

## Private Loans

When it comes to financing your education, be sure to look to your lowest cost option first, including grants, scholarships, and direct student loans. If you need more funds to cover your costs a private student loan may be a choice to consider.

Private loans should be utilized only after you have exhausted your Direct Student Loan eligibility.

Private loans often carry higher interest rates and fees than federal loans or home equity loans, and may have less attractive repayment terms. Typically, the interest rates on private loans are variable and could change from month to month. Generally, private loans are based on your credit rating and income-to-debt ratio — not financial need — and may require a co-signer. The information in your credit report will determine the interest rates you qualify for.

Questions to Ask Before Borrowing:

- What's the interest rate? Is it fixed or variable? If variable, how often will it be adjusted? When does interest capitalize and how often?
- Is there a maximum amount you can borrow? Can you borrow more than the cost of your education?
- Is a co-signer required? Will having a co-signer lower the interest rate?
- Is there an application fee? Are there any disbursement fees? Any repayment fees?
- Is the loan check payable to you or your college? How long does it take to receive funds?
- Are there reduced interest rates for on-time payments?
- What will your minimum payment be? When does repayment begin? How long do you have to repay? Is there a prepayment penalty?
- Will you get one bill for all your private loans? Do you lose any benefits by combining your private loans with federal loans?
- Will your student loan payments be deferred while you're in school? If so, will interest continue to accrue on your student loan?
- What happens if you can't make your payments due to a job loss or other economic hardship? Do you have any deferment or forbearance options?

Below is a list of lenders whom Hope International University students have utilized over the past 3 years. You are not obligated to choose one of the lenders:

[Wells Fargo](#)

[Discover student loans](#)

[Chase student loans](#)

[Citi Bank student loans](#)

[Sallie Mae](#)