

What Students Should Know: Private/Alternative Loans

Private or Alternative Loans are available to students through banks and other financial lending companies. Before seeking these loans to pay for your educational expenses, students are **strongly encouraged** to pursue all other avenues, including Direct Stafford Loans, through Tri-County Technical College.

Tri-County Technical College does not maintain a preferred lender list.

Things to Remember:

- Financial Aid (grants, scholarships, Lottery, Stafford loans) should be exhausted first before attempting to apply for a Private or Alternative loan.
- Private/ Alternative loans require a credit check and may require a co-signer depending on your credit.
- Generally, interest rates and fees are more than with Stafford Loans through the college. This means you receive less money and the lenders make more money.
- There are less repayment options with these loans than with Stafford loans. Options for income-based repayment, deferments, etc. are limited with Private/ Alternative loans.
- Most lenders require you to begin repayment immediately.
- Loans affect your credit score. This is important when applying for mortgage loans, new car loans, and even applying for a job.

Remember Your Responsibilities as a Borrower:

- Borrow only what you need for educational expenses.
- Your primary responsibility is to repay your loans according to the terms and conditions of your loan agreement. (See your Master Promissory Note from your lender for more detailed information.) You must make payments on your loan even if you do not receive a bill or repayment information.
- You must notify your lender if you change your name, address, phone number, or Social Security Number.
- You must notify your lender if you're unable to make payments. Lending institutions are more likely to help if you contact them before you are turned over to a collection agency.