

The Value of a Preferred Lender List for Students and Parents

A **preferred lender list** is an ideal starting point when you're seeking an education lender that offers the best combination of cost, convenience, and service. While you're always free to borrow from any lender—whether on the list or not—the fact that experienced financial aid professionals have closely evaluated a number of loan providers should be welcome reassurance that lenders on a school's list provide quality and benefits to students and their families.

Colleges and universities “pre-qualify” lenders on the basis of value, reliability, and service when they create their preferred lender list. They evaluate criteria such as borrower benefits, customer support, technology, and variety of loan products.

When your school has conducted a thorough and objective preferred lender selection process, you can be assured that:

- The lenders selected are financially stable, have significant experience in the student loan industry, and offer a complete portfolio of products and services.
- You and the school will receive fast, efficient, and accurate loan processing along with the peace of mind that funds will be disbursed on-time for the start of the academic period.
- All decisions are made with your best financial interests in mind.

The selection process can also help colleges determine what resources the lenders will provide to help students better understand their products and services. Lender-provided educational resources should detail loan terms and conditions and emphasize a sensible three-step approach to financing higher education:

1. Exhaust “free money” options first, in the form of grants and scholarships;
2. Maximize low-cost federal loans second; and
3. If necessary, consider private loans to cover any unmet need.

As the 2007-08 academic year draws near, you'll be receiving solicitations from a wide range of student lenders. Now is the time to look to your school's financial aid administrators—and the school's list of recommended lenders—for help in making a smart lender selection.

Important Reminder—When you review your school's preferred lender list, keep in mind that you have the right to select a lender that is not on the list.