

Tip Sheet: How to Shop Around for Private Student Loans

GOAL	To find a private student loan with the lowest interest rate.
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1. Gather Information

Once you've maximized your [federal financial aid options](#), determine how much you want to borrow from a private lender. Never borrow more than you need.

To apply for private student loans, the lender will generally request the following: **Social Security number, current and previous addresses, income statements** and the **value of current assets**.

Be aware that loans in the student's name usually require a cosigner since most students don't have a credit history or regular source of income.

2. Research Interest Rates

One of the most important things to consider when searching for a student loan is the interest rate. The higher the rate, the more expensive it is to borrow money. APR is the interest rate and any additional costs and fees.

Shop for the best rates from May to July before freshman year of college. The earlier you apply, the more time you have to work through any issues. Look for loans from banks, credit unions, and state agencies. Loan rates depend on your credit score, income, loan term, and repayment type.

Pre-qualification allows you to see estimated offers and does not affect your credit score. **A full application** provides the actual offer and amount you'll pay. It does affect your credit score. (See step 4 if you'd like to create a spreadsheet to compare interest rates before applying for any loans.)

3. Apply to 3 or More Lenders Within 30 Days of Full Application

It will count as only a single inquiry on your credit score if it's done within this time period. You won't know your actual loan rate and terms until you apply and receive a loan offer or offers. Recommended lenders:

- **College Ave** (R2C preferred lender)
- **SoFi** (R2C preferred lender)
- **Sallie Mae** (R2C preferred lender)
- **Student Choice** (R2C preferred lender)
- **Citizens** (Through Credible, a website to check rates from multiple lenders)
- **Ascent** (R2C preferred lender)

GO DEEPER[How Do Student Loans Work? Guide to Federal, State and Private Student Loans](#)

4. Compare Offers

Use the Road2College [Loan Comparison Spreadsheet](#) to compare up to five loan offers. When comparing loans, pay attention to:

- interest rate (is it fixed for the life of the loan or variable?)
- loan origination fees (are there any?)
- repayment options (see if payments are due while in school or after graduation)
- monthly payment amount (what will the [impact to your budget](#) be?)
- loan term (how many years until the loan is paid off?)
- cosigner release options (this allows the cosigner to be released from responsibilities after meeting specific conditions)

5. Try Juno

Juno is a student loan negotiating platform. After you've received and compared other loan offers, [sign up for Juno](#) and check the group rate they've arranged for student loan borrowers. If you find a lower rate, Juno will match it from most lenders, and give you a rate match bonus. If you decide to go with Juno's primary lender, [submit a full application](#).

Even if you've already accepted a loan elsewhere, you can apply to Juno's lender and cancel the original loan as long as the money hasn't been sent to the college. Once you sign a loan, Juno offers a cash-back signing bonus.

6. Get 1:1 Support

Road2College offers personalized support for college financing questions. [Schedule a consultation or reach out for assistance](#) at any stage of the process.