Alternative (Private) Loan Counseling

Name ____________________________ LMU ID ________________

An Alternative Loan is a private loan under your name. **Unless otherwise noted, loans will disburse equally between your terms of enrollment.** You are required to repay the amount borrowed regardless of your educational outcome or subsequent employability.

**Have you considered other forms of federal and state aid?**

☐ Have you completed the FAFSA?
☐ Have you maximized other federal grant & loan opportunities available to you? Financial Aid information is available through MyLMU on PROWL.
☐ **Have you applied for a Federal Direct Graduate or Parent PLUS Loan?** Unlike an Alternative Loan, a Federal Direct Parent PLUS loan has a fixed interest rate of 6.28% (2021-22) and other flexible repayment options. All options are available on https://studentaid.ed.gov/sa/repay-loans. We highly encourage students to apply for a Federal PLUS loan before turning to an Alternative Loan.

**Helpful Links:**


http://www.csac.ca.gov – Information on all types of state financial aid

**What do you know about your loan?**

Who is your lender? ____________________________

How much are you borrowing? ____________________________

What is your interest rate? Is it fixed or variable? ____________________________

Did you apply with a co-signer? ____________________________

Which repayment option have you chosen? ____________________________

When do you enter repayment on this loan? ____________________________

How long will it take you to repay the loan? ____________________________

How do you plan to make payments after graduation/before obtaining employment? ____________________________

Do you have any special disbursement requests? Fall only? Spring only? ____________________________

Do you have any additional questions? ____________________________

If you would like to be contacted, please provide your email address. ____________________________

**Let’s take a look at a repayment plan sample:**

An Alternative Loan of $20,000 with a 10% interest rate will cost you $31,716 ($11,716 in interest) over ten (10) years. The estimated monthly payment for this loan amount is $264.

<table>
<thead>
<tr>
<th>Loan amount</th>
<th>$20,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Rate</td>
<td>10%</td>
</tr>
<tr>
<td>Total Months in Repayment</td>
<td>120</td>
</tr>
<tr>
<td>Total Monthly Payments</td>
<td>$264</td>
</tr>
<tr>
<td>Total Interest Payment</td>
<td>$11,716</td>
</tr>
<tr>
<td>Total Loan Payment</td>
<td>$31,716</td>
</tr>
</tbody>
</table>

**More to know about Alternative Loans:**

- As a borrower, you are responsible to notify the lender when you graduate, transfer schools, drop below half-time enrollment, or withdraw from school.
- Possible consequences for failing to repay student loans include adverse credit reports, wage garnishment, litigation, delinquent debt procedures under federal law, and inability to borrow future federal aid.

*Please note: After submission please allow 3-5 business days for your loan to be certified and 10-15 business days for your loan to disburse.*