Alternative Student Loans

Private educational loans are available to eligible students and are provided by nationally recognized lending or banking institutions. It is recommended that students first complete the FAFSA to be considered for the Federal loan programs prior to applying for an alternative loan. For your convenience, comparative information is provided below for a sample of lenders. **However, you may select any lender of your choosing. You will not be penalized for choosing a lender not listed below.** This list is provided for informational use only.

*Washington Mentorship and other non-degree students must choose a loan that is available to non-degree students.
** For most lenders, rates will change quarterly. Lenders should provide an updated disclosure statement to you whenever the rate on your loan has been adjusted.

Lender	**Chase Select Loan**	**Wells Fargo Collegiate Loan**	**Discover Private Loan**	**Citizens Bank TruFit Student Loan**	**Sallie Mae Smart Option Loan***
Fees**	None	None	None	None	None
Interest Rate**	LIBOR + 3.4% to LIBOR + 8.35%	Prime + 1% to Prime + 7.99%	Prime + .5% to Prime + 7.75%	LIBOR + 3% to LIBOR + 10.75%	LIBOR + 2.5% to LIBOR + 10.875%
Minimum/ Maximum Amount	$500/Cost of Attendance minus other financial aid	$1000/Cost of Attendance minus other financial aid	$1000/Cost of Attendance minus other financial aid	$1000/Cost of Attendance minus other financial aid	$1000/Cost of Attendance minus other financial aid
Eligibility	- Must be degree/certificate - Can be less than half time - Must be U.S citizen or have a cosigner who is a U.S. citizen	- Must be degree/certificate - Can be less than half time - Must be a U.S citizen or have a cosigner who is a U.S. citizen	- Must be degree seeking - Can be less than half time -Must be a U.S citizen or have a cosigner who is a U.S. citizen	- Must be degree seeking - Must be at least half time - Must be a U.S Citizen or have a cosigner who is a U.S. citizen	- Can be non-degree - Can be less than half time - Must be a U.S citizen or have a cosigner who is a U.S citizen
Past Due Balance	Can be used for a prior balance not more than 12 months old	Can be used for a prior balance not more than 12 months old	Can be used for a prior balance not more than 6 months old	Can be used for a prior balance not more than 6 months old	Can be used for a prior balance not more than 6 months old
Repayment	Deferral of interest and principal while in school, 6 months grace period after graduation, up to 25 year repayment plan	Deferral of interest and principal while in school, 6 months grace period after graduation, up to 15 year repayment plan	Deferral of interest and principal while in school, 6 months grace period after graduation, up to 15 year repayment plan	Deferral of interest and principal while in school, 6 month grace period after graduation, up to 15 year repayment plan	Monthly interest payments are required, 6 month grace period, up to 15 year repayment plan
Borrower Benefits	0.25% interest rate reduction with auto debit, cosigner release after 36 months	0.25% interest rate reduction with auto debit, cosigner release after 24 months	0.25% interest rate reduction with auto debit	0.50% interest rate reduction with auto debit, cosigner release after 36 months	0.25% interest rate reduction with auto debit, cosigner release after graduation
For More Information or to Apply	1-866-306-0868 http://www.chaseselectloans.com/	1-800-378-5526 http://www.wellsfargo.com/student	1-877-728-3030 www.discoverstudentloans.com	1-800-708-6684 www.citizensbank.com/trufitextra	1-888-272-5543 www.salliemae.com

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Tips for Comparing Lenders

We have established the lender list as a starting point to help make sense of the loan information that is available. However, you are responsible for comparing these terms and selecting the loan that will best meet your needs. The following are some tips for you to consider when evaluating your options.

- What is the interest rate on the loan?
- Are there any fees for the loan? – Some common names are origination fee, disbursement fee, or default fee. Some lenders may have a sliding scale based on the strength of your credit.
- Are there any front end or back end benefits? – Front end benefits are discounts offered up front when the loan is disbursed. This can be a reduction of fees or a rebate. Back end benefits are discounts offered when the student goes into repayment. These might include an interest reduction for auto-debit payments. It is best to focus on discounts which you can't lose or on discounts that are immediate. Be aware of fine print that requires you to repay a fee rebate if you consolidate with another lender.
- How long will it take to process the loan? – Find out from your lender how long it typically takes to process a loan application and whether it is a paper process or an electronic process. A paper application process can take 6-8 weeks if an original document needs to be mailed back and forth.
- What kind of customer service will be provided? – Lenders can let you know their average response time and satisfaction ratings. Many lenders will also now provide self-service options via telephone or the internet allowing you to get information on your loans even faster.
- Will my loan be sold to a different lender in the future? – Some lenders will hold the loan for the life of the loan, guaranteeing you their service until you finish repayment. Other lenders may sell your loan to a new servicer.

Step-By-Step Application Process

* Students may begin the process any time after May 1, 2010, for the 2010-2011 year.

1. Student initiates loan application with his/her lender of choice. Please be sure to indicate that you will be attending American University. Applying with a credit-worthy co-borrower can enhance your credit rating and lower your interest rate and fees.
2. The maximum loan amount is the amount of the total Cost of Attendance (COA) not covered by other financial aid. **You should apply for the amount you will need for both the Fall 2010 and Spring 2011 Semesters**. Your lender will disburse the loan proceeds to American University in equal disbursements each semester.
3. Your lender will complete a credit check and advise you of the decision. If, for any reason, you feel that you may have difficulty with this credit check process, please contact the Financial Aid office at 202-885-6100 to discuss your alternatives. It is important, given the lengthy processing time, that you explore your options and have a back-up plan in the event your loan application is not approved.
4. After initiating your application with the lender, a pre-printed promissory note will be mailed to the student applicant. The student will need to sign and return the promissory note to the lender. Alternatively, you may sign your promissory note electronically via your lender's website. A signed promissory note is required prior to disbursement of loan funds.
5. Once approved, your lender will forward your application to the Financial Aid office at AU. We will certify the loan and return the data to your lender.
6. Loan funds will be applied to your student account when American University receives them from your lender. Funds will be sent to AU via a paper check. You will be notified by the Student Accounts office if this check requires your endorsement. Student enrollment is verified prior to disbursement.
7. As loan processing depends on operations inside and outside of AU, please allow **6-8 WEEKS** processing time. Please contact your lender with status inquiries.