

PRIVATE LOAN FAQs

FINAID@EIU.EDU

Tel: (217) 581-6405

WHAT IS A PRIVATE LOAN?

A private loan is a loan borrowed through an outside lender (bank, credit unions, student loan lender, etc.) rather than through federal funds (FAFSA).

WHOSE NAME IS ON THE LOAN?

The student is considered the borrower on a private loan. A cosigner is generally needed due to lack of income and credit history. Some private loan companies do offer a PARENT private loan.

Cosigners are responsible if the student becomes delinquent while in repayment.

HOW MUCH CAN I APPLY FOR?

To avoid over borrowing, the student will not be approved for any funds which exceed EIU's cost of attendance for the aid year. This includes federal loans, grants, scholarships, private loans, etc.

HOW DO I APPLY?

The student must apply through the lender website or by calling the lender. Completing the application online generally speeds up the process. The following website of accredited lenders that you can browse to narrow down your search. Please note, this is only a partial list: www.elmselect.com

WHAT HAPPENS ONCE I APPLY?

The lender processes the application and determines if the application is approved or denied. If approved, the lender sends a certification request to the school to verify the amount requested does not exceed the cost of attendance. Once certified, the lender will send verification of the amount to the student for their review and signature. The funds will be sent to the school approximately 10 business days after the student completes their required paperwork with the lender. The school will then apply the funds to the student account (bill). Any remaining funds are then refunded to the student by Student Accounts on the next school refund date.

PRIVATE LOAN FAQs

FINAID@EIU.EDU

Tel: (217) 581-6405

1. MAKE SURE YOU ARE COMFORTABLE WITH THE LENDER WEBSITE/CUSTOMER SERVICE
2. BE SURE TO PROVIDE THE LENDER WITH AN EMAIL ADDRESS YOU CHECK REGULARLY
3. ASK THE LENDER:
 - IF THEY HAVE ANY ENROLLMENT REQUIREMENTS.
 - *Full-time, part-time, less than part-time*
 - WHAT THE REPAYMENT OPTIONS ARE.
 - *Some lenders require in-school interest payments*
 - WHAT THE INTEREST RATE IS
 - IF THERE ARE ANY FEES ASSOCIATED WITH THE LOAN
 - *Origination, disbursement, early repayment*
 - ABOUT COSIGNER RESPONSIBILITIES
 - WHAT THE REQUIREMENTS ARE FOR COSIGNER ELIGIBILITY
 - IF THEY OFFER COSIGNER RELEASE FROM THE LOAN AND IF SO, WHAT THE TERMS OF THEIR POLICY ARE
 - IF THE LOAN CAN BE USED TO PAY OFF PAST DUE BALANCES
 - IF NON US STUDENTS ARE ELIGIBLE
 - WHAT TYPE OF BENEFITS THEY OFFER:
 - *Discharge due to death or disability*
 - *Auto EFT benefits*
 - *Making payments while in school*
 - *Graduation benefits*
 - *In school deferment or grace period*
 - *Private loan consolidation*

Note: Private lenders may accept federal loans for consolidation, but federal servicers will not accept private loans.