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CollegeCredit®

Lender Code: 830310

A Guide to Responsible Borrowing

Learning about and applying for financial aid need not be a mind-boggling experience. The following tips from the College Board's CollegeCredit Education Loan Program will help you make informed, responsible choices about student loans and lenders:

- Wait until you have received the financial aid notification from each college before applying for a student loan. Evaluate each offer carefully. Explore other sources of aid, such as grants, scholarships, and work-study programs that do not require repayment.
- If it is determined that borrowing is necessary, borrow only what you need. Being eligible to borrow doesn't mean you have to take the maximum the lender will allow. Remember, you are expected to repay your loan, plus interest. Repaying your loan on time will help you to establish a good credit rating.
- Select a lender that provides easy application procedures, quick processing of your application, fast notification, and special student services such as toll-free telephone numbers for information and advice.
- Choose a lender that helps you manage your money through graduated repayment, loan consolidation, and other repayment options:
 - 1) Graduated repayment means your monthly payments will be adjusted, beginning with a lower amount when your income is lower, to a higher payment later, as your income increases.
 - 2) Consolidation allows you to combine loans into one all-inclusive monthly payment, which lowers the amount of the payment but increases the length of repayment.
 - 3) Some lenders will also allow you to postpone principal and interest payments on unsubsidized Stafford and PLUS loans while you are in school.
- Consider a lender that offers one-time capitalization at repayment (rather than quarterly, semi-annual, or annual capitalization). This will save you big money when it is time to repay your unsubsidized Stafford or PLUS loans.
- Choose a lender with a flexible forbearance policy. This means that if you run into trouble repaying your loan, your lender will be there to help you work out repayment.
- Consider a lender that provides continuity of servicing. Servicing means processing payments, handling inquiries, and maintaining careful records. Many lenders sell loans or contract their servicing to other organizations — and that can be confusing to students. When you use a lender that services its loans, you'll deal with only one organization from the time you take out your first loan until you make your very last payment.

If you have questions or would like to order a CollegeCredit loan application, please call 1-800-831-5626.

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