Private Student Loan Considerations

Application Process

- How long do approval and school certification typically take?
- How quickly are funds disbursed?

Borrowing Limits

- Review the maximum eligible loan amount.
- Check whether an annual reapplication is required.

Cosigner Requirements

- Determine whether a cosigner is required or could help you qualify for a lower interest rate.
- Review the lender's cosigner release policy, including eligibility requirements and the number of on-time payments required before a cosigner can be removed.

Credit Requirements

- Review the minimum credit score or credit history needed to qualify.
- Check whether applying will result in a soft credit inquiry (for prequalification) or a hard credit inquiry (for the final application).

Customer Service & Reputation

- Research lender reviews and borrower experiences.
- Consider the quality of customer support and the ease of managing your loan online.

Death & Disability Discharge

- What happens if the borrower or cosigner dies or becomes permanently disabled?
- Does the lender discharge the loan or continue to hold the borrower/cosigner responsible?

Deferment & Forbearance

- Review options for deferment or forbearance during financial hardship, unemployment, or residency.
- Find out how long assistance is available and whether interest continues to accrue during these periods.

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Fees

- Check for origination fees.
- Review any late payment fees.
- Confirm whether there are prepayment penalties (most lenders do not charge them).

Interest Rates

- Compare fixed vs. variable interest rates.
- If choosing a variable rate, review how often and when the rate adjusts.
- Your interest rate is largely based on your credit history (or your cosigner's credit).
- Compare APR, not just the advertised interest rate, for the true cost of borrowing.

Interest Rate Discounts

- Is there an interest rate reduction for enrolling in automatic payments?
- Are there loyalty discounts for existing bank customers?

Repayment Terms

- Compare repayment terms. Longer terms lower monthly payments but increase the total interest paid.
- Find out when repayment begins. Some lenders require payments while you're in school, while others allow payments to be deferred until graduation or residency.
- Review available in-school repayment options, such as full payments, interest-only payments, fixed monthly payments, or full deferment.

Refinancing Options

- Does the lender allow you to refinance your loan later if your financial situation improves?
- Can you refinance with another lender without penalties?

Residency & Fellowship Benefits

- Does the lender offer reduced payments, deferment, or forbearance during medical residency or fellowship?
- Are there limits on how long these benefits last?

Private Student Loan Process (Allow 4-6 Weeks)		
Research and Selection	1-2 Weeks	Mid-April to Early May
Application and Initial Approval	1-5 Business Days	Mid-May
Conditional Approval and Document Review	1-2 Weeks	Mid-May to Early June
School Certification	5-10 Business Days	Early June
Right-to-Cancel / Rescission Period	10-14 Days	Mid-June
Disbursement	3-5 Business Days	Late June