

## **PRIVATE PARENT EDUCATIONAL LOANS**

A private **parent** educational loan is a payment option for a **parent or another creditworthy individual** who is looking to cover a student's remaining balance (up to the cost of education). The student has no financial responsibility for this loan for the life of the loan as the student can never be the borrower or the co-signer on this loan.

The following is some information pertaining to Private Parent Educational Loans.

***BORROWER*** Parent or other creditworthy individual (not the student). Other creditworthy individuals may include an aunt, uncle, grandparent, other relatives, friend or anyone willing to borrow to help pay a student's education.

***LOAN FEES*** Check if the loan has origination, disbursement or repayment fees added to the principal of the loan. This varies by lender.

***INTEREST RATE*** Most lenders offer a fixed interest rate. Some lenders also offer variable rates. Rates are typically based on the borrower's (and co-signer, if applicable) credit history, other factors such as income and repayment term may also be considered.

***LOAN LIMITS*** **Parent or other creditworthy individual may borrow up to the difference between the cost of attendance and the financial aid award. Some lenders may have a minimum amount you may borrow.**

***REPAYMENT*** Varies by lender. Some lenders may offer interest only payments while the student is in school. Others may offer or require immediate principal and interest payments.

***CHOOSING A LOAN*** There are several Private Parent Educational Loan programs available. You may check out my.cedarcrest.edu or go directly to [www.elmselect.com](http://www.elmselect.com) to view our Preferred Lender list for Private Parent Educational Loans. Select *Parent Loans* to view the list.