

Request to Bypass Direct Loan in Favor of Alternative Private Educational Loan

I am requesting that the University of Maine at Fort Kent certify an Alternative Private Educational Loan for me instead of a Direct Loan, even though I could be eligible for a Direct Loan if I were to complete the federal process.

I have been counseled and I understand that there are advantages to a student Direct Loan over an Alternative, Private educational loan:

1. Direct Loans are at a fixed interest rate (3.4% Subsidized and 6.8% Unsubsidized) while Alternative Private Loans are variable rate loans, most with no upper level cap.
2. Direct Loans carry deferment, forbearance and death and disability benefits that may not be available from an Alternative Private loan.
3. Direct Loans do not require the borrower to pass a credit check, but Alternative Private loans do require a credit check and, in some cases, a co-signer.
4. Subsidized Direct Loans do not accrue interest during the period the student is enrolled in school.

Print your name here

Sign your name here – Signature required

Date