

# 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/alternativeloans.html](http://www.uwlax.edu/finaid/alternativeloans.html). On this Web page, you will find important tips to help you pick an alternative loan. You will also find a link to 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. If the lender you choose disburses funds only through paper check, it is the student's responsibility to go to the Cashier's Office to endorse the check so that it can be applied to the university bill.



## If a student decides to apply for an alternative loan, what loans are available?

These alternative loans are available at UW-La Crosse:

Lender	Alternative Loan
Wachovia	Wachovia Education Loan
U. S. Bank	GAP Loan No Fee Loan
Citibank	CitiAssist Loan
Sallie Mae Education Trust	Signature Loan
UW Credit Union	Alternative Student Loan
Wells Fargo	Collegiate Loan Graduate Loan MedCAP Loan (allied health fields only)
Associated Bank	A+ Supplemental Loan
EdAmerica	EdAmerica Private Loan
AnchorBank	Campus Door Undergraduate Loan Campus Door Graduate Loan
Chase Bank	Chase Select Loan
College Loan Corp.	Premier Loan
M & I Bank	Academic Private Loan for Undergraduates Academic Private Loan for Graduates Academic Private Loan for Health & Medical Students (allied health fields only)
Minnesota Office of Higher Education	SELF Loan (Minnesota Residents only)

For more information about these loans go to [www.uwlax.edu/finaid/alternativeloans.html](http://www.uwlax.edu/finaid/alternativeloans.html)

# Other Financing OPTIONS

2008-2009

## Education Finance Options for Parents & Students



# THE COST

## What will it cost for a new student to attend UW-La Crosse in the 2008-09 academic year?

The Estimated Undergraduate Costs for a New Student in the 2008-09 Academic Year (Two Semesters)

	Wisconsin Resident	Minnesota Resident	Non-Resident	Apartment/Commuter
Tuition/Fees	\$6,680	\$7,200	\$14,250	\$6,680
Residence Hall* (Double Room)	\$3,130	\$3,130	\$3,130	--
Meal Plan (19 meals per week)	\$2,290	\$2,290	\$2,290	\$2,290
<b>Total Owed to UW-L</b>	<b>\$12,100</b>	<b>\$12,620</b>	<b>\$19,670</b>	<b>\$8,970</b>

\*Residents of Reuter Hall will have additional room costs.

## What if the aid that is offered on the Financial Aid Award Letter isn't enough to cover your costs?

Most families choose one of three options for additional funding for education: a Parent PLUS Loan, an alternative education loan from a private lender, or a home equity line of credit.

## What option is best for you?

See the comparison chart inside.

## How much can I borrow for a PLUS Loan or Alternative Loan?

See the amount listed at the bottom of the Financial Aid Award Letter.





# DO YOU NEED HELP PAYING FOR COLLEGE?

The Parent PLUS Loan is a low-interest education loan that allows you to fund the entire cost of your student's education minus financial aid already awarded. Before making your decision, please take a moment to consider the compelling differences between applying for a Parent PLUS Loan over a home equity line or cosigning for an alternative loan.

## PARENT PLUS LOANS

	FEDERAL PARENT PLUS LOAN	ALTERNATIVE LOANS	HOME EQUITY LINE OF CREDIT
INTEREST RATE	Fixed at 8.5% ( <i>Parent PLUS Loan carries a fixed rate of 8.5% for all loans first disbursed on or after July 1, 2006.</i> )	Variable, usually no cap. Many programs reset quarterly.	Variable or Fixed.
CURRENT INTEREST RATE	8.5% ( <i>Parent PLUS Loan carries a fixed rate of 8.5% for all loans first disbursed on or after July 1, 2006.</i> )	Varies from lender to lender. Usually based on a consumer index (prime, commercial paper, LIBOR, etc.) plus a margin.	Varies from lender to lender.
BORROWER	Parent. Loan is in parent's name.	Student. While loan is in student's name, usually parent is included as a cosigner. Cosigner bears equal responsibility for loan repayments. Generally, a student might receive a better interest rate with a credit worthy co-signer.	Parent or Student. Typically a parent since loan must be in homeowner's name
LOAN AMOUNTS	Up to cost of student's education minus other financial aid.	Minimum and maximum borrowing limits vary from lender to lender. Cannot exceed cost of attendance minus other financial aid.	Borrow the money as needed for a specific duration (5-10 years, for example), utilizing cash advances or checks, up to the credit limit. Loan amounts range from \$25,000 to \$500,000 (usually the appraisal home value).
CANCELLATION	Loan forgiven if student or parent dies.	Not usually discharged if student dies.	Loan is not discharged if borrower dies – debt will be satisfied by estate proceeds. "Good Faith Fee" normally credited upon loan close. Early termination fee usually applies.
INTEREST ACCRUAL	With lender approval, parent may postpone payments up to 4 years – interest accrued during postponed period is capitalized. Parents may also choose to make interest-only payments while student is in school.	Interest accrues while student is in school. Some programs require student to make minimum monthly payments or interest-only payments while in school. If deferred, repayment usually begins 6 months after student graduates or leaves school.	During the "draw" period (5-10 years, for example), pay only the interest. Remaining interest plus principal payments are usually due for the subsequent 20 years.
DEFERMENT/FORBEARANCE	Deferment and forbearance options available.	Varies from lender to lender. Check with lender for availability.	Deferment and forbearance options are usually unavailable.
QUALIFYING	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.	Based on many factors that may include: credit history, satisfactory home appraisal, title review, proof of property/flood insurance, and no change in financial condition/job situation.
EASE OF APPLICATION	Very easy. Parent can get pre-approved online. Apply by completing the <b>UW-L Parent PLUS Loan Request Form</b> .	On-line applications are available for most loans. Supporting documentation generally required (proof of income, co-borrower addendum, etc.)	Somewhat easy. Homeowners can get pre-approved online in less than 30 minutes. Further documentation is needed such as an updated home appraisal.
FEES	Maximum 3% origination fee.	Fees vary from lender to lender. May include origination and/or repayment fees.	Fees vary, including home appraisal fee, application fee, origination fee, points (pay a certain percentage up-front to lower the interest rate), closing costs, and annual fees.
REPAYMENT TERM	Repayment begins 45-60 days after loan is fully disbursed. 10 years.	Varies among lenders. Typically, 10-25 years.	Typically, 10-30 years

### Application Process

The application process for Parent PLUS Loans can be completed on the UW-L Financial Aid Office Web site, [www.uwlax.edu/finaid/plusprocess0809.html](http://www.uwlax.edu/finaid/plusprocess0809.html).

1. File the Free Application for Federal Student Aid (FAFSA) to determine federal and state eligibility.
2. Apply for **Pre-Approval** of the Parent PLUS Loan. If the parent is denied during the Pre-Approval process, contact the FAO for additional options
3. You must fill out the **UW-La Crosse Parent PLUS Loan Request Form**.
4. First time Parent PLUS Loan borrowers must complete a **Parent PLUS Loan Master Promissory Note** (Parent PLUS MPN).

If you have a Dept. of Education PIN, the parent can sign the MPN electronically. If not, you will need to print out the 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 Parent PLUS MPN.) If you do not complete the Parent PLUS MPN online, a paper Parent PLUS MPN will be mailed to you.

### Eligibility

#### *To be eligible, the parent must:*

- be a natural, step or adoptive parent of a dependent student
- be a U. S. citizen or eligible non-citizen and provide a valid Social Security Number
- be creditworthy

#### *The student must:*

- be less than 24 years of age
- have no dependents
- be enrolled at least half-time
- be unmarried



### Disbursement of Funds

Parent 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.

**HOWEVER**, if the parent wishes to receive a paper check instead, they must indicate that in the appropriate place on the **Parent PLUS Loan Request Form**. The paper check will be written out to the parent and the school. The Cashier's Office will endorse the check and mail it to the parent. The parent then endorses the check and deposits it in their own bank account. It is then the parent's responsibility to apply the funds to any outstanding balance the student might have.