

FREQUENTLY ASKED QUESTIONS

How much should I borrow?

This will depend on your situation. Start by calculating your Remaining Need (see example below). This is the maximum amount you can receive, but you can receive a smaller amount. It is recommended that you borrow only what is needed for the school year.

Are there better loan options?

Yes. It is recommended that you take out Stafford and Plus loans with lower fixed Federal interest rates before taking out alternative loans. See the Stafford Loan Guide and the Plus Loan Guide for more information.

Will I need a co-borrower?

If you have built a good credit history, you may not need a co-borrower. However, if you have not built a good credit history, it is recommended that you borrow with a co-borrower. By having a co-borrower, it may be possible for you to qualify for a loan with better rates.

How long will the loan process take?

Processing can take an average of 2 to 3 weeks after receiving a complete application.

What is the interest rate?

See Alternative Loan Fact Sheet on the inside.

Example:

Cost of Attendance (COA) sample minus financial aid example:

Living on Campus COA	\$37,000
(-) all financial aid resources	-\$25,000
Remaining Need	\$12,000

\$12,000 represents the total amount available to borrow on an alternative loan. For assistance, please speak with a counselor in the Financial Aid Office.

CHECK LIST:

1

Complete the Free Application for Federal Student Aid (FAFSA) and apply for the Federal Stafford Loan at:
<http://biola.edu/undergrad/financialaid/loans.cfm>

2

Determine how much you are eligible to borrow in alternative loan funds (see example at left).

3

Submit your paper or electronic application directly to the lender. (Credit approval and a completed application are needed before Biola will certify your application).

****Recommended Lender Notice****

By law you may choose any lender you would like. However, we highly encourage you to choose a lender on our recommended lender list, as these lenders have aligned themselves to Biola's internal process, enabling us to better serve our parents and students. We cannot guarantee that we have a working relationship or the ability to communicate with lenders not on our list. Therefore, please understand that choosing a lender not on our list will result in a manual paper process (including paper certification, lender mailing the check to Biola, and borrower endorsement of check), as opposed to electronic transfer of documents and funds. It is the borrower's responsibility to resolve any issues or problems that may arise directly with the lender.



Biola University • 13800 Biola Ave. La Mirada, Ca 90639



BIOLA UNIVERSITY

Alternative Loan Lender List & FAQs

Financial Aid Office

Biola University • 13800 Biola Ave. La Mirada, Ca 90639

2008-2009 Alternative and PLUS Loan Fact Sheet

Lender	Key Bank National Association	Wachovia	Wells Fargo	Citi – The Student Loan Corporation
Phone Number	1-800-539-5363	1-800-338-2243	1-800-658-3567	1-800-967-2400
Website to Apply	www.key.com/alternative	www.wachovia.com/education	www.wellsfargo.com/student	www.studentloan.com/citiassist
Borrower	Student or student and cosigner	Student or student and creditworthy cosigner	Student or student and cosigner	Student or student and cosigner
Eligibility Requirements	<ul style="list-style-type: none"> • U.S. citizen or permanent resident • Enrolled at least half-time • Applicant must be 17 or older • Satisfactory Academic Progress is not required 	<ul style="list-style-type: none"> • US Citizen • Enrolled at least half-time • International Students may apply with eligible US citizen of permanent resident • Satisfactory Academic Progress not required 	<ul style="list-style-type: none"> • US Citizen or permanent resident • Enrolled in eligible degree seeking program • Juniors, seniors, or graduate students with strong credit histories may be eligible without a co-signer 	<ul style="list-style-type: none"> • US Citizen or permanent resident • At least 18 years of age • Satisfactory credit history which includes at least 12 months of borrowing, charging, and repaying
Annual Limits (minimum & maximum)	<ul style="list-style-type: none"> • Minimum: \$500 • Maximum: cost of attendance less financial aid 	\$500 up to cost of attendance less financial aid (maximum allowable \$45,000 per year)	<ul style="list-style-type: none"> • Minimum: \$1,000 • Maximum: Cost of attendance less financial aid 	<ul style="list-style-type: none"> • No minimum • Maximum: Cost of attendance less financial aid
Aggregate Limits	\$125,000	No aggregate limit	\$120,000	<ul style="list-style-type: none"> • Undergraduate: \$120,000 • Graduate: \$150,000
Interest Rate	<ul style="list-style-type: none"> • 3 month LIBOR +3.30% cosigned (8.21%) • 3 month LIBOR +3.85% non-cosigned (8.76%) • Variable rates adjusted quarterly 	As low as Prime minus .50%	As low as Prime + 0.00% or as high as Prime + 4.50%	As low as 7.75% or up to 11.75%
Loan Fees	No fees	Zero fees for all borrowers	Zero fees	No fees
Repayment Period	<ul style="list-style-type: none"> • 10, 15, 20 years depending on amount owed • Minimum \$50 monthly payment 	Up to 20-25 years depending on balance	Up to 15 years	Up to 20 years
Grace Period	• 6 months from end of enrollment at least half time	6 months	6 months from end of enrollment	6 months
Discounts and Benefits	<ul style="list-style-type: none"> • No application fee or additional fees • Easy annual renewal process • Loans can be disbursed up to 60 days after the term ends • Co-signer release available after 48 consecutive, on-time payments and meet all applicable credit criteria • Receive a quick credit decision when you apply online • Borrowers make no payments for up to six months after graduation 	<ul style="list-style-type: none"> • Zero origination, guarantee, and repayment fee • Immediate 0.50% interest rate reduction for auto debit • Covers past due balances up to three years • Co-signer release available after 48 on-time payments • Capitalization once at repayment 	<ul style="list-style-type: none"> • 0.50% immediate interest rate reduction at repayment for auto debit payments for a Wells Fargo account (0.25% from a non-Wells Fargo account) • 0.50% interest rate reduction after making the first 48 consecutive on-time monthly payments • Cosigner release after 24 consecutive on-time monthly payments • May be used for past due balances 	<ul style="list-style-type: none"> • 0.50% interest rate reduction after the first 48 consecutive monthly payments on time • 0.25% interest rate reduction with Citbank E-Z (auto debit) and only receive their statements electronically. • Borrowers can settle up to 12 months' worth of prior balances and does not need to be enrolled in school