

Everything You Need to Know about Private Loans!

Graduate School Loans is committed to keeping you informed about everything pertaining to funding your education. For this reason, we would like to give you the complete scoop on private student loans and consolidation.

One of the primary reasons private loans are frequently borrowed is that they fill in the financial gaps when federal student loans fall short. A student may not be able to afford tuition and other college-related costs with the loan allowances offered by Federal Stafford Loans, Grad PLUS Loans, or other federal loans.

When this occurs, many graduate students seek private loan lenders to make ends meet and actualize their dreams of attending graduate school. Like all forms of funding, private loans have their pros and cons. To decide if private student loans for graduate school are right for you, you must learn about all of their aspects—both positive and negative.

The first very attractive perk is that loan lenders can offer their graduate-student borrowers large loan allowances, whereas federal aid sets limits and yearly maximums regulated by the government. Many graduate students do not consider the option of using private loans as supplements instead of taking all of their loan needs to private lenders.

When evaluating how much a graduate-student borrower can take out, most federal aid is based on financial necessity, which is demonstrated by the Free Application for Federal Student Aid (FAFSA). Private loan lenders determine loan eligibility by reviewing the borrower's credit report; if the borrower's report does not meet the lender's requirements, oftentimes he or she can co-sign with a worthy borrower.

The ease and accessibility of private loans can appear attractive to a graduate student who needs to solve his or her financial problems as soon as possible. When a private loan lender sends funds directly to a borrower, it increases the borrower's feeling of resolution and solves a temporary financial problem.

If a graduate student is adverse to limitations, another advantage of private loans is that there are multiple lenders to choose from. Additionally, private loan lenders can customize the borrower's loans to suit his or her financial situation. Each private loan lender offers its own borrowing package, but many of them have similar basic lending practices. Private loan lenders disburse large sums of money quickly and also have fast online approval systems.

There is no denying that there are numerous benefits that lure graduate students toward private student loans, but to be a smart borrower, you should be advised that private lenders have significant drawbacks, too. True to their name, federal student loans are guaranteed by the federal government; therefore, they carry a fixed rate. Even though the overall "fixed" rate may fluctuate yearly, a borrower still has the opportunity to lock in a certain rate.

With private loans, there is *no cap* on the interest rates and fees lenders can charge. As a result, unsuspecting borrowers can find themselves buried in debts larger than anticipated. Also, private lenders are entitled to set their own regulations, whereas federal loans are bound by set government standards.

No matter which lender you choose to originate your private student loans, the key to smart borrowing is to consolidate as soon as possible. You've taken some wise steps in order to climb to the accomplishment of graduate school; consolidating your loans upon graduation is the next smart move.

Let's start with the basics of what a private loan consolidation does. A Graduate School Loans private loan consolidation will combine your outstanding private loans into one loan. This includes private loans that were borrowed to cover educational expenses such as tuition and housing in addition to already consolidated private educational loans.

Consolidating your private educational loans with Graduate School Loans will significantly lower your monthly payment by lengthening the terms of your loans. In addition to saving money each month on your payment, you will also receive a low interest rate. But we're getting ahead of ourselves. You first need to find out if you are eligible.

To consolidate a private loan with Graduate School Loans, you must be at least 18 years old at the time of application. Additionally, your private loan balance must carry a minimum of \$10,000 in funds issued in the United States. You must be a U.S. citizen or permanent resident. Last, but certainly not least, you must have good credit. Before we move on, if you'd like to know what your current credit score is (and it is important that you keep track of your records), here are some helpful links:

www.experian.com

www.equifax.com

If you're still hesitant about private student loan consolidation, then let us share some of the benefits with you. Graduate School Loans goes above and beyond to give you the best service possible. If you choose to sign up for our auto-debit plan, Graduate School Loans is proud to offer an additional 0.25% interest-rate reduction. This is in addition to your already LOW rate! We also understand that everyone's financial situation is different, which is why we offer a variety of simple repayment terms and no penalties for prepayment (if you're in a hurry to pay off your debt).

Consolidation makes your time management and bill organization a lot simpler because you're only writing one check per month to one company: Graduate School Loans! Prior to consolidation, you may be repaying multiple lenders at different rates and at different times of the month. It's too much to keep track of! When you consolidate your loans, you don't have to worry about late payments or missing a payment due to unnecessary confusion. Getting one bill each month is a pretty sweet deal.

Lastly, Graduate School Loans cares about you as an individual, which is why we employ the most knowledgeable and friendliest loan counselors. And when we say "personal service," we sincerely mean it. When you consolidate with Graduate School Loans, ONE loan advocate will be personally assigned to handle your loans. This means you can call him or her directly on the phone, email his or her particular account, and talk one-on-one with the same person throughout the process of your consolidation.

The best part? Our borrower benefits are 100% guaranteed. Some lenders will revoke their benefits as repercussions or consequences for small or unintentional mistakes like making a late payment. But not Graduate School Loans. Once you consolidate, our benefits last for the life of your loan. There is no fine print. There are no disclaimers.

The process for consolidating your private student loans with Graduate School Loans is uncomplicated. Take a look:

1. It happens in less time than it will take you to read this article! Each applicant receives an instant credit decision, interest-rate information, origination-fee details, and borrower-benefits information.
2. Once you're approved, you will receive a Master Promissory Note (MPN) via the USPS. Just sign and return it within 90 days, at which point you will be updated on your loan approval, repayment information, and repayment options.
3. Then, if you prefer, you can go ahead and sign up for our auto-debit plan in order to receive an immediate interest-rate reduction of 0.25%. It's your choice!

Once your consolidation is processed, repayment will begin immediately. This generally occurs 20 days after completion of the application. The repayment term is a 30-year-maximum plan, regardless of your private consolidation balance. You may choose one of several repayment options for your private loan consolidation with Graduate School Loans, and there is NO penalty for early repayment.

Don't forget, you have options! Choose from the variety of payment plans listed below.

- **Equal Payments:** Standard payments are made based on principal and interest over a 30-year term. This equal-payment option allows equal monthly payments over the life of the loan.
- **Select 2/Graduated Payments:** Allows for interest-only payments for the first two years of repayment. Beginning with the third year, payments increase to level installments of principal and interest for the remaining life of the loan.
- **Select 5/Graduated Payments:** Allows for interest-only payments for the first two years of repayment. During the third, fourth, and fifth years, payments increase to include portions of the principal. Beginning with the sixth year, payments increase to level installments of principal and interest for the remaining life of the loan.

If you're interested in starting an application, Graduate School Loans makes the process easy with its online application. You can consolidate in minutes. If you still have questions about private loans, Graduate School Loans is here to help. Feel free to navigate our website, or call to speak with one of our expert loan counselors!