Private (Alternative) Loans

Private loans (also known as alternative student loans or personal student loans) are non-federal loans that students may borrow. Generally, interest rates on private loans are tied to either the prime rate or the LIBOR index. Some lenders may charge the borrower an origination fee or a repayment fee. Students who need to borrow private loans should carefully compare rates and fees. Students must be credit worthy and most private loans will require a co-signer. Private loans should be used as a last resort; after students have exhausted all other sources of financial aid including grants, scholarships, work study, and federal loans. Private loans cannot be consolidated with federal Stafford loans. Students who borrow through a private loan program should borrow only the amount needed for educational costs.

Lenders

The Financial Aid Office at Eastern Oregon University does not endorse, recommend, or promote any lender selection for private loans. The listing shown in FASTchoice is not a preferred lender list; nor, does it represent every lender offering private educational loans. The listing shows private loan lenders that Eastern Oregon University students chose to use within the last three years. Each lender’s website will contain application instructions, borrower and co-borrower requirements, and display loan products offered for educational purposes.

To review and compare a list of private loans you can use FASTchoice, an online comparison tool that allows you to connect to loan applications. Your loan application will be forwarded to the EOU Financial Aid Office after your loan has been credit-approved and you have signed the promissory note. Your lender will provide you with current interest rates, processing fees and co-signer requirements. Contact the Financial Aid Office with questions regarding loan eligibility.

(By going to FastChoice (goo.gl/QeNRkO), it will take you to an outside site beyond www.eou.edu.)

goo.gl/QeNRkO

Self-Certification Information

Private loan borrowers should be aware of two important changes established by the Truth in Lending Act (TILA), both of which will affect the time required to apply for, and receive, a private student loan:

1. Self-Certification form: As of February 14th, 2010, when a student applies for a private student loan the lender is required to collect a Self-Certification form from the student. This form will be available during the online process or the lender will mail a paper copy to the student. Please note: private loan funds will not be disbursed until the lender receives the Self-Certification form.

2. Delays in disbursement: After the lender has received the Self-Certification form from the student, and the loan approval from the EOU financial aid office, they will send the student a Final Disclosure which details the terms of the loan. The lender is required to wait up to 6 business days before disbursing the loan to the school. This delay was included in the TILA to give the student (or cosigner) time to cancel the loan after reviewing the terms of the Final Disclosure.