

# Student Loans FAQs

Get answers to your most frequently asked questions about applying for student loans.

## Where can I get a Free Application for Federal Student Aid (FAFSA®) form to complete?

Use the [Free Application for Federal Student Aid \(FAFSA®\)](#) form on the FAFSA® website to apply for financial aid for college or graduate school. Many states and colleges have set priority deadlines when the student needs to submit the FAFSA® form to be considered for the aid programs they administer. There is also a federal deadline for each academic year.

## Do I need a cosigner for a private loan?

Private student loans are credit-based, which means through our partnership with Sallie Mae®, they will check the applicant's credit when submitting an application. While not required, applying for a Sallie Mae® Smart Option Student Loan® with a cosigner may help the chances for approval. A cosigner is someone who shares responsibility with the student for paying back the loan and is often a parent but can be any creditworthy adult who is a U.S. citizen or U.S. permanent resident.

## Who makes a good cosigner for a Sallie Mae® Smart Option Student Loan®?

Very often, a student loan cosigner is a parent, but it doesn't have to be, it can be a relative, guardian or a friend. Only one person can cosign for a private student loan. For instance, if two parents are willing to be cosigners, only one will be allowed to do it. The cosigner is equally responsible for repayment of the full amount of the loan, not just part of it. A cosigner should be

someone the student knows and trusts, and who is willing to fill out the application on their own.

## Can the money be used for more than just tuition?

Yes. Students with a Sallie Mae® Smart Option Student Loan® that are attending at least half-time can get up to 100% of school costs covered.<sup>1</sup> Tuition, laptops, books, and more—you'll be good to go.

## Why should I borrow for the entire school year?

Students with a Sallie Mae® Smart Option Student Loan® can apply just once a year with a single credit check and funds are sent (also known as disbursed) for each term directly to the school. Students can cancel future disbursements as needed with no penalty. No additional interest is charged until money is sent to the school, so the student can relax, knowing the funds are there when they are needed.

## What's the difference between a variable interest rate and a fixed interest loan rate?

A student loan with a variable interest rate can go up or down as market conditions change. This means your student loan payments may also change—you might have lower payment amounts if interest rates fall and higher payments if interest rates rise.

A student loan with a fixed interest rate will have predictable monthly payments with a rate that doesn't change over the life of the loan.

## Do I need to apply for financial aid each year?

Yes, completing and submitting a Free Application for Federal Student Aid (FAFSA®) each year is the single most important thing students can do to get financial aid for college or graduate

school, but completing the FAFSA® is not a requirement to get a private student loan.

## Do I need to be a full-time student to obtain a student loan from The Ohio Educational Credit Union (OHecu) in partnership with Sallie Mae® and are there other eligibility requirements?

Students can borrow to cover the costs at a participating institution, even if they are not a full- or half-time student. The undergraduate and graduate loan's flexibility makes it a good choice for many situations:

- U.S. citizens and U.S. permanent residents
- Students who meet current credit and other eligibility criteria
- Students attending school full-time, half-time, or less than half-time, or taking prerequisite classes
- Students taking a full class load, just a few classes, enrolled in a winter or summer term, or studying abroad
- Students taking eligible online courses
- Students who still need funds after maximizing grants, scholarships, and federal student loans
- Students seeking a professional certification or enrolled in a continuing education program
- Students who are not U.S. citizens or U.S. permanent residents

## What is the minimum and maximum amount I can borrow with OHecu in partnership with Sallie Mae®?

Our loan applications are subject to a minimum loan amount of \$1,000. The maximum amount depends on the type of student loan. Undergraduate students can borrow up to 100% of their school-certified expenses—however, the loan amount cannot exceed the cost of attendance less any financial aid received, as certified by the

school.<sup>1</sup> For post-graduate loans, the maximum amounts range for \$15,000-\$30,000 depending on the type of loan.

## How long does it take to get a student loan from OHecu in partnership with Sallie Mae®?

It takes about 10 minutes to apply and get a credit decision. If approved, the student can choose the loan options, accept the loan disclosure, and then the loan is certified by the school. The funds are sent (disbursed) directly to the school.

## What happens after my loan is approved?

A certification request is sent to the school after the student's loan is approved. All schools have different processes for certification—some certify daily, weekly, biweekly, etc. Most schools only certify 30 days before the enrollment period begins, even though the student may have applied months in advance. Usually, no actions are required from the student or their cosigner during this time. Sallie Mae® will keep the student posted so they will always know where they are in the process.

## How are the funds sent to my school?

When certification is received, and after the right to cancel period has expired, the student loan is ready to be disbursed. A disbursement is when funds are sent to the school. Loan funds may be divided into multiple disbursements (usually one per semester). If the student chooses a repayment option that requires in-school payments, the monthly payments will begin as soon as the funds are disbursed.

## Who will service my loan?

When applying for a student loan from OHecu in partnership with Sallie Mae®, the loan will be transferred to our servicing provider, Sallie Mae®.

## When do I start paying back my student loan?

With the Sallie Mae® Smart Option Student Loan® and graduate student loans, the student can select from three repayment options<sup>2</sup> – the student can choose to make payments while in school with monthly interest payments or with fixed payments, or they can choose to defer payments until after school. No matter which option is chosen, the student will have at least six months after leaving school (known as the grace period) before beginning to make principal and interest payments.

### Disclosures:

We encourage students and families to start with savings, grants, scholarships, and federal student loans to pay for college. Evaluate all anticipated monthly loan payments, and how much the student expects to earn in the future, before considering a private student loan.

Loans for Undergraduate & Career Training Students are not intended for graduate students and are subject to credit approval, identity verification, signed loan documents, and school certification. Student must attend a participating school. Student or cosigner must meet the age of majority in their state of residence. Students who are not U.S. citizens or U.S. permanent residents must reside in the U.S., attend school in the U.S., and apply with a creditworthy cosigner (who must be a U.S. citizen or U.S. permanent resident). Requested loan amount must be at least \$1,000.

Graduate School Loan and Graduate School Loan for Health Professions are for graduate students at participating degree-granting schools and are subject to credit approval, identity verification, signed loan documents, and school certification. Student or cosigner must meet the age of majority in their state of residence. Students who are not U.S. citizens or U.S. permanent residents must reside in the U.S., attend school in the U.S., and apply with a creditworthy cosigner (who must be a U.S. citizen or U.S. permanent resident). Requested loan amount must be at least \$1,000.

MBA Loans are for graduate students in an M.B.A. program at participating degree-granting schools and are subject to credit approval, identity verification, signed loan documents, and school certification. Student or cosigner must meet the age of majority in their state of residence. Students who are not U.S. citizens or U.S. permanent residents must reside in the U.S., attend school in the U.S., and apply with a creditworthy cosigner (who must be a U.S. citizen or U.S. permanent resident). Requested loan amount must be at least \$1,000.

Medical School Loans are for graduate students in an M.D., D.O., D.V.M., V.M.D., or D.P.M. program at participating degree-granting schools and are subject to credit approval, identity verification, signed loan documents, and school certification. Graduate Certificate/Continuing Education coursework is not eligible. Student or cosigner must meet the age of majority in their state of residence. Students who are not U.S. citizens or U.S. permanent residents must reside in the U.S., attend school in the U.S., and apply with a creditworthy cosigner (who must be a U.S. citizen or U.S. permanent resident). Requested loan amount must be at least \$1,000.

Dental School Loans are for graduate students in a D.D.S. or D.M.D. program at participating degree-granting schools and are subject to credit approval, identity verification, signed loan documents, and school certification. Graduate Certificate/Continuing Education coursework is not eligible. Student or cosigner must meet the age of majority in their state of residence. Students who are not U.S. citizens or U.S. permanent residents must reside in the U.S., attend school in the U.S., and apply with a creditworthy cosigner (who must be a U.S. citizen or U.S. permanent resident). Requested loan amount must be at least \$1,000.

Law School Loans are for graduate students in a J.D. or L.L.M. program at participating degree-granting schools and are subject to credit approval, identity verification, signed loan documents, and school certification. Graduate Certificate/Continuing Education coursework is not eligible. Student or cosigner must meet the age of majority in their state of residence. Students who are not U.S. citizens or U.S. permanent residents must reside in the U.S., attend school in the U.S., and apply with a creditworthy cosigner (who must be a U.S. citizen or U.S. permanent resident). Requested loan amount must be at least \$1,000.

1 For applications submitted directly to Sallie Mae, loan amount cannot exceed the cost of attendance less financial aid received, as certified by the school. Applications submitted to Sallie Mae through a partner website will be subject to a lower maximum loan request amount.

Miscellaneous personal expenses (such as a laptop) may be included in the cost of attendance for students enrolled at least half-time.

2 Interest rates for variable rate loans may increase or decrease over the life of the loan based on changes to the 30-day Average Secured Overnight Financing Rate (SOFR) rounded up to the nearest one-eighth of one percent. Advertised variable rates are the starting range of rates and may vary outside of that range over the life of the loan. Interest is charged starting when funds are sent to the school. With the Fixed and Deferred Repayment Options, the interest rate is higher than with the Interest Repayment Option and Unpaid Interest is added to the loan's Current Principal at the end of the grace/separation period. To receive a 0.25 percentage point interest rate discount, the borrower or cosigner must enroll in auto debit through Sallie Mae. The discount applies only during active repayment for as long as the Current Amount Due or Designated Amount is successfully withdrawn from the authorized bank account each month. It may be suspended during forbearance or deferment.

FAFSA® is a registered service mark of U.S. Department of Education, Federal Student Aid.

SALLIE MAE RESERVES THE RIGHT TO MODIFY OR DISCONTINUE PRODUCTS, SERVICES, AND BENEFITS AT ANY TIME WITHOUT NOTICE.

These loans are made by Sallie Mae Bank.

The Ohio Educational Credit Union is not the creditor for these loans and is compensated by Sallie Mae for the referral of loan customers.

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