

NEWS FROM

KHEAA–Alabama

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Financial Aid Tip of the Month, June 2021

Private loans bridge gap between college costs, other student aid

Most college-bound students qualify for financial aid to help pay for their education, such as federal and state grants, scholarships and federal loans. But some students may find that these programs don't cover all the costs of college, according to KHEAA–Alabama. Others may not qualify for state and federal aid because they're going to school less than half-time.

Because interest rates on private loans depend on the borrower's credit rating, students may have to pay higher rates than they would on federal student loans. In addition, many lenders require students to have a cosigner, and most require the college to certify that the student needs the loan.

Students and parents should compare the private loans offered by various lenders to find the best possible deal. And, they should definitely check into the Advantage Education Loan at www.advantageeducationloan.com.

KHEAA is a public, non-profit agency established in 1966 to improve students' access to college. It provides information about financial aid and financial literacy at no cost to students and parents.

KHEAA also helps colleges manage their student loan default rates and verify information submitted on the FAFSA. For more information about those services, visit www.kheaa.com.

For more information about financial aid and college planning, visit www.alstudentaid.com.