



Office of Financial Aid

## **PRIVATE EDUCATION LOAN POLICY**

Albany State University does not endorse any one particular lender but coordinates with many lenders to secure private education loans for students who need assistance paying for educational expenses. As a general rule, students should only consider obtaining a private education loan if they are no longer eligible for Federal Direct Loans. Students should also file the Free Application for Federal Student Aid (FAFSA), which may qualify them for grants, work-study and other forms of student aid. Undergraduate students should also compare costs with the Federal PLUS Loan, as the PLUS loan may have better rates and repayment terms.

### **PROCESSING TIMELINE**

Once a student and/or parent completes the loan application process for a private loan and is approved the lender will notify the school that the loan is ready for certification. Private education loans are processed in date order, the same manner as students receiving other sources of financial aid. The standard processing timeline for any funding is 2-4 weeks. Processing timelines may increase during peak processing times for fall semester (April – September).

### **LOAN CERTIFICATION AND DISBURSEMENT**

Private education loans will not be certified if a student is not enrolled in the appropriate number of credits as established by the lender. The same methodology for certification will be used for private education loans as for federal student loans. Private loans will not be certified beyond the Cost of Attendance established for the student or term for which the loan is being requested.

Loans will be certified using the loan period and amounts listed by the student and/or parent during the application process, except when the amounts exceed the Cost of Attendance for the period the loan is requested. Private loans will be processed using one of the three variations below:

#### **Full Academic Year (Fall – Summer term):**

- Approved loan amount will be divided into thirds and will be equally scheduled over the three terms in the full academic year
- The disbursement dates will follow the same schedule as the disbursement dates established for federal student loans each term

#### **Traditional Academic Year (Fall and Spring terms):**

-Approved loan amount will be divided in half and will be equally scheduled over the two terms in the traditional academic year

-The disbursement dates will follow the same schedule as the disbursement dates established for federal student loans each term

**One term (any one term during the full academic year):**

-Approved loan amount will be divided in half and paid out in two disbursements during the established term for which the loan is certified

-The disbursement dates will follow the same schedule as the disbursement dates established for one term federal student loans:

\*Disbursement 1: One half of the approved loan amount on the first disbursement date in the term once attendance is verified

\*Disbursement 2: Remaining half of the approved loan amount at the midpoint of the term once attendance is verified

**ATTENDANCE VERIFICATION**

Attendance verification is required for private education loans. If attendance is not verified, the loan will not be disbursed.

**ELIGIBILITY REQUIREMENTS**

Albany State University adheres to all requirements established by the lender for eligibility and ongoing disbursement of the loan.