

Private Student Loan Helpful Hints

Student Financial Aid Office
Swen Parson Hall 245
DeKalb, IL 60115



Northern Illinois
University

Private educational loans are available from private lenders for students who have exhausted all other sources for funding their educational expenses. The Student Financial Aid Office (SFAO) is unable to advise students and their families regarding which private loan may best meet their needs. For information regarding private student loans and a list of lenders, please visit www.finaid.org/loans/privatestudentloans.phtml

Note: www.finaid.org bears sole responsibility for providing accurate and updated content on its website.

Free Application for Federal Student Aid (FAFSA) www.fafsa.gov

Students are strongly encouraged to apply for free or lower cost Title IV federal, state, or institutional aid by completing the FAFSA each academic year.

Enrollment Requirements

Most, but not all, private student loans require at least half-time enrollment. For a list of lenders that will provide loans for students enrolled less than half-time, visit www.finaid.org/loans/privatestudentloans.phtml and scroll to the bottom of the webpage. Graduate students can apply for graduate-specific loans, but must be enrolled in graduate-level classes. Student at Large and Post Baccalaureate enrolled students are considered undergraduates. Visiting students are encouraged to contact the Student Financial Aid Office before applying for a private loan.

Financial Aid Advising

Plan to visit with an SFAO adviser to assure that all other funding options have been explored.

- Special Circumstances—A re-evaluation of the student's financial aid package may be advised if the parent(s) of a dependent undergraduate student, the student, or the spouse of an independent student has experienced a decrease in income and/or financial resources.
- Parent PLUS Loan—A dependent undergraduate student will be advised to have a parent consider applying for the low interest Federal Parent PLUS Loan. If a parent applies for the PLUS and is denied due to adverse credit, the student may be eligible for up to an additional \$4,000-\$5,000 in an unsubsidized Federal Stafford Loan depending on the student's grade level.
- Graduate PLUS Loan—Graduate students will be advised first to consider the Graduate PLUS Loan.

Determine Amount to Borrow – Budget Worksheet:

Student's Estimated Expenses:	Student's Financial Resources:
Tuition & Fees _____	Financial Aid _____ <i>(Loans/Grants) Do Not Include Work-Study</i>
Room & Board _____	Scholarships _____
Books & Supplies _____	Personal Contributions _____
Travel _____	Other _____
Personal Expenses _____	
Total _____	Total _____
Budget Calculation:	
Total Estimated Expenses _____	
<i>Minus</i> Total Financial Resources _____	
= Difference _____	

Keep In Mind!
Set a weekly allowance for yourself and keep track of what you are spending. Budget pitfalls can include NIU parking tickets (only park where permitted) and overuse of credit cards.

Plan to borrow ONLY what you need.

Borrowing Considerations

The SFAO will be unable to process a private loan requested by the student for an amount that exceeds his/her Cost of Attendance (COA), commonly referred to as the student's financial aid budget, minus other financial aid. A student's COA may be viewed on his/her MyNIU Campus Finances page.

Sample Calculation:	Cost of Attendance	\$ 28,000
	Other Financial Aid	- 5,500 (Stafford Loans, Freshman)
		- 5,000 (Grants)
		- <u>2,000</u> (Scholarships)
	Private Loan and/or PLUS Loan Maximum	\$ 15,500

Choosing a Lender— Educate Yourself on Loan Terms, Fees, and Interest Rates

The SFAO is unable to advise students regarding which private student loan and/or private lender will be the best for their individual needs. For important information that will assist students and their families in choosing a private student loan, visit www.finaid.org/loans/privatestudentloans.phtml

Cosigner

Having a cosigner may improve your chances for having your private student loan request approved and it may lower your interest rate.

Loan Term Dates

It is important that students properly report the loan term dates for which the loan is requested. *Loan terms cannot cross academic years.* At NIU, the academic year begins with the fall semester, continues through the spring semester, and ends with the summer semester. If a student requests a loan for a single semester, the COA (see above) will be adjusted to a single semester.

Prior Term Loans

This loan may be used by a student to pay an outstanding balance from a prior academic year. For a list of the lenders that offer prior term loans, visit www.finaid.org/loans/privatestudentloans.phtml and scroll to the bottom of the webpage.

Application to Disbursement

- Financial aid, including private student loans, disburses to NIU following the add/drop period at the beginning of each semester. After the add/drop period, loan funds will disburse daily throughout the semester and will credit to the student's Bursar's account.
- As with all financial aid funds, private student loan funds will first pay current academic year charges on the student's Bursar's account. To receive a refund, the student must have financial aid funds and/or private student loan funds in excess of his/her charges. To cover prior term charges, a prior term loan (see above) must be taken.
- The **lender** will provide student loan applicants with a Private Education Loan Applicant Self-Certification Form. Students must complete, sign, and return the certification form to the **lender** before the lender will be able to disburse funds to NIU.
- Assuming all applications have been properly submitted and approved by the lender, students should anticipate a three-week turnaround from the point the loan was submitted until it posts to his/her MyNIU Campus Finance page.
- Students are strongly encouraged to monitor their NIU student e-mail regularly. If the SFAO needs clarification regarding your loan request, we will contact you through your NIU student e-mail.