



UCLA



2020-2021 Private Loan Guide

Private loans are available to Undergraduate and Graduate students who have utilized all of their Federal Loan eligibility, but still have remaining unmet cost in their financial aid budget. We strongly encourage students to explore all of their Federal loan options before pursuing a private loan.

UCLA Financial Aid and Scholarships

Website:

www.financialaid.ucla.edu

Message Center:

www.financialaid.ucla.edu/Contact-Us

PRIVATE LOAN ELIGIBILITY

Private loans, are available to undergraduate and graduate students who have received the maximum award amounts under the Direct Loan Program and require additional funding. They are available to all qualified borrowers regardless of whether they complete a FAFSA or DREAM Application. However, we highly recommend that you complete the FAFSA or DREAM Application and allow the financial aid office to determine your eligibility for other sources of aid, including federal or state loans, before you apply for a private loan.

Students considering student loans need to be aware of the differences between federal student loans and private student loans.

- ◆ Federal student loans are required by law to provide a range of flexible repayment options including, but not limited to, income-based and income-contingent repayment plans, as well as loan forgiveness benefits that private lenders are not required to provide.
- ◆ Federal direct loans are available to most students regardless of income. Other qualification criteria do apply. For more information, please visit studentaid.gov/understand-aid/eligibility.
- ◆ Private student loan lenders can offer variable interest rates that can increase or decrease over time, depending on market conditions.
- ◆ The interest rate on a private loan may depend on the borrower's and/or co-signer's credit rating.
- ◆ Private student loans have a range of interest rates and fees. Students should determine the interest rate of, and any fees associated with, the private student loan included in their financial aid award package before accepting the loan. Students should contact the lender of the private student loan or Financial aid and Scholarships if they have any questions about a private student loan.



Credit Requirements

The lender will run a credit check on all applications before determining your eligibility for a private loan. Borrowers who are not approved based on their credit may be able to re-apply with a co-signer.

Interest Rates

The interest rates and repayment terms for private loans are not federally regulated and will vary. Your interest rate will vary depending on the lender and the applicant's and cosigner's credit score. Applying with a qualified cosigner can substantially reduce your interest rate. Private loans are 'unsubsidized' and the interest starts accruing from the date of disbursement.

Loan Fees

Loan fees are set by the lender and vary. Loan fees are deducted from each disbursement prior to the disbursement of funds by the lender.

Repayment

Repayment terms vary by lender. Most lenders do not require repayment while the student is in school and some can defer repayment for six months after graduation. However, interest on private loans accrues from the date of disbursement. Please contact the lender to find out about their repayment, deferment and forbearance options.



To find information for loans offered by private lenders and utilized by UCLA borrowers, please see the UC Office of the President lender list available under forms and publications at www.financialaid.ucla.edu

Cosigner Information

Most private loans require a cosigner (graduate students will find it easier to get approval without a co-signer). The cosigner is required to sign the loan documents but the student is the primary borrower. A cosigner agrees to be fully responsible for the loan if the student does not fulfill his or her obligations. The loan obligation becomes a part of the cosigner's credit history, including any late payments the borrower makes. A cosigner does not have to be a relative; he or she can be anyone who meets the general eligibility criteria. The lender will review the cosigner's credit history and income as part of their approval process. In some cases a cosigner can be released from their loan responsibility after the borrower makes a specified number of on time consecutive monthly payments and meets certain credit requirements. Please check with the lender to determine whether they offer a cosigner release option and, if so, under what circumstances. In addition, a cosigner may be released in the event of the student beneficiary's death or total and permanent disability.

Applying for a Private Loan

Determine how much you need to borrow.

UCLA awards all financial aid applicants up to their cost of education so refer to your Financial Aid Notification (FAN) for the amount of private loan you are eligible to apply for. If you are a dependent student whose parent is unable to, or chooses not to borrow, you can request that the parent PLUS loan on your FAN be converted to a private loan. If you elect to apply for a private loan without completing a FAFSA application, please contact the Financial Aid and Scholarships office to determine the amount you can apply for.

Apply for your Private Loan Directly with the Lender

You cannot apply for a private loan by accepting the offer on your FAN. You have to apply directly with the lender.

Most, although not all, private loans require half time enrollment (6 units). Please check with your lender if you are looking for a private loan available to students enrolled less than half time.

Students may borrow up to their full cost of education for the academic year (based on financial aid budget) less any other aid received for that year.

The borrower must be a US citizen or an eligible non-citizen. Alternatively, they can apply with a cosigner who is a citizen or an eligible non-citizen.

Selecting a Lender

In order to assist you with the selection process we publicize the preferred lender information evaluated and compiled by UC Office of the President. Please note that, while we do our best to gather this information for you, listing a lender does not constitute an endorsement or a guarantee of the benefits offered. All benefits are subject to change without notice, at the lender's discretion. Before you borrow, please contact the lender directly to verify all loan terms and benefits. Additionally, you do not need to borrow from the lenders listed on UCLA's lender lists. If you prefer to borrow from a lender not on our list, please contact them directly to obtain loan information and application instructions.

When applying for a private loan, consider going through the pre-approval process with more than one lender to determine which one will offer you the best terms. Shopping for the best priced loan will not impact FICO score more than a single application, providing all the credit enquiries are within a 30 day window

Loan Certification

Once you provide all information required by the lender and your application is approved, the lender will contact Financial Aid and Scholarships to request verification of your private loan eligibility. Financial Aid and Scholarships will verify your eligibility if your financial budget exceeds all other aid available. Certification requests are received and completed within 5-10 business days for lenders with whom we work electronically. The majority of lenders are set up to process certifications electronically, but in the rare cases that a lender requires paper certification, the process will take longer to complete.

The maximum loan amount Financial Aid and Scholarships can certify is your Cost of Attendance, minus any other financial aid you are receiving

Disbursements

The total loan amount you are certified to receive by Financial Aid and Scholarship will be divided equally among terms for which you have been awarded. If you apply with a lender who disburses funds electronically, your loan will be disbursed via Electronic Funds Transfer (EFT) and applied to your BruinBill account. Any funds left after your charges are paid, will be refunded to you. If you choose to work with a lender that does not work with UCLA electronically, your

loan will be disbursed via a paper check that will need to be picked up from Student Loan Services (A227 Murphy Hall) each term. There is an estimated 14 day holding period after we certify before a lender releases the funds to UCLA.

Private loan funds sent to UCLA via paper checks will not be applied to BruinBill to cover your charges. If you do not have other financial aid available to cover your fees, please make sure that your quarterly charges are paid before the payment deadline in order to prevent your classes from being dropped or being assessed a late fee.

Returning Private Loans to the lender

If we are unable to disburse your private loan because of non-enrollment, insufficient units or holds on your account, The Student Loan Office will return all undisbursed funds to the lender within 10 business days of receiving them. If your loans are returned, Financial Aid and Scholarships can request a reissue per the student's written request submitted to our office. The reissue process will take 2 – 3 weeks. In certain circumstances the lender will not be able to reissue your private loan and they will ask you to reapply.

Contacts

Financial Aid and Scholarships
A-129 Murphy Hall
(310) 206-0400

financialaid.ucla.edu

Message Center

financialaid.ucla.edu/Contact-Us-

Student Loan Services
A-227 Murphy Hall
(310) 825-9864
loans.ucla.edu

Student Financial Services
1125 Murphy Hall
(310) 825-9194
sfs.finance.ucla.edu

Federal Loan Processing Center
(800) 557-7394
studentloans.gov