

## Non-Federal Loans

Non-Federal Loans (often referred to as Alternative Loans) are private loans funded through various lenders. They are not regulated in the same way as the loans offered through the Federal Government and USD. Usually these loans have higher interest rates than federal loans. Therefore, these loans should be considered as a last resort and used only if all other institutional and federal aid has been exhausted. If you do not have employment history and do not have established credit, a co-borrower is required. Often the interest rate will be lower with a co-borrower. A limited number of lenders offer non-federal loan for parents or others who will be interested in taking a loan on your behalf (“Sponsor loans”). You should review and compare the lenders listed on USD’s EDFUND Non-Federal Loan Portal and determine which loan program will meet your needs. Interest, repayment, fees and other terms can vary from lender to lender.

The University of San Diego Office of Financial Aid (OFA) has Non-Federal Loan instructions and a preferred lender listing link on the website at:

[http://www.sandiego.edu/financial\\_aid/loans/](http://www.sandiego.edu/financial_aid/loans/) . Students are linked to the preferred lender listing to review information on each loan program prior to selecting a loan. If you have additional questions, you should contact the lender directly.

**Note** that all lenders listed on USD’s EDFUND Non-Federal Loan portal, funds are received electronically from these lenders. Lenders not listed on, the funds will be received as checks that the borrower must endorse at the USD Student Accounts Office. If the Non-Federal Loan is received by check, notifications are sent out when the checks have been received by USD.