

If the amount of financial aid awarded to you is not enough to cover your educational expenses, you may wish to consider a private (also known as alternative) loan. Private loans offer interest rates that are lower than commercial loans and payments may be deferred while you are in school. Although private loans are a convenient source of additional funding, it is important to note that they are funded by for-profit loan companies and interest will accrue while you are in school. Therefore, we recommend that you first exhaust other possible resources (e.g. income from your job, parental assistance, money from savings, etc.) before you borrow a private loan. Students can choose from a variety of private loans. To help you select the best one for you, we have listed some important considerations below.

Considerations for Selecting a Private Loan

- **The Borrower**

For most of the private loans, the student is the borrower. However, if your parents would like to be the primary borrower of the loans, you may wish to consider the Parent Loan for Undergraduate Students (PLUS).

- **Interest Rate**

A fixed rate means the interest remains the same for the life of the loan. A variable rate fluctuates based on the economy, and may or may not have a cap. If you would like to know the current interest rate of a particular private loan, please contact the lender or check their website.

- **Loan Fees**

Some lenders charge a fee for processing your loan. If you plan to borrow a large amount, loan fees are an important consideration. For example, if you borrow \$3,000 with a loan fee of 8%, the bank will keep \$240 of your loan for processing.

- **Enrollment Status**

Some lenders require that you be enrolled at least half-time. Other lenders allow you to borrow their loan if you are less than half-time. Check the “Eligibility Requirements” on the lender website to determine the enrollment status requirements for each loan.

- **Co-signer**

Most private lenders require you to be creditworthy or to have a creditworthy co-signer. Additionally, you may be eligible for a more reasonable interest rate when utilizing a creditworthy co-signer.

- **Financial Aid Suspension**

Some private loans are not available for approval or disbursement release if your federal financial aid eligibility was suspended because you did not meet the standards of satisfactory academic progress.

Per Your Estimate:	Loan Period:	___ / ___ / ___	to	___ / ___ / ___	Loan Amount: \$	_____
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Terms and conditions applicable to private loans vary greatly and should be carefully considered when researching and choosing a private educational loan. If you have borrowed a private loan previously, we recommend keeping your loans with one lender. Rasmussen offers online private loan comparison tools, Credible and FastChoice. Click on either of the links below to compare lenders and select the one that is best for you.

[Compare Private Loan Rates with Credible](#)

[Compare Private Loan Rates with FastChoice](#)

Rasmussen University does not endorse, recommend, or promote any lender for private loans. The listings shown on Credible and FastChoice are not preferred lender lists, nor do they represent every lender that provides private educational loans.

Note for Minnesota residents: You may also want to review the terms and conditions of the MN SELF Loan (www.selfloan.state.mn.us) before selecting a lender.