

How to Get a Student Loan

Borrowing to pay for some college costs is a reality for the majority of students. For those students and their families, researching options and knowing what to expect can help ensure responsible borrowing for college.

Financial Aid Basics

- 1 Completing the FAFSA (Free Application for Federal Student Aid) is the first step in paying for college.
- 2 If borrowing to cover expenses is necessary, students should start with federal subsidized and unsubsidized loans, which are included in financial aid notifications.
- 3 If financial aid, including subsidized and unsubsidized federal student loans, is not enough to cover all college costs, private education loans are an option for students and families.



Research Private Education Loan Options

It's important that students and parents check out different options and compare the pros and cons of each loan.



Interest Rates

Be sure to look at both the low **and** high numbers as very few borrowers qualify for a lender's best rate.

Length of Repayment

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



Fees

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



Overall Costs

Rates are only one element of a loan; the overall costs or finance charges can show how much a borrower will spend.



Repayment Options

More lenders are offering options for borrowers to make small payments during college years to reduce overall costs.



Remember: It's a good idea to determine how clear a lender is about offering specific loan details upfront.

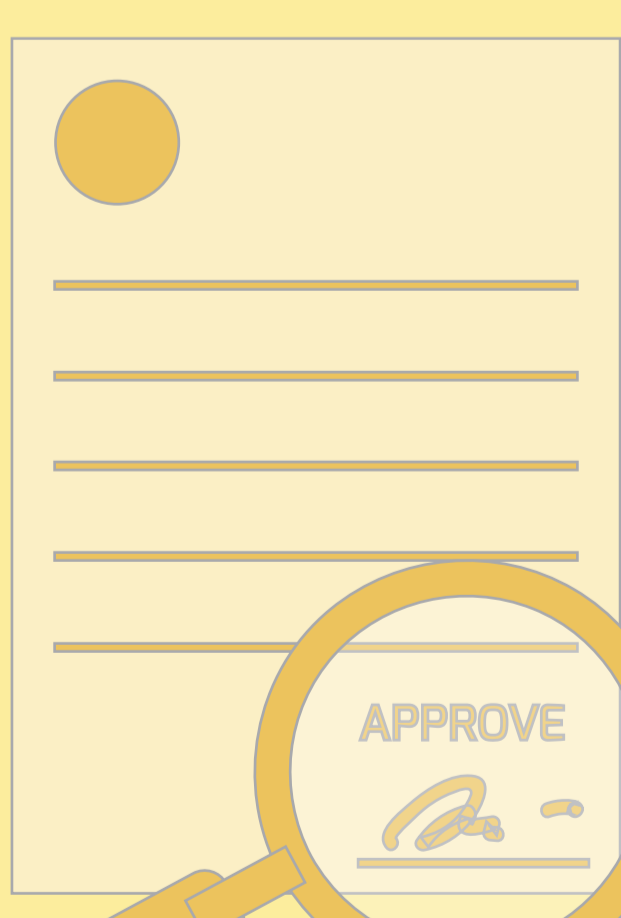
Some lenders provide vague information about how to qualify and offer ranges without breaking down the differences. Other lenders, like Iowa Student Loan, will detail out their rates and provide specifics.

Applying for a Private Student Loan

- 1 Nearly all lenders use an online application that will require basic personal information. At some point while applying, the borrower will need to provide names of references and their contact information. Typically, cosigners complete their portion of the application after the borrower applies and submits their application.
- 2 After the application is submitted or during the application process, the lender will request a credit report to determine the borrower's or cosigner's creditworthiness and credit score. Additional documents may be required to complete the review and approve the application.
- 3 If the borrower meets the requirements to receive the loan, most lenders require the college or university certify the amount the student needs to help prevent overborrowing.

Once approved, the borrower will receive a loan offer. Accept the offer if the student or family member is happy with the offer and interest rate.

If the student or family member is unhappy with the rates offered, they do not have to accept the loan offer and can choose to apply for a loan with a different lender to see about qualifying for better rates with no greater impact to a person's credit score.



Learn About Our Products

Looking for more information on loans for undergraduate or graduate students or their families?

We offer the Partnership Advance Education Loan for student borrowers and the College Family Loan for parents or families who want to help a student with college costs.



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