



Selection process for student loan preferred lenders list

The University has a formal method and criteria that it uses to review and consider student loan providers for inclusion on its preferred lenders list. A lender review committee comprised of senior officers, administrators, and student financial aid professional staff meet on a regular basis to analyze the benefits, products, and services that eligible lenders offer to their borrowers. The University also utilizes key performance indicators and metrics that track objective and subjective criteria such as operational standards, technology utilization, and customer service. The University uses a formal "request for information" process to solicit participating, eligible lenders for consideration as a preferred lender. The goal of our preferred lenders list is to identify eligible lenders that provide outstanding customer service to their borrowers. You do not have to choose any of the preferred lenders.

Federal Stafford or PLUS loan borrowers may choose any lender that participates in the Federal Family Education Loan program and Federal Direct Loans program. The basic terms and conditions of the Federal loans (maximum interest rate, maximum fees, deferment, forbearance, and loan forgiveness options) are set by the federal government. However, many lenders offer special benefits to borrowers. We encourage you to compare the benefits offered by different lenders so that you can make an informed choice.

Private student loans are not subsidized by the federal government. Private student loans are to be used for education related expenses and should supplement, not replace federal student aid programs. A student's eligibility for a private student loan is determined by a lender based on the student's creditworthiness. The amount of a private student loan is limited to the cost of education minus other aid. If you absolutely need a private student loan, we encourage you to consider using the same lender you used for your Stafford loan because you may be able to take advantage of combined billing when you are repaying those loans. For the specific terms and conditions of any private loan you are considering, contact the lender directly.

To make the process of selecting a lender easier for you, the University has chosen several lenders to be on our preferred lenders list. In creating this list, we have considered several factors:

- **Service** – Our office has done the research to make sure that our preferred lenders provide state of the art websites and helpful phone representatives who can assist borrowers to make informed decisions. In the selection process of our preferred lenders, we have taken into consideration the feedback from our students regarding their expectation of service. If a particular lender generates complaints, we will strongly consider removing it from our list. These lenders have all agreed to work within our processing system and to ensure quick turnaround time.
- **Process and Technology** – Our preferred lenders use industry-developed systems to send and receive loan data which helps create timely disbursements and avoid confusion. Our office is able to certify loans electronically and disburse loan funds to the student's account quickly using Electronic Funds Transfer (EFT). Lender websites provide our students the convenience to electronically sign master promissory notes for their loans, download forms for deferment and forbearance, as well as review payment progress and the ability to update their address on-line.

Our list of preferred lenders is reviewed quarterly and updated as appropriate based on the criteria listed above. The University does not receive, and will not accept, inducements from lenders in exchange for inclusion in the preferred lender list.

Borrowers are welcome to choose any eligible, participating lender, regardless of whether it appears on our preferred lenders list.

If you would like to provide feedback on our preferred lenders list, we welcome you to contact us. You can send an email message to PLL@phoenix.edu.