

Terms of the loan: “Terms” refers to the provisions of your loan agreement. These terms include the amount of your loan, any initial fee charged for setting the loan up, the interest charged for the loan, and the repayment schedule and incentives. When comparing alternative loans, make sure the terms of the loans are similar. These terms are further explained below.

Annual Percentage Rate (APR): The APR is the annual cost of your loan including fees, charges, and interest. Some lenders will offer a single interest rate over the life of the loan. Others may offer a “variable” interest rate which will fluctuate with the “prime” interest rate set by the federal government. If you have a variable interest rate, the interest rate will change once a year on a date stipulated in the terms of your loan. Although you may start out with a very low rate of interest, over the life of your loan the rate may change a great deal. If you choose a variable rate, make sure it has a “cap” that does not allow the interest rate to rise above a set percentage amount.

Repayment Incentives: Ask whether the lender rewards borrowers who pay on time. For example, a lender may reduce the interest rate if you make 48 consecutive on-time payments.

Cosigner Requirement: Ask if you are required to have a cosigner. Sometimes having a cosigner can reduce the cost of the loan. If you can’t find a cosigner, you will need to find an alternative loan you can borrow on your own.

Interest Capitalization: Some loans will allow you to defer payments until you graduate or leave school. If you choose this option, the interest on your loan may be “capitalized” which means it will be added to the principal amount of the loan. Ask if the interest is capitalized annually or at the time of repayment. If the interest is capitalized annually the loan will be more expensive than if it is capitalized only once when you start to repay the loan.

Repayment: Ask if repayment begins immediately when you receive the loan or if it is postponed until after you graduate or leave school. You should make payments whenever you can afford to, but if you can’t make regular payments while you are in school, you should find a loan that doesn’t require immediate repayment.

Repayment Period: Ask how long you will have to repay the loan. If your education expenses require borrowing large amounts of money, you may need a longer time to repay the loans.

Enrollment Services

Financial Aid

2006—2007

Alternative Loan Options

Rueckert-Hartman School for Health Professions

3333 Regis Boulevard A-8
Denver, CO 80221-1099

Phone: 303-458-4126 or
1-800-388-2366 Ext. 4126
www.regis.edu/FinancialAid

This financial aid guide presents alternative loan options and terms you should know when dealing with lenders.

What are alternative loans?

Alternative loans are private loans made by lending institutions. They are not part of the federal student loan programs. These loans are more expensive than federal loans, and payment sometimes begins immediately after the loan is disbursed. You should research all possibilities for scholarships, grants, work-study, and federal student loans before considering an alternative loan. If you need an alternative loan, use the comparison chart included in this guide and “shop” for the most competitive rates. Choose a loan that best suits your needs, and remember to borrow only what you need!

Qualifying for an alternative loan

Qualifying for an alternative loan is based on the credit-worthiness of you and/or your cosigner.

Give yourself credit!

Lenders use credit “scores” to make fast, objective decisions about your ability and probability of repaying loans on time. This credit score is based on your past bill paying history including the number and types of accounts you have, late payments, outstanding debt, and the age of your accounts. The way you’ve handled debt in the past is the lender’s best indication of how you will manage credit in the future. If you change the way you handle debt, your credit score will change accordingly. To give yourself the credit you deserve, pay your bills on time, pay down any outstanding debt, and avoid taking on new debt or applying for too many new credit cards.

Questions to ask when considering alternative loans

Pre-Screen: Do you need to know quickly if you qualify? Does the lender offer loan pre-approval over the phone or on the Internet?

Interest Rate: Which alternative loan offers the best interest rate? What is the interest rate based on? What rate will you qualify for based on your creditworthiness?

Loan Limits: Loans often have “annual” and “aggregate” limits. The annual limit refers to how much you may borrow in a single year. The aggregate limit refers to the total amount you may borrow over several years. Make sure you can afford to borrow within these limits. It’s a good idea to borrow from the same lender every year, so make sure your aggregate loan limit will cover your expenses throughout your education.



2006 — 2007 ALTERNATIVE LOAN FACT SHEET

<i>Loan Program</i>	<i>Application Options</i>	<i>Eligibility Guidelines</i>	<i>Annual Limits</i>	<i>Aggregate Limit</i>	<i>Interest Rate</i>	<i>Repayment Period</i>	<i>Borrower Benefits</i>
<p style="text-align: center;">CitiAssist Loan</p> <p style="text-align: center;">1-800-745-5473 www.studentloan.com/schools/regist</p> <p style="text-align: center;">Citibank</p>	Apply online or request an application from Enrollment Services—Financial Aid	<ul style="list-style-type: none"> – Accelerated Nursing students are considered 1st year graduate students for this loan only – U.S. citizen or permanent resident – May be enrolled less than half time – Undergraduate students must have verifiable income of at least \$18,000 and debt to income ratio less than 45% if applying without a cosigner – Satisfactory academic progress not required. 	<ul style="list-style-type: none"> – Maximum: cost of education less other aid received – No minimum 	<p>Undergraduate: \$120,000</p> <p>Graduate: \$150,000</p>	<ul style="list-style-type: none"> – Prime less 0.5% to plus 4.0%, based on credit history. – Interest rate is variable and adjusts quarterly. 	<p>Undergraduate 12 years</p> <p>Graduate 15 years</p>	<ul style="list-style-type: none"> – 48 consecutive on-time monthly payments will lower interest rate by 0.50% – 0.25% interest rate reduction for autopay option – Cosigner release option if student is a creditworthy U.S. citizen or permanent resident and 48 consecutive, monthly payments are made on-time at the time they request the release – Payments begin 6 months after the borrower is no longer enrolled – Loans can be certified for prior balances up to 12 months in the past.
<p style="text-align: center;">Key Alternative Loan</p> <p style="text-align: center;">1-800-KEY-LEND (539-5363) www.key.com/alternative</p> <p style="text-align: center;">Key Education Resources/ Great Lakes Higher Education Corp.</p>	Apply online or by phone	<ul style="list-style-type: none"> – U.S. citizen, permanent resident, or non-citizen – Enrolled at least half time and in good academic standing. 	<ul style="list-style-type: none"> – Maximum: cost of education less other aid received – Minimum: \$500 	\$125,000	<ul style="list-style-type: none"> – In-school, grace period, and repayment: 3-month LIBOR (London Interbank Offered Rate) plus 3.30% for cosigned loans or plus 3.85% for non-cosigned loans – Interest rate is variable and adjusts quarterly. 	10, 15, or 20 years, depending on amount owed	<ul style="list-style-type: none"> – Complete a promissory note just once. Easy annual renewal for future years – Cosigner release option available after 48 consecutive on-time monthly payments and favorable credit review (subject to change at lender's discretion) – Payments begin 6 months after the borrower is no longer enrolled at least half-time.
<p style="text-align: center;">MedCAP Loan</p> <p style="text-align: center;">1-800-658-3567 www.wellsfargo.com/student</p> <p style="text-align: center;">Wells Fargo Bank</p>	Apply online or request an application from Enrollment Services—Financial Aid	<ul style="list-style-type: none"> – U.S. citizen or permanent resident. International students are eligible if they are temporary residents – May be enrolled less than half time – Student must be enrolled in approved medical discipline programs (Physical Therapy, Nursing, Physician's Assistant) – Satisfactory academic progress not required. 	<ul style="list-style-type: none"> – Maximum: cost of education less other aid received – Minimum: \$1000 	<p>Physical Therapy Students: \$180,000</p> <p>Other health disciplines: \$120,000</p>	<ul style="list-style-type: none"> – Prime + 0% to 2.5%, based on credit history. – Interest rate is variable and adjusts monthly 	15 years	<ul style="list-style-type: none"> – 48 consecutive on-time monthly payments will lower interest rate by 0.50% – 0.50% interest rate reduction for automatic payments from a Wells Fargo account (0.25% if automatic payment from a non-Wells Fargo account) – Cosigner release option available after 24 consecutive on-time monthly payments – Payments begin 6 months after the borrower is no longer enrolled.

Information printed in this document was gathered from publicly available sources and is believed to be correct as of the printing. It is intended for use as an appropriate guide for comparison purposes only.

To ensure fully informed borrowing, you should refer directly to each lender's loan application and promissory note for exact information regarding terms, assumptions, conditions, eligibility, definitions, and Annual Percentage Rate (APR).