

ALTERNATIVE EDUCATIONAL LOAN 2005-06

WHAT IS AN ALTERNATIVE EDUCATIONAL LOAN?

It is a credit-worthy loan borrowed by a student for tuition/fees. Enrollment must be certified by the university the student is attending. It is not backed by the federal government. The interest rates are higher than the Federal Stafford Loan* and conditions vary among lenders. The alternative educational loan is a direct business relationship between the student and the lender. The university's part is to certify the attendance of the applicant.

WHO SHOULD CONSIDER AN ALTERNATIVE EDUCATIONAL LOAN?

Students at Great Valley enrolled in graduate courses who are not eligible for the Federal Stafford Loan* and who are in one of the following programs:

- Non-degree (non-matriculated) graduate student
- Matriculated in a Master's Program or Special Education Instructional I: enrolled in only 1-4 credits/semester (less than half-time) or who have already used the academic year Stafford eligibility.
- Education:
Supervisory Certification/Special Education or Principal Certification
Certificate students in: Leadership in Elementary Science Teaching; Workplace Learning & Performance Improvement Design; Differentiated Instruction in General Education
- Management:
Post-Baccalaureate Certificate in Business
Post-Master's Certificate students in: Biotechnology & Health Industry Management; Finance; Human Resources Management; Management Information Systems; Marketing; New Ventures & Entrepreneurial Studies
- Engineering:
Certificate students in: Bioinformatics; Enterprise Integration; Informatics; Information Security; Industrial Statistics; Problem Solving; Research Methods

WHAT ARE THE TERMS OF ALTERNATIVE EDUCATIONAL LOANS?

Interest rates, fees, and repayment terms vary depending on the lender. Interest rates are usually variable. Approval is based on the student applicant's credit rating (and that of a co-borrower in some cases) and is contingent upon enrollment in college/university classes. (Rates/fees are higher than the Federal Stafford Loan.) Be sure to examine interest rates and how often they are changed, and also consider the lender's method of compounding interest. The eventual "cost" of borrowing varies depending on these conditions, and loan terms vary among lenders. Copies of your paycheck and drivers license are generally required with your application as is completing a Promissory Note. Please read the attached information about what else to consider when borrowing this type of loan.

WHAT IS THE CITIASSIST LOAN?

The Citiassist is offered by Citigroup (formerly Citibank of New York). PSU has negotiated lower than usual rates for our students and has implemented streamlined enrollment reporting arrangements with Citiassist. Enrollment reporting by PSU to Citiassist is done automatically after a student is preapproved. To apply or find the loan terms, go to www.psu.edu/studentaid/aidprog/alternative.html Click on "Citiassist" on the left hand menu and follow the prompts. For more information call Citiassist at 1-800-967-2400. It takes approximately 2-4 weeks to process a Citiassist loan.

CAN I USE A DIFFERENT LENDER?

Yes, Penn State will report enrollment for loans other than Citiassist but requires that a copy of the completed paper application be sent to the PSGV Financial Aid Office so enrollment can be reported. Without it the loan won't process.

WHAT IS THE ALTERNATIVE EDUCATION LOAN EXTENSION FORM?

This is a Great Valley campus form. Complete it and mail or fax it to the Penn State Great Valley Financial Aid Office. We will complete your registration so that you become an "enrolled student," are on the grade sheet and will notify our bursar that an alternative student loan will pay your bill. This form has nothing to do with the approval of your loan.

*The Federal Stafford Loan is available only to U.S. citizens/permanent residents in a master's program or Special Education Instructional I who enroll in 5-6+ credits each 14-week semester. The Stafford is the preferred option for those who qualify.

PSGV Financial Aid Office, 30 E. Swedesford Road, Malvern, PA 19355 Fax: 610-889-1334 Phone: 610-648-3216