective option.

### Loan Options

Alternative loans can help bridge the gap between the actual cost of your education and any other financial resources you may have. Alternative loans are offered by private lenders (banks/credit unions) and are credit-based with variable interest rates. Dean College will process a loan from any lender, and it is your right to apply for loans through the lender of your choice without penalty. Dean College is in no way affiliated with, nor does it accept benefits from, any lenders. The lenders provided on our ELM Select website are based on student and/or family borrowing choices in the previous years. To view our loan list, visit [elmselect.com](http://elmselect.com), then input “Dean College” in the “School Search” field and choose “Undergraduate” or “Parent Loans” from the “Select Program” section.

**When applying for alternative loans, there are a couple of things to consider:**

What kind of interest rate is the lender offering? A fixed interest rate remains the same for the life of the loan. A variable interest rate moves up or down based on market changes. Banks offer two kinds of rates: LIBOR (London Interbank Offered Rate) is the average interest rate. Prime is the best lending rate banks charge for their most credit-worthy customers.

What are the borrower's benefits? Lenders offer many different borrower benefits that may help reduce the overall cost of your loan. Common benefits can include but are not limited to:

Auto-debit payments: Borrowers who set up automatic payments can receive an interest rate reduction (usually around 0.25%). The interest rate reduction will not lower the monthly payment amount, but will reduce the interest that accrues, thereby reducing the total amount repaid.

Graduation incentive: The lender may offer a principal or interest reduction if you complete your degree and provide proof of graduation within a specified timeframe.

Cosigner release option: Cosigners can be released from the loan after you've made a specified amount (as determined by the lender) of on-time payments.

Please note: Interest rates and loan fees are subject to change on July 1, 2018.

**Loan Process Final Notes**

Once a lender has been chosen, it's time to apply. You can apply for most alternative loans online at the lender's website. Once you click "Apply," you can expect at least a few of the following steps:

- Loan Application Disclosure—The lender will provide an overview of the loan product, potential interest rates, associated fees, repayment examples, and so on.
- Loan Approval Disclosure—After you've completed the initial loan application and have been pre-approved, your lender will provide the loan approval disclosure. This provides details on the actual interest rate and loan specifics for which you were approved. You will have a 30-day acceptance period, during which the private loan terms may not be changed.
- Self-Certification Form—Your lender will provide the Private Education Loan Applicant Self-Certification form on its website or request a paper copy to be submitted. This form is submitted to the lender, not Dean College, and asks for the student's cost of attendance, and estimated financial aid for the period of enrollment covered by the loan.
- School Certification—Once you have accepted the Loan Approval Disclosure and completed the Self-Certification form, your lender will send an electronic request to Dean College. We will review the timeframe and amount requested to be sure it fits within your cost of attendance and may reach out to you through email to confirm information about your loan.
- Final Loan Disclosure—Once Dean College has completed the School Certification, your lender will provide the Final Loan Disclosure. The final terms and conditions of the loan must be accepted before your lender will notify Dean College of a fully processed loan. Upon acceptance, your lender will schedule a disbursement date (generally the first day of classes).

Once your loan is scheduled for disbursement, it will be applied to your student account. For more information about financing options, visit [http://www.dean.edu/payment\\_plans\\_and\\_financing\\_options\\_.aspx](http://www.dean.edu/payment_plans_and_financing_options_.aspx)