

Private (Alternative) Loans can be a valuable resource; but it is recommended that you use your federal loan options (Perkins, Stafford and Plus) before considering an Alternative Loan program. Federal loans typically offer better rates, fees, and repayment options. Some parents do not want to borrow through the Federal Direct PLUS Loan program because the student is not obligated to repay, unlike a private Alternative Loan program. However, if the parent cosigns the Alternative Loan the parent is held responsible for repaying the loan if the student defaults.

The Alternative Loan is often seen as the better deal. However, Alternative Loans not only look at your credit history, but other factors such as your college's cohort default rate or graduation rate are also considered. Higher fees are usually added to the interest rate of those students who have a lower FICO score or to students who attend schools with high default or low graduation rates. Another important consideration is the repayment term. A longer repayment term will reduce the amount of your monthly payment; however, it will increase the interest you pay over the lifetime of the loan. Most Alternative Loans have a 15–20 year loan repayment term. While the monthly payment is lower, the borrower will pay close to four times as much in interest. We recommend that you obtain the shortest repayment term possible.

It takes approximately 30 days to process a private loan, so early application of this loan is crucial.

PRIVATE ALTERNATIVE LOAN PROCESS	
APPLICATION DISCLOSURE	<ul style="list-style-type: none"> Applicants receive this form as part of the online application process, before you fill out the application. Contains general information about the loan's range of rates, terms, and fees. In addition, it provides an example of the total cost of the loan at the maximum rate offered by the lender and information regarding federal student loans. Begin the application process online at www.wilmington.edu. Click on: Admission → Financial Aid → Types of Aid Scroll down to Private Education Loan. Click on "FASTChoice" and follow the prompts.
APPROVAL DISCLOSURE	<ul style="list-style-type: none"> Applicants and cosigners receive this form by mail after final approval of the loan by the lender and before school certification. Contains specific information about the approved loan, including the approved loan amount, approved rate and estimated repayment schedule. Disclosed loan terms must be accepted by either the applicant or cosigner within 30 calendar days of receipt of the Approval Disclosure. If the applicant or cosigner does not accept the loan terms within the timeframe and by the method described in the Approval Disclosure, the loan approval will be cancelled and the applicant will have to reapply.
SCHOOL CERTIFICATION	<ul style="list-style-type: none"> The lender will request school certification after the applicant or cosigner has accepted the loan terms and all documents (including signed Loan Application and Promissory Note) have been received, except for the Self-Certification Form.
FINAL DISCLOSURE	<ul style="list-style-type: none"> The lender will send this form to the borrower at the same time it requests the school certification. Contains specific information regarding the loan terms, including the approved loan amount, approved rate and estimated repayment schedule. Also contains information on the right to rescind prior to the first disbursement date.
RESCISSION PERIOD	<ul style="list-style-type: none"> The intent of the rescission period is to allow borrowers a final opportunity to evaluate their need for a private student loan and/or cancel the loan without penalty. The required rescission period is until midnight of the third business day after the borrower has received the Final Disclosure. Lenders cannot disburse funds until the end of the rescission period so schools will not be able to schedule disbursements until the expiration of the rescission period. To allow for applicants and cosigners to receive the Final Disclosure in the mail, the first date that a loan can be scheduled for disbursement is after the 7th business day from the date that the lender mailed the Final Disclosure.
SELF CERTIFICATION	<ul style="list-style-type: none"> The lender provides students with a blank Self-Certification Form. Contains details about federal loan availability and encourages students to seek advise from their school's financial aid office. Must be completed and signed by the applicant and returned to the lender before the loan can be disbursed. Applicants may contact the school for help in completing the form, including information about the school's cost of attendance. If the applicant does not complete, sign and submit the form within 180 days of their submitting the credit application to the lender, the loan will be cancelled.