

ALTERNATIVE LOAN PROGRAMS

An alternative loan is a private loan designed primarily to help students with educational expenses that exceed other available assistance (such as scholarships, grants, and Federal Stafford Loans). In other words, alternative loans were designed to bridge the gap between college costs and traditional financial aid resources. **Alternative loans cannot exceed the cost of attendance minus other financial aid.**

In general, before borrowing an alternative loan, remember that they:

- Are not backed by the federal government,
- May require that a borrower be creditworthy or have a creditworthy co-signer(s),
- May require that a borrower, and/or the co-signer(s), be U.S. citizens or have permanent resident status,
- Have varying borrowing limits, origination fees, interest rates, repayment terms and restrictions,
- Traditionally have higher interest rates and less flexible repayment terms than Federal Stafford Loans,
- May not have a cap on the interest rate when a variable interest rate is offered.

A large number of alternative education loan programs are available to both students and parents willing to borrow the funds needed to complete a college education. These programs offer many competitive features, and the loans may possess similar interest rates, eligibility criteria, repayment options etc. Regarding interest rates: remember that an increase in the interest rate will result in an increased payment amount, an increased number of payments, or both.

The following link shows a small sampling of what is currently available and who is offering fixed and variable interest rates.

[Apply for Alternative Loans](#)

The Student Accounts and Financial Aid Office at Madonna University will work with you to find a solution to your financial needs. With tuition well below the national average for private universities, Madonna University is the most affordable independent liberal arts university in Michigan.

You can afford to attend Madonna University! No student pays the full cost of his/her education at Madonna University. Due to the generosity of many benefactors students are assessed only 80 percent of the actual costs

We encourage all families to apply for federal and state financial aid by completing the [Free Application For Federal Student Aid \(FAFSA\)](#). Most applicants are eligible for assistance in the form of federal student loans regardless of income.

Why would I want to get an alternative loan?

An alternative loan may provide enough funds to enable you to attend and pay for the college of your choice. However, alternative loans frequently have a higher interest rate,

so you may want to consider this option only after exhausting all other financial options, such as government loans and scholarships.