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**Smart
Questions to
Ask Private
Lenders**



Before You Borrow:

- Private loans come from banks/lenders, not the federal government
- Rates depend on credit score and may be fixed or variable
- Most borrowers need a parent co-signer

Ask About:

- **Interest Rates & Loan Structure**
 - Fixed or variable? Current rate? Maximum rate?
 - Is there an autopay discount?
- **Repayment Options & Flexibility**
 - When does repayment begin?
 - Terms offered (5, 10, 15 years)?
 - Are there any required in-school payments?
- **Fees & Total Cost**
 - Are there origination, application or late fees?
 - How is interest capitalized?
- **Eligibility & Credit Requirements**
 - Do you offer options for hardship or forbearance?
 - Is co-signer release available?
 - Do you offer multi-year approval, or do I need to apply each year? What credit score is needed for approval?
 - Soft or hard credit check for pre-approval? What is the co-signer's responsibility if the student is unable to repay the loan?

Smart Borrowing Tips:

- Review federal loan options first
- Compare at least three private lenders
- Borrow only what you need after grants, scholarships, and federal aid.

Notes:

Apply for private loans by **July 15th** to ensure on-time payment!



Making small payments while you are in school helps build your positive credit history and reduces the amount of interest added to your loan balance later.