

## Private Education Loans

Private education loans are non-federal loans offered by lenders or credit unions that participate in these loan programs. Private loans are another source of funding for students in addition to their financial aid package and can help fill in any gaps in funding to help cover educational costs. A private education loan must be certified by the LATC Financial Aid Office. It cannot exceed the cost of attendance.

Before applying for a private education loan, LATC and the private education loan lenders encourage you to first apply for federal financial aid through the Free Application for Federal Student Aid (FAFSA). The FAFSA determines your eligibility for federal grants, federal work study, and federal student loans. Federal grants are an entitlement; you do not pay these back. The Federal Direct Loans (Subsidized and Unsubsidized) may have terms and conditions that are more favorable than private education loans. We encourage you to first explore your eligibility for federal financial aid through the FAFSA.

When you are ready to apply for a private education loan, please carefully review all options available to you so that you can make an informed decision. Private education loans are based on creditworthiness. The initial step of the private education loan process is to apply for a credit check by the lender. You may be asked to obtain a co-signer. Each lender's private loan program is different so the interest rate, fees charged, minimum and maximum amount you can borrow, repayment terms, etc. will vary by lender.

LATC uses a third-party entity, FastChoice, to provide private education loan information and a list of lenders to our students. This list is based on historical borrowing of our students. New lenders are added based on options that may be beneficial to our students. Because of the limited number of private education loan lenders willing to make loans with our students because we are a two-year college, LATC is not able to provide a comprehensive list of private education loan lenders.

If you elect to borrow a private education loan through a lender other than the lenders we currently utilize, LATC cannot refuse to certify a private education loan for you simply because the lender is not one of the lenders on our FastChoice list. LATC cannot endorse or recommend a specific lender(s) and you are free to borrow from any participating lender.

The Private Student Loan Transparency and Improvement Act went into effect on February 14, 2010 which requires lenders to obtain disclosure information and a self-certification form from a borrower prior to the loan being disbursed. This is in addition to the application, co-signer application (if applicable), promissory note, and school certification. This results in a 3-4 week processing time for a private education loan. Most lenders will provide the self-certification form to you. You can also [Click here for the \*Private Education Loan Applicant Self-Certification document\*](#).

If you have questions regarding this policy, please feel free to contact the LATC Financial Aid Office at 605.882.5284 or 800.657.4344 or via e-mail at [FINANCIALAID@LAKEAREATECH.EDU](mailto:FINANCIALAID@LAKEAREATECH.EDU).