

# LENDING OPTIONS FOR YOUR EDUCATIONAL LOANS

## ALTERNATIVE LOANS

### FEDERAL VS. ALTERNATIVE LOANS

The interest rates for all Federal Loans are determined by federal law. Currently, they are a fixed rate of 6.0% for Subsidized Stafford Loans (6.8% for Unsubsidized Stafford Loans) and 8.5% for PLUS Loans. The interest rates for alternative educational loans are variable and can be adjusted several times a year.

Federal Loans are insured by the government and dischargeable in the event of total and permanent disability or death of the borrower. Alternative loans are not automatically discharged.

Borrowers must meet minimum income and/or debt-to-income ratio requirements or have a qualified co-signer (usually a parent) to be approved for an alternative loan. The loan will appear on the co-signer's credit report and they will be responsible for the loan if the student borrower fails to make payments.

### CHOOSING A LENDER

The Financial Aid Office will certify your loan using the lender you choose. Choosing the right lender for your educational loan is an important decision. You should base your decision on two important factors: borrower benefits and customer service.

Borrower benefits are designed to help reduce the cost of repaying a loan. Benefits range from the payment of origination and/or guarantee fees to interest rate or principal balance reductions for on-time payments or automatic payments. Statistically, few borrowers qualify for benefits tied to on-time payments. Be aware of how many payments you need to make to qualify, if they have to be consecutive payments and if you can re-qualify for the benefit if you are not on-time with a payment.

Customer service is also an important factor in choosing a lender. The repayment period can range from 10 to 25 years, sometimes longer. You may have a long term relationship with the lender you choose, so make sure they will work with you effectively when it comes time to repay your loan.

Keep copies of ALL the materials you receive from your lender. Once you enter repayment you will be able to refer to these materials to make sure you are getting the benefits you were promised.

### QUESTIONS TO ASK A LENDER

What borrower benefits do you offer?

Do you sell your loans to another agency at repayment?

How do I qualify for these benefits?

If yes, when and to whom?

How much could I save by qualifying?

Will my benefits carry over if my loan is sold?

Do you have an on-line calculator to estimate the savings of various loan amounts?

What is the contact information for your servicing agency?

What percentage of your borrowers qualifies for the benefits?

Do you process your loans through the ELM Resources Network?

## **ONCE YOU HAVE CHOSEN A LENDER**

Complete the Master Promissory Note or application on-line with your lender.

If your lender participates with ELM, have them send the school certification request to Dartmouth College (school code: 00257300).

If your lender does not participate with ELM, have them fax the school certification form to (603) 646-1414. Make sure they include their lender code and servicing agency code.

We will certify your loan with your lender when we receive the school certification request. Your loan proceeds will be disbursed at the beginning of each term you are enrolled.

### **LENDING CHOICES**

Every family's needs are unique and no lender is perfect for every family. We have developed a good working relationship that helps us support our students with the lenders whose contact information is listed below. The lenders are able to understand our students' needs, have borrower benefits that are comparable to national standards and are committed to providing excellent customer service. The Financial Aid Office will certify your loan with the lender of your choice (whether or not they appear on this list). The Financial Aid Office receives no benefits for including these lenders on the list.

This is a list of the top lenders chosen by our students or parents during the 2007- 2008 academic year. The list was compiled using only loans certified for federal undergraduate loans (Stafford and PLUS).

Citizens Bank  
1-800-708-6684  
citizensbank.com/dartmouth

Citibank  
1-800-967-2400  
studentloan.com/schools/Dartmouth

Key Bank  
1-800-539-5363  
key.com/dartmouth

In the effort to provide borrowers with more options and better choices than just randomly searching all of the lending options available, the following lenders are listed below. These lenders provide the same level of customer service and borrower benefits as the lenders listed above. By providing more than just our current borrowers' top choices, we hope to give future borrowers an informative and unbiased list.

Edamerica  
1-800-337-1009  
edamerica.net

Education Finance Partners  
1-866-308-1071  
EducationalFinancePartners.com

Sallie Mae  
1-888-272-5543  
Salliemae.com

Due to changing market conditions some of these lenders may no longer be offering an Alternative Loan Program. This list is accurate as of May 1, 2008.

General Financial Aid Information:

For a more complete list of national and regional education lenders visit:

[www.finaid.org/loans/educationlenders.phtml](http://www.finaid.org/loans/educationlenders.phtml)

[www.finaid.org](http://www.finaid.org)

Federal Website:

[www.studentaid.ed.gov](http://www.studentaid.ed.gov)

DARTMOUTH COLLEGE  
OFFICE OF FINANCIAL AID  
6024 MCNUTT HALL – 2<sup>ND</sup> FLOOR  
HANOVER, NH 03755-3541  
(603) 646-2451 or 1-800-443-3605  
(603) 646-1414 (FAX)  
Email: [Financial.Aid@Dartmouth.edu](mailto:Financial.Aid@Dartmouth.edu)