

PRIVATE EDUCATION LOANS

Private education loans may be a choice for students where costs are not covered by other aid they've received. These are nonfederal loans by a lender, such as a bank, credit union, or state agency, and have terms and conditions set by the lender.

Important Note: Stonehill College strongly suggests that students exhaust their federal student loans, Subsidized and Unsubsidized options, before borrowing a private loan. The federal government makes federal student loans with terms and conditions set by law.

Private Loans vs Federal Loans

Federal loans:

- Fixed interest rates
- Future payment postponement possibilities
- Loan forgiveness options.
- Various repayment plans
- do not use a student's credit for eligibility.

Private loans:

- Credit based.
- Stricter eligibility requirements
- May require a co-signer *This is often recommended by Stonehill College, to ensure the student is receiving the most favorable terms.

For more information on federal loans versus private loans, please visit studentaid.gov.

Students and families must research their options before choosing a lender that best fits their needs. Before borrowing, be sure to understand fully:

- The terms of the loan.
- What is the interest rate, and how will it be calculated?
- Any fees associated with the loan.
- The terms of repayment.
- The lender's requirements to borrow money.
 - Does the lender require students to meet satisfactory academic progress?
 - Does the lender require students to be enrolled at least half-time?

- Does the lender require students to be enrolled in a degree-seeking program?
- What is the smallest amount needed to borrow funds?

Loan Certification at Stonehill College

- The Student Financial Services Office will not certify a student's private loan until they have completed all requirements with their lender.
- Students must verify with their lender that all required documents and disclosures have been received.
- After your lender has completed their application process they will notify the college of your loan request.
- The college will process a loan certification with your lender that certifies your enrollment status and loan amount eligibility for the loan period asked.

*A private loan **cannot be certified above the student's Cost of Attendance (COA)**.

Therefore, our office may reduce the loan amount requested from the lender if a student receives other financial aid or the requested loan amount exceeds their COA.

Estimated COA - Other Financial Aid Received = Amount of Private Loan.

For example, suppose the estimated cost of attendance is \$22,000, and the student will receive \$10,000 in other financial aid (including Federal Direct Loans, grants, or scholarships). In that case, a student may borrow up to \$12,000 for the academic year.

The college does not decide the amount of loan that is needed to pay for the term's costs. The amount that the lender approves is based on the amount requested by the borrower. It is your responsibility to ensure you are borrowing appropriately for your costs.

If a loan has been certified, the funds appear as either account credit or an expected credit on the student account. As the borrower it is your responsibility to review the lender notifications about the disbursement of your loan funds to Student Financial Services.

LOAN PERIODS

A private loan can only be processed and disbursed within the terms listed below. The certifiable loan terms are:

Two Term Loans

- Fall/Spring (within the same academic year), typically, August through May loan period.

- If a loan is certified for both the fall and spring terms, the first half of the funds will disburse in the fall term and the second half in the spring term.

One Term Loans

- Fall only, August through December loan period.
- Spring only, January through May loan period.
- Summer only, May through August loan period.
 - The summer term is a separate term from the fall/spring term. If a student needs a private loan for the summer term, they must apply for a separate loan.

If your loan is certified for a single term, your private loan will be disbursed as one disbursement in that term.

PAST DUE BALANCE LOANS

If a student has a past-due balance from an earlier term or aid year, they must borrow a separate private loan for that specific term or aid year to pay it. The loan will only be certified for the amount owed for the term or aid year in which the balance is due, and it can only be certified up to the remaining cost of attendance for that term or aid year.

For example, if a student has a past-due balance from the summer term and is trying to return for the upcoming fall term, they will need to apply for a summer term loan to cover their balance from summer.

*Please note that each lender has specific guidelines about past-due balance loan certification, and not all allow past-due balance certification. Please ensure that your lender offers past due balance loans.

ELMSELECT

To help students and their families review private loan options, Stonehill College uses [ELMSELECT](#). This is a free resource that helps students compare lenders. There is no obligation to use any of these lenders, however. You have the right to choose any lender. The information provided here is kept and updated in real-time by the lenders represented.