

ALTERNATIVE LOANS

The student should file the Free Application for Federal Student Aid (FAFSA) to determine federal and state eligibility before applying for an alternative education loan.

Alternative Loan Application Process

1. For information about specific lenders and the alternative loans that they offer, go to www.uwlax.edu/finaid/alternative_loans.html. On this Web page, you will find important tips to help you pick an alternative loan. You will also find UW-L's Preferred Lender List for Alternative Loans.
2. Once you have determined which alternative loan you wish to apply for, you can go directly to the application process from the Preferred Lender List.
3. After you have applied on line, send the lender any additional paperwork that they require.
4. Once the application and all of the required paperwork are received by the lender, they will make a determination of whether to approve the loan.
5. If the loan is approved, the lender will contact the UW-L Financial Aid Office (FAO) for certification.

Disbursement of Funds

Most lenders disburse their alternative loan funds electronically and they will be applied directly to the student's university bill. Any resulting change check will be disbursed to the student in the method chosen when the student activated their Tower One I.D. card.

Other Financing OPTIONS FOR GRADUATE STUDENTS

2008-2009



UW-L

GRADUATE PLUS LOANS

The UW-La Crosse Financial Aid Office (FAO) strongly encourages graduate students to consider their Federal Stafford Loan eligibility prior to applying for a Graduate PLUS Loan.

Application Process

The application process for Grad PLUS Loans can be completed on the UW-L Financial Aid Office Web site, www.uwlax.edu/finaid/graduateplusloans0809.html.

1. Apply for **Pre-Approval** of the Grad PLUS Loan.
2. First time Grad PLUS Loan borrowers must complete **Graduate PLUS Entrance Loan Counseling**.
3. You must fill out a **UW-La Crosse Graduate PLUS Loan Request Form**.
4. First time Grad PLUS Loan borrowers must complete a **Grad PLUS Loan Master Promissory Note** (Grad PLUS MPN).

If you have a Dept. of Education PIN, you can sign the Grad PLUS MPN electronically. If not, you will need to print out the Grad PLUS MPN and mail it to Great Lakes Higher Education Corporation. (If you are choosing a lender not serviced by Great Lakes, you will not be able to use the online Grad PLUS MPN.) If you do not complete the Grad PLUS MPN online, a paper one will be mailed to you.

Eligibility

To be eligible, the student must:

1. be a graduate or professional student, enrolled at least half-time and admitted to a graduate program.
2. be a U.S. citizen or eligible non-citizen and provide a valid Social Security Number.
3. be creditworthy.

Disbursement of Funds

Grad PLUS Loan funds will be disbursed electronically and applied directly to the student's university bill. Any resulting change check will be disbursed to the student in the method chosen when the student activated their Tower One I.D. card.

DO YOU NEED HELP PAYING FOR COLLEGE?

The Grad PLUS Loan is a low-interest education loan that allows you to fund the entire cost of your education minus financial aid already awarded. Before making your decision, please take a moment to consider and compare the Stafford, Grad PLUS and Alternative Loan options.

	FEDERAL STAFFORD LOAN	FEDERAL GRADUATE PLUS LOAN	ALTERNATIVE LOANS
CURRENT INTEREST RATE	Fixed interest rate of 6.8%.	Fixed interest rate of 8.5 %	Variable, usually no cap. Many programs reset quarterly. Varies from lender to lender. Usually based on a consumer index (prime, commercial paper, LIBOR, etc.) plus a margin.
BORROWER	Student. Loan is in student's name.	Student. Loan is in student's name.	Student. May have a cosigner, who bears equal responsibility for loan repayment. Generally, a student might receive a better interest rate with a credit worthy co-signer if they do not have their own established positive credit history.
LOAN AMOUNTS	Subsidized: \$8,500 per year Unsubsidized: \$12,000 in addition to Subsidized amount.	Up to cost of your education minus other financial aid.	Minimum and maximum borrowing limits vary from lender to lender.
CANCELLATION	Loan forgiven if you become totally disabled or die.	Loan forgiven if you become totally disabled or die.	Not usually discharged in the event of death or permanent disability of student.
INTEREST ACCRUAL	Interest accrues while you're in school. Subsidized: You are not responsible for interest accrued while in school, and during grace and eligible deferment periods. Unsubsidized: Interest-only payments available during school, otherwise interest will be added to the principal loan balance.	Interest accrues while you're in school. Interest accrued during postponed period is capitalized.	Varies from lender to lender. Check with lender for availability.
DEFERMENT/FORBEARANCE	Deferment and forbearance options are available.	Deferment and forbearance options available.	Varies from lender to lender. Check with lender for availability.
QUALIFYING	Be classified as at least half-time student and working toward a degree or certificate.	Based on credit history; debt-to-income is not considered thus making it easier to qualify.	Varies from lender to lender but often debt-to-income ratio is considered in credit decision.
EASE OF APPLICATION	Very easy. File the FAFSA (Free Application for Federal Student Aid). The UW-L Financial Aid Office will determine your Stafford eligibility and send you an Award Letter.	Very easy. Complete UW-Ls Graduate PLUS Loan Request Form . First time Grad PLUS borrowers must complete Graduate PLUS Entrance Loan Counseling.	Usually more difficult. Supporting documentation generally required (proof of income, co-borrower addendum, etc.)
FEES	Origination fee of 1%, waived by most lenders.	Typically 3% Origination Fee. Typically 0% to 1% default fee dependent upon choice of guarantor.	May include origination and/or repayment fees.
REPAYMENT TERM	10 years.	10 years	Varies among lenders. Typically, 10-25 years.