



University of the Incarnate Word

Office of Financial Assistance

Loan Options

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FEDERAL LOAN OPTIONS

Federal loans have many benefits (e.g., fixed interest rates and income-based repayment plans) not typically offered with private loans. For more information on loan options, visit: <https://www.uiw.edu/finaid/loansasst1.html>.

Subsidized Loan: Offered to undergraduate students who demonstrate financial need, determined by FAFSA. Government pays the interest on the loan while you are attending school at least half-time and during any eligible deferment period. Complete Entrance Counseling and Master Promissory Note at studentaid.gov to accept.

Unsubsidized Loan: Offered to undergraduate and graduate/professional students with no requirement to demonstrate need. Loan gains interest while you are in school and during deferment periods. Complete Entrance Counseling and Master Promissory Note at studentaid.gov to accept.

Parent PLUS Loan: Parents of dependent students can apply at studentaid.gov and must not have an adverse credit history (or must have an endorser without an adverse credit history). If parent is denied, student may borrow additional Unsubsidized Loans

Graduate PLUS Loan: Graduate/professional students can apply at studentaid.gov and must not have an adverse credit history (or have an endorser without an adverse credit history).

Federal Nursing and Ralston Loan: Students accepted into the UIW Ila Faye Miller School of Nursing & Health Professions may apply for these need-based loans ranging from \$2,500-\$4,000.

PRIVATE LOAN OPTIONS

The educational student loan options provided below must adhere to federal regulations in regard to cost of attendance and the amount you are allowed to borrow. The Office of Financial Assistance is REQUIRED to consider other aid before certifying private loans and cannot certify for an amount higher than your cost of attendance. If you need additional funds beyond your cost of attendance, you may pursue **non-educational** loans through a bank or other private loan source.

An online comparison of private loan options is available at <http://bit.ly/uiwloans>.

- Remember to utilize all Federal loan options (listed above) first before applying for a private loan.
- No compensation of any kind is received by UIW in return for including lenders on this list.

We suggest you research lenders and their loan offerings before you make a choice on a loan to apply for. Review all loan terms carefully, including loan disclosure statements, before signing the loan agreement (promissory note).

Important questions to ask your lender when researching student loans:

- If this loan is to pay a past balance, can this loan be used for a semester that has ended?
- If you are not meeting Satisfactory Academic Progress (SAP), are you still eligible for the loan?
- If you are enrolled less than half-time, is this loan still an option?

NOTE: The following loans do not allow certifications for semesters which have already ended or less than half-time enrollment, and require Satisfactory Academic Progress (SAP) to be met:

- State of Texas College Access Loan - Texas Higher Education Coordinating Board**
 - Research here: <http://www.hhloans.com>
 - Requires Texas residency
- Credit Union Student Choice Private Loan**
 - Research here: <http://www.studentchoice.org/>
 - Requires membership with the credit union chosen.
 - Line of credit model



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Federal vs. Private Loan Options

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Federal student loans have many benefits (e.g., fixed interest rates & income-based repayment plans) not typically offered with private loans. Generally, private loans cost you more than federal student loans, since the interest rates are based on your credit. The chart below provides highlights some differences between federal and private student loans.

Federal Student Loans	Private Student Loans
Federal loans are deferred (that is, do not require repayment) while you are enrolled at least half-time. Student loans are automatically deferred; Parent PLUS Loans must have deferment requested by the parent.	May be deferred or may require payments while you are still in school.
Fixed interest rate – often lower than private loans depending upon market conditions and your credit rating. Much lower than credit card interest rates.	Variable or fixed rate options. Fixed rates will generally be higher than variable rates, and there is no limit. A variable rate may substantially increase the amount you repay.
If you are an undergraduate student who demonstrates financial need, you may qualify for a subsidized direct federal loan, meaning the government will pay the interest on that loan while you are in school at least half-time, and during other qualified deferment periods.	Private loans are never subsidized – you must pay all interest that accrues on the loan.
Federal student loans do not require a credit check, except for Parent PLUS or Graduate PLUS loans. Additionally, federal student loans can help you establish your credit.	Private student loans will require a credit check and may require a credit-worthy cosigner to obtain the loan. Your cost on the loan will depend on your credit rating and other factors determined by the lender.
You can consolidate your federal loans after you graduate to make repayment more convenient.	Private loans cannot be consolidated into a federal consolidation loan.
If you have trouble making your federal loan payments, you have various deferment and/or forbearance options.	Private loans have limited deferment and forbearance options.
Federal loans have a large variety of available repayment plans, including those that look at your annual income to determine an appropriate payment.	Private loans generally have very limited repayment plans, and do not offer repayment plans that take income into consideration – check with your intended lender.
There is no prepayment penalty on any federal loans.	Private loans may have a prepayment penalty – check with your intended lender.
Federal loans have options for forgiveness or cancellation for such situations as Public Service Loan Forgiveness, or Total & Permanent Disability Discharge.	Private loans are generally not able to be cancelled, forgiven, or discharged except in very limited circumstances.