

Alternative Student Loans

The Office of Financial Aid recommends that students utilize federal student loans first. These loans have lower fixed interest rates than alternative educational loans and also have deferment and consolidation options. If you need further financing after federal student loans, you should select the loan that best meets your needs and which offers the best interest rate and borrower benefits.

At Allegheny College, we believe families should have as much information as possible to make individual loan choices that are in their best interest. Many families find it challenging to gather accurate loan information to make the best borrowing decision, so they rely on the Office of Financial Aid for guidance. To assist you, Allegheny maintains an annual list of at least three lenders for comparison. Neither Allegheny College, nor any of its employees, benefit financially from families using any specific lender. Any information we provide regarding loans is for information purposes only and should be used in comparison with other loan options. We recommend that families view our comparison information, as an example, along with any other loan providers' information they wish to consider.

Each year the Office of Financial Aid reevaluates the lenders on our comparison lists by sending a Request for Information (RFI). We replace specific lenders on our comparison list if more favorable loans are identified. Please note the information on our comparison list is accurate as of January 2007. Loans are subject to change before our annual RFI process. Some of the loan characteristics we evaluate for comparison through the RFI are:

- Interest rates
- Fees charged
- Interest rate reduction options
- Cosigner release options
- Savings potential
- Other borrower benefits (such as borrower age, loans for back balances, academic progress requirements)

After a family has researched and selected the alternative loan of their choice, and once the lender approves the loan application, Allegheny College promptly certifies the loan, regardless of lender choice, so the funds can be credited as soon as possible to the student's account.

Warning! Be aware of unsolicited direct-to-consumer (DTC) marketing techniques that are misleading, confusing, or look like official government correspondence. DTC educational loans are often very easy to get, but generally have very high interest rates, large fees to defer loans, few borrower benefits, and less favorable repayment terms.

Families who have questions regarding student loans are encouraged to contact the Office of Financial Aid at (800) 835-7780 for more information or individual assistance.

Please see www.ELMSelect.com for some comparisons of alternative student loans.