

## Private Education Loans

Private education loans are designed to assist students who need additional funding to meet the gap between the cost of attendance and any financial aid they have received for that year/term. Private loans are credit based loans and are not part of the federal education loan program.

Mount Mercy keeps a historical lender list, which can be found here:

<https://choice.fastproducts.org/FastChoice/home/188000/1>. It is your responsibility to research which loan will best suit their needs. You should pay close attention to interest rates (fixed vs. variable), fees and repayment terms.

**Borrowing can be costly.** We recommend you speak with your financial aid counselor to ensure you have received the most beneficial aid prior to applying for a private education loan.

**Only borrow what you need.** Make a budget for yourself to keep your debt within manageable limits.

Students are encouraged to investigate the option of a private loan very cautiously and thoroughly. Be aware that some lenders will require payment while you are enrolled in school. Other lenders will let you defer payment, but interest will accrue and be added to your balance. You will owe more than you borrowed once you leave school.

The Financial Aid Office will process a loan with any lender you have selected if you are eligible for the loan. The maximum loan amount we can certify is the cost of attendance minus any other aid received.

Before applying for these loans it is important for you to ensure that you have reviewed all of your federal loan options and eligibility. Prospective borrowers should note that they may qualify for loans or other assistance under the federal Title IV programs and the terms and conditions of loans under the federal Title IV programs may be more favorable than those of private education loans. Federal loans generally have better benefits and lower, fixed interest rates. We encourage you to consider the Federal PLUS/Grad PLUS Loan (depending on your academic level) before applying for a private loan.

## The Application Process

The application process for private student loans includes a credit check. If your credit does not pass the lender's requirements, you may be required to have a co-signer on the loan. Your lender is also required to provide you with disclosure statements detailing your interest rate and confirming your acceptance of the loan.

Once the loan is approved, your lender will contact Mount Mercy University to request loan certification. After your loan has been certified, most lenders will then send the funds to MMU electronically, and the funds will be applied to your student tuition account. Any credit balance remaining will be refunded to you.

A few lenders will send the loan funds to Mount Mercy University via paper check. You must endorse the check before the funds can be applied to your student account. We will notify you when the check is ready for endorsement.