

For  
MIT Sloan  
Graduate Program  
Students

# *Private Graduate* **Student Loans**

## **What is a private student loan?**

A private student loan offered by MIT Federal Credit Union is a line of credit for graduate student education in the MIT Sloan School of Management.

## **How is a line of credit different than a traditional loan?**

A line of credit allows you to apply once and then make multiple draws throughout your college career.

## **What is the “certification” process and how does it affect me?**

All requested draw amounts are certified by your school. During the certification process, the MIT Student Financial Services Office (MIT SFSO) will:

- Verify your enrollment
- Ensure that the amount you have requested meets your financial need based on the school’s cost of attendance and the other financial aid you’ve received
- Indicate when the loan funds should be disbursed

After the loan has been certified, the funds will be disbursed directly to MIT in the amount and on the date they indicate. Any excess funds that may remain after your direct school-related costs are paid will be deposited into your student account.

## **What expenses are covered by this loan?**

A private student loan is meant to cover costs included in your school’s Cost of Attendance estimates. This typically includes tuition, fees, books, room and board, and other related expenses.

## **How do I determine the amount of my private student loan?**

The amount of your private loan should be based on the cost of attendance. Please refer to your budget sheet provided by the MIT SFSO.

## **What are the loan limit amounts?**

The minimum loan amount is \$1,000 and the maximum is \$210,000 throughout the graduate program. Loan limits are based on the budget sheet provided by the MIT SFSO.

## **Do I need to be an MITFCU member to be eligible for a Private Student Loan?**

Yes, in order to fund the loan, you need to be a credit union member. If you have a co-borrower, that person would become a joint owner on your primary credit union account. If you are not already member(s), you can join at one of our three branch locations or online.

## **How is the interest rate on the loan determined?**

The rate is indexed to the Prime Rate and is variable, meaning it can adjust on a quarterly basis depending on the Prime Rate plus a margin.

## **Is there any way to reduce the interest rate?**

Applying with a co-borrower who is a United States citizen with income and credit history may help you qualify for a lower rate, however a co-borrower is not required to apply. Also, by choosing automated payment during your repayment period, you will receive a 0.25% discount on your interest rate.

## **Are there any fees?**

The only fees associated with a Private Student Loan are a non-sufficient fund fee and a late payment fee. There is no loan origination fee.

## **How do I apply for a Private Student Loan?**

You can apply 24/7 at [mitsloan.studentchoice.org](https://mitsloan.studentchoice.org) or by calling toll-free 866-514-7550. Instant approval is possible!

### What happens after I've been approved?

After you've received your conditional approval letter, you will need to visit one of our branches to sign your loan paperwork and open a credit union account if you haven't already. You will need to bring one of the following sets of documentation to the credit union:

- F-1 visa, passport, I-94 and School Certified I-20
- J-1 visa, passport, I-94 and School Certified DS-2019
- H1B visa, passport, I-94 and letter from employer that confirms employment

Once all the paperwork is signed, the loan is sent to the MIT SFSO for certification (MIT will only certify loan requests that are within your budget value). After certification is complete, the funds are released to MIT and will be disbursed on the dates that MIT has assigned for your program. If you need additional funds in excess of your planned budget or if you want to know your disbursement dates, you should speak with the MIT SFSO.

### How quickly can I get the funds?

The exact timeline for disbursing funds will be set by the MIT SFSO in coordination with the Private Student Loan provider.

### What are the repayment terms of the loan?

**While in school, your options include:**

- Full deferment of principal and interest\*
- Interest-only monthly payments
- Principal and interest monthly payments

\*During deferment, interest on the loan will accrue.

Mandatory repayment begins six months after the student graduates or separates from the school. Please note that for loans in full deferment during college, unpaid interest will be capitalized at the end of the 6-month grace period and added to the original principal balance. Monthly payment is based on final loan balance and repayment choices.

### As repayment begins, your options include:

**Straight repayment over 20 or 25 years.** If the loan balance is under \$40,000, the loan repayment period is 20 years. If the loan balance is above \$40,000, the loan repayment period is 25 years.

**OR**

**Graduated repayment for two years.** The graduated repayment option temporarily lowers monthly payments by amortizing the first two repayment years over a 40 year period and then over either 18 or 23 years for the remainder of the loan, depending on the loan balance as described above.

### Is there a pre-payment penalty?

No. You can pay off your Private Student Loan at any time, even if you're still in school.

### How can I request additional funds?

To request additional funds from your existing line of credit, follow these steps:

- Visit [mitsloan.studentchoice.org](https://mitsloan.studentchoice.org) and select "International Grad Student"
- Click the "Apply Now/Draw Request" button
- Select "Returning Borrower" - *do not* create a new username
- Sign-in with your username and password
- On the next page, which shows your loan completion date, click "Select"
- Confirm or edit your personal information
- After confirming/editing your personal information, enter your "Draw Request Amount" and select the proper "Academic Period" from the drop-down menu
- Click "Submit" and the draw request will be added to the "Draw Request History" table – you will see a message stating that your request has been processed

Please note that the option to request more funds is only available for those students who have not already borrowed the maximum amount permitted per academic year.

### Loan Servicing Information

#### University Accounting Service:

Visit: [uasecho.com](http://uasecho.com) | Call: 800-723-2210

#### Payment Options:

- **Paper Check**
  - Make check payable to 'MITFCU'
  - Mail to: University Accounting Service, LLC  
P.O. Box 3167; Milwaukee, WI 53201-3167
- **Electronic Payment**
  - You may elect paper or electronic billing statements. Payments are accepted by automatic electronic payment known as Automated Clearing House (ACH) and paper check.
  - You will be able to sign up for the UAS website after you receive a monthly statement.
  - The online billing and payments portal is accessible through: <https://www.uasecho.com>

### Why are Credit Union Private Student Loans better than those from other lenders?

Unlike for-profit lenders, your credit union exists only to serve the best interests of its members. This allows us to offer lower loan rates and fees than other, more traditional "private" lenders. The most important differences for you are zero origination fees, more flexible repayment terms, and lower overall loan rates. The bottom line is that Credit Union Student Choice Loans were created with one goal in mind – helping you finance a higher education without a higher price tag.

For more information, visit [mitsloan.studentchoice.org](https://mitsloan.studentchoice.org)