

The University of Toledo

Office of Student Financial Aid

Alternative Loan Options

What are Alternative Loans?

Alternative loans are private loans that can provide additional funding for unmet college expenses and are available with almost any combination of terms imaginable. The yearly amount cannot exceed the annual cost of attendance minus other financial aid received.

Alternative loans are not federally guaranteed and interest rates, fees and terms vary widely by lender. Each lender will look at credit history as well as other factors to determine eligibility for a loan. Many will require the use of a co-signer or co-borrower. Most lenders will offer a better interest rate or reduced fees with the use of a co-signer. Also, because an alternative loan is not a federal loan, many programs allow an international student to borrow as long as he or she has an eligible co-borrower who is a U.S. citizen or permanent resident.

The primary common denominator is that an alternative loan is a private loan made to a student, usually with a co-borrower, by a bank or other financial institution.

Alternative Loan Process

- 1) Choose a lender and visit their web site to apply for the loan or call the lender to apply over the phone.
- 2) Once credit is approved and the promissory note has been received by the lender, The University of Toledo will receive an electronic loan certification request.
- 3) The University of Toledo will determine eligibility and submit the electronic loan certification to the lender.
- 4) Alternative loan funds will be disbursed to the student account once all loan eligibility requirements are met.

Tips

- Use the correct loan period and year.

Summer, fall and spring	May – May
Fall and spring	August – May
Summer only	May – August
Fall only	August – December
Spring only	January – May

- Remember to complete the promissory note and return to the lender.

-- Most lenders offer several different types of alternative loans (undergraduate loans, graduate loans, medical loans, law loans, and continuing education loans) so be careful to apply for the correct loan.

Lenders

At The University of Toledo, we process alternative loans from many different lenders. We do not endorse any specific private lender or lending program. However, the majority of the alternative loans we process are through Key Bank, CitiBank (CitiAssist Loan), and Sallie Mae (Signature Loan). We prefer these lenders for most of our students and families for several reasons.

- 1) We have strong relationships with each of these lenders. We have a contact person who solves problems when they arise.
- 2) The interest rates and other terms and options for these loan products are very competitive.
- 3) We can receive funds from these programs electronically - no paper checks to get lost in the mail.

This all adds up to minimum hassle and minimum turnaround time from when students apply to when funds arrive.

Borrowers are able to choose the alternative loan program with their lender of choice. We have provided a link with several lenders that have supplied general information about their loan programs to get you started. Please review the information carefully and check with other lenders for available alternative loan options.

Alternative Loan Lenders

<https://choice.fastproducts.org/FastChoice/Welcome.do?configId=1212522205585>