

Private/Alternative Loans

Private (or alternative) loans are options for students who are not [eligible](#) for [federal Direct student loans](#) or who need to borrow funds beyond what is available to them through federal Direct loans. We recommend you explore federal Direct student loans via the [FAFSA](#) and [federal Direct PLUS loans](#) (for graduate students or parents of dependent undergraduate students) before applying for a private loan. Often, federal Direct loans will have better interest rates and more favorable repayment than private loans. For more information regarding the differences between federal Direct loans and private loans, visit <https://studentaid.gov/understand-aid/types/loans/federal-vs-private>.

Before Applying for a Private Loan

Private student loan lenders set their own eligibility criteria. Before completing an application and/or submitting to a credit check, research those criteria on the lender's website and/or contact the lender directly to ensure you will be eligible to have a loan request certified. In addition to meeting credit requirements, these criteria may include:

- being admitted as a degree-seeking student ([Transitions Academic Program/TAP](#) students should apply for private loans through [NWACC](#) until they become degree-seeking at the University of Arkansas)
- a minimum enrollment threshold for the term in which you are requesting funds (half-time enrollment is typical)
- meeting [Satisfactory Academic Progress \(SAP\)](#) as defined by the school

Lenders will often offer more than one loan product/program. These may be based on your academic career or program of study (undergraduate/graduate/law, health sciences, nursing, MBA, etc.) or who will be the primary borrower (the student with or without a cosigner, or a parent/other borrowing on your behalf). Be sure to apply for the appropriate product for your situation. If you are unsure of which product to select, contact your lender for assistance.

When applying for a loan, you must select a loan period start date and end date. These dates are used to determine for which individual enrollment term or academic year (fall-spring) you are requesting funds. To ensure the loan is certified for the desired term(s), select any prepopulated dates that may be offered during the application process that correspond with specific terms (fall 202X, spring 202X, fall 202X – spring 202X, or summer 202X). Summer is a stand-alone term at the U of A and cannot be combined with a preceding spring term or following fall term. **Summer borrowing will require a separate application** from an application requesting fall or spring funds. Fall-spring loan requests will be placed in the student's financial aid awards with two equal disbursements (each being half of the total amount).

If prepopulated loan period enrollment terms are not offered, you will need to enter the loan period start and end dates during the loan application process. To avoid potential processing delays or certification for the wrong enrollment term(s), be sure to enter the first date of classes for the term or academic year as the loan period start date and the last date of classes of the term or academic

year as the loan period end date. Academic dates are found [here](#). If your lender's application has loan period start and end dates that you cannot change, and the start date is more than 10 days prior to the class start date and/or the end date is more than 10 days after the class end date, please [email](#) our office to request that we change these dates to match the class start and/or end date. Send the request one business day after your lender profile shows the loan was sent and is awaiting school certification by the University of Arkansas. The request should come from the primary borrower (the student, unless the loan is a parent loan) and include the student's name and UA ID number. The request and all correspondence with university offices should be through your UA account. Such a request should also be made if any prepopulated loan period dates fall outside the 10-day extension of the class start and/or end date(s).

A lender may only allow certification of a loan request for an upcoming or current enrollment term or academic year. Others may offer "past due" or "prior term" loans that can be certified for an enrollment term that has already ended. If your lender does not give you the option to select a loan period for an enrollment term that is in the past, it is likely that lender does not allow prior term loans. Eligibility requirements for such loans vary from lender to lender. Requirements may include the end date of the past due/prior term be within a certain number of days from the loan application date, completion of courses during the prior term, graduation at the end of the prior term, and/or intention to re-enroll in a current or future term. Contact your lender regarding your eligibility for a past due/prior term loan before applying. If you apply for a loan for an academic year or term that has already ended, please contact our office to request manual certification, as certification requests received after the enrollment term end date will not go through automated processes.

To ensure your loan is certified for the maximum amount allowed, be sure to enroll in all courses for the term prior to application.

Applying for a Private Loan

Financial aid offices cannot recommend specific private loan lenders. We can offer an historical [lender list](#). The list is compiled of lenders from whom at least one student has borrowed in the last three years. You are not required to borrow from a lender on this list. Financial aid office will certify a loan request from any lender from whom you wish to borrow. However, the lenders on this list are currently configured to have automated loan certification and to receive disbursement of funds electronically through a third-party servicer, Great Lakes ScholarNet. The list also allows filtering and sorting of lender loan products to match you with products for which you should be eligible (if you meet the credit check requirements) and for comparison of rates, repayment, etc.

If you wish to borrow from a lender not on this list, please contact that lender regarding how they will send the loan certification request to us. If they do not send loan certification requests to us via ScholarNet (most often an email request to certify the loan request on their website or a faxed certification request form), the certification will require manual processing and paper check disbursement of funds, which may result in a delay of receipt of funds. Lenders not on the historical list may require initial configuration of UAConnect to process. This can be a lengthy process.

We recommend waiting until the upcoming term's charges are applied to your account by the [Treasurer's Office](#) before applying for a private loan. This is to ensure the amount borrowed is appropriate for the amount owed and will generate the desired refund amount (if any). Doing so still allows enough processing time for funds to arrive prior to the bill's due date. If you do not want to wait until the charges have been populated on the student's account to apply, you may utilize the [tuition estimator](#) to determine an amount to request. Loans will be certified for the lesser of the amount requested or the student's unmet [cost of attendance](#) (COA) for the requested term/academic year, per the lender's policy. For a student's specific available COA, please contact our office.

To avoid processing issues, ensure the borrower's (and student's, if the loan is a parent loan) legal name is used. Double check Social Security number(s) and date(s) of birth are correct. A loan will not be certified unless these identifiers match University of Arkansas records found in UAConnect.

After Applying for a Private Loan (Process Timing)

Monitor the loan application status via your lender's portal and/or contact your lender to ensure there are no additional steps required to have the certification request sent to the school. Loans requested for fall only or fall-spring typically will begin being awarded in the student's UAConnect financial aid awards and certified for the lender by the end of the second week of August. Spring only loans will typically begin processing the first week of January. Summer loan request certification typically begins the second week after the end of the spring term. Loan certification requests received after these start times should be processed within three business days of the lender showing the certification request was sent to the school (or a status of "awaiting school" or similar text). Please contact our office if your loan has not been certified for your lender within this timeframe.

If there are issues with your loan certification request, you will be emailed at your UA student email address. Be sure to check your email frequently, take the action necessary per the email you receive, and then respond to the email, if directed to do so.

Once your lender has sent the loan certification request to the school, any subsequent changes to the loan application or certification request will not be reflected in our records. You will need to contact our office if you modify the amount requested, the loan period requested, or cancel the loan application, so we may update our records regarding the loan request. If you inadvertently applied for a wrong loan period and the certification request has already been sent to us, please contact our office to see if we can update the loan period dates on our end before you cancel the existing loan application and apply for a new loan.

If you apply for more than one loan for the same enrollment term(s) prior to the start of processing for that term, the automated process will not run on either certification request. You will need to [email](#) our office to let us know how you would like the requests prioritized (typically by the lower interest rate loan, if they are not the same rate).

Other Tips and Things to Know About Private Loans at the U of A

Know your interest rate! To make informed borrowing decisions, it is imperative you know the interest rate of every loan you borrow. We often cannot see this information. We rely on borrowers knowing their rate(s) to resolve COA overawards and counsel students and parents on their best loan options. Have your lender's name and your interest rate ready when calling, emailing, or visiting our office.

We do not determine the date of your loan disbursement(s). When certifying your loan, we request the earliest possible disbursement date for the enrollment term, even if that date is in the past. The timing of receiving your funds is based on the lender's "right to cancel" or "right to rescind" policy regarding how many days must pass between receipt of the loan certification and disbursement. Please contact your lender for more information regarding their policy/timeline.

Funds typically take about 10 days to arrive from the date of loan certification. Most lenders will notify you of the status of your loan, including disbursement of funds and/or indicate this on your account portal with them. Please check your lender's portal for up-to-date information before contacting our office. It is likely you have access to more information regarding your loan than we do.

If you do not borrow enough in an initial loan request, your loan was certified for less than your request before you enrolled in all your classes, or other charges were not factored into your COA prior to your loan being certified, you may have to complete another loan application to receive additional funds. We can request an increase in the loan certification amount for some lenders, but the request usually must be processed by the lender prior to disbursement of any funds. Once funds have been disbursed to us, UACconnect does not allow for an additional disbursement from the same loan in the same term. You would need to borrow a second loan to receive more funds in this case.

If you plan to study abroad and borrow a private loan for that enrollment period, we recommend not applying for the loan until we have increased your COA for the additional study abroad costs certified by the [Office of Study Abroad](#). Please contact our office to ensure this has been done prior to applying for a loan. You may also inquire about eligibility to borrow funds in a term prior to your study abroad term, if you need funds in hand before leaving for your trip.

It can take up to two weeks for a lender to reflect a return of funds to them from a loan reduction made on UACconnect.

If you know you will need to borrow a private loan to cover all your UA charges for a term, apply for and secure funding before the bill due date to avoid late fees and registration holds for future enrollment terms. Because most lenders will not lend for a term that has already ended, waiting until the term is over to try to pay off your charges limits your loan options.

While it is advisable to take the loan with the lowest interest rate for which you are approved, you will owe a minimum monthly payment to each lender from whom you borrow when you enter repayment. Keep the number of lenders and amounts borrowed as low as possible to avoid total monthly loan payments that are not affordable.