

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.

THE JOURNEY

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.



Stated rates or a range of rates?

When do you want to know the interest rate? Some lenders provide their rates **before you apply** while others set your interest rate **after you apply** and your or your cosigner's credit history has been reviewed. **Note:** For lenders that provide rates after you apply, about 80% of borrowers **do not** qualify for the lender's lowest interest rate.¹ Be sure to look at the higher rates offered too.

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.

When does repayment start?

More and more lenders are letting you choose if you want to defer payments, make interest-only payments or begin immediate payments while you're in school. **Tip:** Making some sort of payment while in school can reduce the amount of interest paid over the life of the loan.

Lender	Fixed Interest APRs ²
(listed in ascending order of highest rate)	
Iowa Student Loan ³	5.56% or 6.02% or 6.22% or 6.86%
Wells Fargo ⁴	5.94% up to 11.26%
Discover	6.28% up to 11.83%
Sallie Mae	5.74% up to 11.85%

¹ www.finaid.org/loans/privatestudentloans.phtml

² Annual Percentage Rates (APRs) were retrieved from the lenders' websites on July 5, 2018, for loans where repayment is deferred while the student is enrolled at least half time.

³ Iowa Student Loan lists specific rates on its website; other lenders provide ranges.

⁴ Wells Fargo's lowest rate includes a 0.25% discount for having a prior student loan with Wells Fargo or a qualified Wells Fargo consumer checking account.

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.

Are benefits important?



YOUR MAP

Now it's time to do your research. Use this chart to compare the details and find the lender and loan terms that work best for you.

Lender (name, contact info)	Rates (fixed, variable, upfront, ranges)	Repayment (start date, length of repayment term)	Benefits (interest rate or principal amount reductions, cosigner release)