

MASTERING THE PRIVATE LOAN PATH

If you've determined that you need a supplemental private student loan for college expenses after exploring and exhausting all sources of student financial aid, the options can seem overwhelming. Determining a few things upfront, though, can simplify your choices. And since you'll be dealing with your loans for many years after your education ends, it's important to do your research now. A good decision today can make life easier down the road, while poor choices can haunt you for years.

Remember — no one loan is perfect for everyone. Do your research and use the chart on the reverse side to find the best option for you.

Fixed interest rates mean the rate will not change and the standard payment amount will be the same each month for the life of the loan. Variable interest rates may change quarterly or more often depending on the loan terms, meaning the monthly payment could change.

Fixed or variable interest rates?

What about a cosigner?

Traditional-age college students typically need a creditworthy cosigner to qualify for a private loan.

When do you want to know the interest rate? Some lenders provide their rates **before you apply**. Other lenders set your rate **after you apply** and they've checked your, or your cosigner's, credit history. Be sure to understand the entire range of rates offered by different lenders and be aware that few borrowers qualify for a lender's best rate.

Stated rates or a range of rates?

What kind of lender?

Whether you choose a national or local lender, you'll work with them for many years. Something to consider is whether the lender keeps their customer support and servicing operations local.

Lender	Fixed Interest APRs ¹
ISL Education Lending	3.70%–8.01%
SoFi	4.49%–14.70%
Sallie Mae	4.50%–14.83%
Discover	4.49%–14.99%

¹ Annual percentage rates (APRs) were retrieved from the lenders' websites on June 16, 2023, for fixed-rate loans for student borrowers while the student is enrolled at least half time and may include potential discounts. The ranges contain rates offered to applicants with a wide range of credit scores and for a variety of repayment options and terms. The specific rate an applicant is offered will be determined by the loan type selected and the applicant's or, if applicable, the cosigner's, credit history and credit score. For complete details on how APRs were calculated, visit the lenders' websites.

When does repayment start?

More and more lenders are letting you choose if you want to defer payments, make interest-only payments, make a set monthly payment amount or begin immediate payments while you're in school.

Tip: Making some sort of payments while in school can reduce the amount of interest paid over the life of the loan.

Are benefits important?

Benefits have to be earned, but interest rate reductions, principal amount reductions and cosigner releases (the ability to release your cosigner from their obligations at some point during repayment) are popular and can make one loan more intriguing to you than another.



