

Alternative Loan Information for Graduate Students

What Is An Alternative Loan?

An alternative loan is a loan that is borrowed through a bank or corporate lender. Alternative loans require a separate application. In addition, lenders will conduct a credit check to determine if you qualify. The interest rates, fees, repayment and other options available vary from lender to lender. The lenders may also have aggregate limits that they are willing to loan to students. Please make sure to read the application and promissory note carefully. It will provide you with information regarding interest rates, fees, repayment and grace periods. If you have any questions, call the lender or check their web site. The web sites offer helpful information, as many list the interest rates for their particular loan and whether any fees will be assessed. Before you complete an alternative loan application, you should clearly understand the terms and conditions of the loan.

Why An Alternative Loan?

If a gap exists between your cost of attendance budget and the other aid awarded, you will have additional estimated loan eligibility listed on your notification of eligibility. If the amount of the other aid that you have been awarded will not be enough for you, you have the option of applying for an alternative loan or Federal Direct Graduate PLUS loan (see the cover letter that was received with your 'Notification of Eligibility'). Remember that alternative loans require a separate application and approval process. If approved, the alternative loan funds become part of your financial aid package. If the total amount of your aid exceeds your tuition and fees, you would then receive a refund to assist you with living expenses, books and supplies. Therefore, it is important to get started on the application process as early as possible. Processing time for most of the applications are typically 3-4 weeks. Some loans have the option of applying on-line, or calling for quick pre-approval.

How Do I Apply?

You will choose a lender and apply with them directly. You can only apply up to the amount of eligibility listed on your 'Notification of Eligibility'. The OHSU Financial Aid Office must certify the amount that can be borrowed and the disbursement dates of the funds. If you are completing a paper application, you will need to bring the application to the Financial Aid Office for completion. For those applying on-line, the lender will request certification from us directly. The back of this form provides a sampling of a few alternative loan lenders. The criteria used by the Financial Aid Office in selecting the lenders listed on the back of this form includes factors such as whether the lender offers loans specific for health professions students as well as our past experiences with the customer service they have provided to our students. OHSU does not receive any monetary gain from listing lenders on this form. There are many other lenders in addition to the ones listed on this form. You may also review the Undergraduate Alternative Loan Program Comparison Chart (available on the Financial Aid Office website) for another sampling of more alternative loan lenders. You should research several lenders to determine which lender offers a loan that meets your specific criteria. **You have the right and ability to select the lender of your choice regardless of whether they are listed on the back of this form.** Please keep written records of all forms, application, and correspondence with your lender, especially regarding discounts and special deals, for the entire life of the loan.

- **Important things to consider when selecting the right lender and private loan for you:**

- Understand the ultimate cost of the loan over its lifetime. Compare annual percentage rates (APR) vs. interest rates and fees to determine the real cost of the loan.
 - What is the lowest interest rate and fee combination that they offer? How can you qualify for it? Is the rate for a limited period (an introductory rate), or for the duration of the loan?
 - If the interest rate is variable, is there a limit on how high the rate can go? How often is it adjusted, and how is it determined?
- Be aware of when you will start making payments. Further, know what monthly payments will be upon graduation or leaving school and how that will affect your lifestyle after college. Determine how long you will be repaying the loan. Is there any penalty for paying off the loan early?
- Find out what the 'borrower benefits' really mean to you. How is each benefit achieved and how are they kept throughout repayment? What happens if you miss an 'on-time' payment? Will you lose the on time payment discount if you ask for a change in the payment schedule? What proportion of the borrowers actually qualify for borrower benefits?
- Are there forbearance and deferment options? Understand what additional costs these options may have for you. If you have difficulty making payments ('economic hardship'), do they allow you to defer or reduce payments temporarily? Under what circumstance and for how long?
- How does the lender capitalize interest? (i.e., Once repayment begins or quarterly while you are in school?)

How will I Receive the Funds?

The alternative loan funds will be sent to the Financial Aid Office. If the funds are electronically received or checks are made out to OHSU only, they will be applied to your account like other financial aid funds. However, if the alternative loan is made out to you or to OHSU and you, then you will need to endorse the check so that it can be applied to your student account. If you must endorse a check, the Financial Aid Office will contact you each quarter when the check is ready for you to sign. Please remember that the Financial Aid Office sets up disbursement dates to coincide with term start dates. However, the date you receive the funds can vary depending on when funds are received and can be applied to your account.

If you have any questions call our office at (503) 494-7800 or 1 (800) 775-5460 or email finaid@ohsu.edu

2008-2009 GRADUATE ALTERNATIVE LOAN PROGRAM COMPARISON CHART

	Access Group Inc. 800-282-1550 www.accessgroup.org		CitiBank 800-745-5473 www.studentloan.co	Key Bank 800-539-5363 www.key.com/educate		Sallie Mae 888-272-5543 www.SallieMae.com/Medical (orDental)	
Loan Name	Medical Access Dental Access	Health Access	CitiAssist Medical & Dental Loan	Dental Achiever	MedAchiever	formerly MedLoan	
Eligible Academic Program	Medical (MD) Dentistry (DMD)	Dietetic Interns Physician's Assistants and Grad Nursing	Medical (MD) and Dental (DMD)	Dentistry Graduate Dentistry	Medical (MD, MPH) Grad Nursing Physician's Asst. Dietetic Intern	Medical (MD)	Dentistry (DMD)
Interest Rate	varies by credit rating, based on LIBOR rate + 2.75% up to 6.45%	varies by credit rating, based on LIBOR rate + 2.75% up to 6.45%	varies by credit rating, based on PRIME rate -0.50% up to 4.5% Co-borrowers with excellent credit can reduce interest by a full percentage	varies by credit rating, based on LIBOR rate + 2.50% up to 6.75%	varies by credit rating, based on LIBOR rate + 3.25% up to 6.75%	In School Prime + 0% In Repayment Prime + 2%	w/co-signor Prime minus 0.50% to Prime plus 2% based on credit w/out co-signor Prime + 0.25% to 2.50% based on credit rating
Other Fees	None	None	None	None	None	Repayment fee 1.50%	None
Repayment Terms	Up to 57 months grace period including residency for MDs 9months DMDs	9 month grace period, 20 years to repay	Up to 96 month grace period including residency 20 years to repay	12 month grace period, 25 years to repay	9 month grace or to the end of residency, 25 years to repay	3 year grace period during residency 30 years to	3 year grace period 30 years to repay

Current LIBOR (London Interbank Offered Rate) and Prime rates can be found on the web at www.bloomberg.com (click on Market Data, then Rates & Bonds). On the date of this printing (3/3/08) the LIBOR rate is 3.09% and the Prime rate is 6.50%. Fourth year Medical and Dental students can apply for Residency, Relocation and Board Exam Loans with all of the above lenders. Please check the websites. The above is current as of March 3, 2008, however, loan information is subject to change.

The above only represents a sampling of the alternative loan lenders. Please read the Alternative Loan Information for Graduate Students on the back of this form.
You have the right and ability to select the lender of your choice regardless of whether they are listed on this form.

This document is available online at <http://www.ohsu.edu/finaid>