

CHOOSING AN ALTERNATIVE LENDER

So, you're considering a private alternative student loan to help cover education expenses. Great! What do you do now?

Cornell encourages you to compare lenders and loan terms in order to select the lender that best fits your needs. To get you started, we've put together a few important questions to ask potential lenders:



Ithaca at sunset

LOAN TERMS

- What is the interest rate? Is it fixed or variable, and how is it determined?
- How often is the interest rate adjusted?
- How much are the origination fees and how are they charged?
- Will I have to pay interest while enrolled in school,
- When does the interest start to accrue and will it be capitalized?
- What are the minimum and maximum loan limits?
- Under what circumstances would a co-signer be required?

REPAYMENT

- When does repayment start; is there a grace period before repayment begins?
- What is the monthly minimum payment?
- What is the maximum repayment period?
- Am I allowed to pay on the interest while I'm in school?
- Are there any loan repayment benefits or reductions? If so, will they remain if a future payment is late?
- Is the loan eligible for consolidation?



Ezra
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- Can I defer repayment of the loan if I go to graduate school?
- Do you apply any penalties or charges for prepayments or early payoff?

OTHER QUESTIONS

- How are the loan proceeds disbursed?
- Must I establish financial need for the loan?
- Do you sell your loans? If so, do the benefits go with them?
- Under what conditions would I qualify for cancellation, discharge, or forgiveness of the loan?
- Does the lender provide a toll-free phone number or website to ask questions as they arise?

CORNELL UNIVERSITY

Office of Financial Aid and Student
Employment
203 Day Hall
Ithaca, NY 14853
Phone: 607.255.5145
Fax: 607.255.6329
E-mail: finaid@cornell.edu
Web: www.finaid.cornell.edu