



## ALTERNATIVE STUDENT LOANS

### Alternative Student Loans

Alternative student loans (or private education loans) are available to students who need additional financial assistance beyond the aid that has been offered to them through the federal/state student aid program. These loans allow students to borrow up to their total cost of attendance less any financial aid they have been awarded. Alternative student loans are not federally funded or guaranteed. They are made available through banks and private lending institutions. We encourage students to exhaust all of the federal direct student loan options before pursuing alternative loans because federal loans tend to offer better loan terms, more repayment options, and, in some cases, loan forgiveness.

### Alternative Loan Eligibility

Any student who needs additional funds to pay semester charges and living costs not covered by financial aid may apply for an alternative loan.

Alternative loans are credit-based, and their terms and conditions vary with each lender. Interest rates are variable, and the interest will accrue on the loan while the student is enrolled in school. In most cases, repayment of the alternative loan can be deferred until the student leaves school or drops below half-time enrollment.

Keep in mind that alternative loans can only be certified for an amount that does not exceed the student's total cost of attendance (Total cost of: tuition, fees, room & board, books, travel, and miscellaneous). We encourage students to contact the Office of Financial Aid if they are unsure of how much they are eligible to borrow.

### Application Tips

- **Start Early** – We recommend that students begin to apply for their alternative loan at least a month and a half before the start of the semester to ensure the loan funds can be applied to the student's account by the tuition payment deadline.
- **Pick a Lender** – While Financial Aid does not have a preferred lender list, we do recommend using SMU FASTChoice, an online tool that will guide you through the selection process.
  - Visit: <https://www.stmartin.edu/admissions-financial-aid/undergraduate/financial-aid/student-loans/private-loans>
  - Select the Find a Lender link for Saint Martin's FASTChoice
  - You can complete the Borrowing Essentials section or continue to the lender page
- **Application** – Once you have chosen a lender, you will need to contact that bank or financial institution in order to complete their loan application procedures.
- **Next Steps** – Once you are approved for your alternative loan, be sure to contact the Office of Financial Aid so we are able to certify and process your loan.



### REMEMBER: CURRENT BORROWING AFFECTS YOUR FINANCIAL FUTURE

As with any loan, alternative student loans must be repaid. Budget carefully; borrow only what you need. To help estimate loan payments, try using the payment calculator on Saint Martin's FASTChoice at the website listed above.