

Questions and Answers regarding the Private Student Loans:

Do I need to be a member of the New York University Federal Credit Union in order to obtain a student loan?

You can apply for a private student loan without being a member; however, in order to obtain the loan and receive the loan proceeds, you must become a member. The co-borrower must become a member as well.

Why should I choose to get my loan from the New York University Federal Credit Union as opposed to another financial institution?

The New York University Federal Credit Union serves only the New York University community. We are a financial cooperative, our members are our owners. We offer competitive rates on our private student loans. However, you must always shop around and compare rates before making a commitment.

If I have an account with a commercial bank and/or another credit union, can I still open an account with the New York University Federal Credit Union?

Yes.

How can I join the New York University Federal Credit Union?

Please check our website for membership requirements and to download the necessary forms: <http://www.nyufcu.com/asp/home.asp#membership>

What benefits will I get if I have other accounts with the New York University Federal Credit Union?

If you open a checking account with direct deposit at the New York University Federal Credit Union, you can get a 0.25% discount on your student loan!

How much money will be held in my savings account?

The only money that will be held in your account will be the \$50 minimum balance in your savings account.

How do I know if I am eligible for a student loan?

If you are a student currently enrolled in a degree program and a U.S. citizen, you are eligible! A student who does not meet credit, income, and employment guidelines needs to apply with an eligible U.S. citizen co-borrower (who must also become a member of the Credit Union).

How do I apply for a New York University Federal Credit Union Private Student Loan?

You may apply for the New York University Federal Credit Union Private Student Loan **ONLY** on our website: www.nyufcu.com. We do not take paper applications. All student loan applications are computer generated. To complete your application, you'll need to provide two pieces of identification. This is your school ID and a passport, state issued identification, or a US issued drivers license.

In addition, we need to verify your income and address.

1. For *proof of income*, please provide a copy of one of these documents:

- Two most recent pay stubs
- W-2
- Previous year's tax return
- Copies of your bank accounts (for self employed)

2. For *proof of address*, please provide a copy of one of these documents:

If you live in on-campus housing:

- Letter from the college/university (on their letterhead) confirming your address.

If you live off campus, please provide one of the following showing your "local" address:

- Home or cell phone bill
- Utility or cable bill
- Credit card statement
- Bank or loan statement
- New York State issued identification

We accept these documents **ONLY** on our *E-fax server* at **347-602-4751**.

As an applicant, do I need to have a social security number to apply for a loan?

The borrower and any co-borrower are required to have a valid social security number.

Can I get a loan if I am a part time student?

Part time students can also obtain loans from the New York University Federal Credit Union.

If I am a foreign student applying for an education loan, can I apply for a loan with the New York University Federal Credit Union?

No. We only grant loans to domestic students at this time.

Can I obtain a loan from New York University Federal Credit Union if I am a continuing education student?

No. The New York University Federal Credit Union does not grant loans to continuing education students. You must at least be a part time student at New York University.

Can I save an application and finish it later?

Yes—if you've reached the part of the application where you create your User ID and Password, the application will be saved automatically if you close it. You'll then receive an e-mail that tells you how to access the application when you're ready to complete it.

How can I check the status of my private student loan application?

You can sign onto your web application and check your loan status there. You can also call us at (800) 260-4602.

When will I find out if my loan application was approved?

If all of your paperwork is complete and your online documents are e-signed, an email notification will be sent to you. Please check the status of your loan application on our website: <http://nyu.creditunionprivateloans.com/>

What can I do if my loan application was denied?

If your loan application was denied, you will need to find an eligible co-borrower and reapply with them.

What is the e-fax number?

(347) 602-4751

What is the number for student loan inquiries?

(800) 260-4602

Will my loan be granted by semester or by year?

The loan will be granted by year, but will be broken up into each semester. Part of your loan will cover the fall semester and the remaining will cover the spring semester.

Do I need to apply for a new student loan each year or will the amount roll over automatically?

You will need to reapply for student loans on an annual basis.

Will my loan be disbursed into my personal account or will it be disbursed directly to New York University?

The funds that you have been approved for will be sent directly to NYU. New York University will then allocate the money to your student account to cover the amount needed on a semester by semester basis.

Do I need to have my award letter prior to applying for my student loan?

Yes. Your award letter shows you how much money you have been granted for the upcoming school year. You will then see what loan amount you would need to apply for.

What can my student loan cover?

Your student loan can cover any charge on your official New York University bill up to \$30,000 annually.

How much can I borrow?

The annual borrowing limit for our private loans is the total cost of attendance minus other financial aid you receive (as certified by your school). Other annual limitations and/or cumulative borrowing limits may apply. If you do not know how much you need, we recommend you meet with your Financial Aid Officer to determine your budget and borrowing needs. The aggregate student loan limit is \$100,000.00 per student.

What are my options for repayment?

1. *Full Deferral*: When you defer your payment in its entirety until six months after graduation.
2. *Interest Only*: When you pay only the accrued interest throughout your time in school and begin the actual loan payments six months after your graduation.
3. *Immediate Repayment*: When you begin the repayment process immediately.

What is the Interest Rate?

The interest rate adjusts quarterly (on the first day of each January, April, July, and October as warranted). There is an annual interest rate ceiling of 18%, and a floor of 5.75%. The interest rate is dependant on the prime rate index. The prime rate is based on the U.S. prime interest rate (“prime”) as published in the “Money Rates” section of *The Wall Street Journal* (Eastern Edition). The variable rate will change quarterly on the first day of each January, April, July and October if the current index changes.

What if I choose not to pay my interest while officially enrolled in school?

Accrued, but unpaid, interest will be added to the principal amount outstanding after the deferral period.

What is the maximum deferral time on a student loan?

The maximum deferral time on a student loan is 60 months (5 years). However, this does not include the 6 months after graduation thus making the maximum deferral time 66 months.

If I apply for my student loan with a co-borrower who has an excellent credit rating, will that allow me to have a lower interest rate when paying back my loan?

Yes. Applying with a creditworthy co-borrower can help you get a lower interest rate.

As a co-borrower, am I responsible for a loan that is not repaid?

Yes. A co-borrower is someone who accepts responsibility for repayment of a credit or loan along with the primary borrower.

If I have no employment history, can I still apply for a student loan?

Yes, you may still apply with a co-borrower who has a valid employment history.

Will I need to have funds in my New York University Federal Credit Union account in order to receive my student loan?

Yes. You will be required to have an account with the New York University Federal Credit Union with a minimum of \$50.00 in your membership account. Additionally, you will also have to pay a one-time \$7.00 membership fee to establish your account.

Can I close my account with the New York University Federal Credit Union before I pay back my student loan?

No. You are required to keep your account open with the New York University Federal Credit Union until you pay off your student loan.

Whose credit history is checked for loan approval, the applicant's or the co-borrower's?

Both credit histories are checked.

When is the best time to apply for a loan?

You should apply for a loan as soon as you have received your acceptance and financial aid letters from New York University.

Do you offer E-Signatures?

Yes - you must e-sign your private student loan application. We recommend that you have your co-borrower and reference information available when you apply to help speed up the process.

Is the information I give on my online application protected?

Yes. We employ a multi-layered approach to ensuring the security of your personal information.

How long does it take to get the loan check after I am approved?

This depends a great deal on how quickly the borrower and co-borrower provide their income verification, become a member, and e-sign their loan documents. Then New York University certifies the loan. Once all of these steps are complete, the funds will be disbursed to the school. The actual timing of disbursement coincides with the start date for the enrollment/loan period, and is usually dictated by New York University's financial aid office.

If an applicant receives grants or scholarships, does this affect the amount that can be borrowed through the New York University Federal Credit Union?

The New York University's financial aid office determines your school's cost of attendance (COA). Grants and scholarships are subtracted from this total. You can use a school-certified student loan to pay for the difference.

If the borrower has other loans, does this affect the amount that can be borrowed through the New York University Federal Credit Union?

The financial aid office determines the total financial aid package for each student. The financial aid office calculates the student's unmet financial need by using the cost of attendance (COA) and deducting from this figure the expected family contribution (EFC) and any grants, scholarships, and federal loans the student will be receiving for the current enrollment period.

Is there any other paperwork I need to complete after my loan is approved?

After your loan approval, you will need to sign and return the credit agreement and the addendum and any other information that might be requested.

What happens if I transfer schools? Will I need to start repaying my loan within six months of my leave from NYU or six months from the completion of my degree elsewhere?

You will need to begin paying your loan within six months from the completion of your degree wherever it may be. However, this process must begin after the deferment period.

How quickly will I receive my funds?

Shortly after you are conditionally approved, your credit agreement will be available online for completion. At the same time, we notify New York University electronically of your conditional approval and request that they certify information pertaining to your enrollment. Once we receive the completed loan documents from you and the financial aid office, and final approval is provided, funds disbursement will follow. Disbursement will occur in accordance with the school's tuition due date(s).

Please note that student loan proceeds are paid directly to New York University.

Is there any penalty for early payment on a New York University Federal Credit Union Private Education loan?

No, there is no penalty. You can pay off a loan at anytime, even if you are still enrolled in school.

Who is the primary borrower on a New York University Federal Credit Union Private Education loan?

The student is the primary borrower on a New York University Federal Credit Union private education loan even if there is a co-borrower for the loan; however both parties are held responsible for the loan repayment.

Do I have to use a co-borrower?

If you are applying for a loan and you meet the requirements below, you may be eligible to apply on your own:

- Unless you are retired, you must have a satisfactory employment history for at least the last two years (if you are self-employed, you must have been in business for at least the last two years).
- You must have proof of current positive income (if you are self-employed, your business must also have a net positive income for the last 2 years).
- You must have at least 21 months of satisfactory credit history.
- You must be a U.S. citizen.

What is the benefit of having a co-borrower on my application?

While a co-borrower is not always required, applying with a qualified creditworthy co-borrower will improve the likelihood your loan application will be approved. In addition, if you apply with a qualified co-borrower, you may also receive a lower rate and/or fee on your loan.

How can I compare the total costs of loan programs?

The annual percentage rate (APR) is your best measure of the cost of a loan. The APR factors in the interest rate, fees, and deferment and repayment terms.

How do I know my enrollment status?

The enrollment status plays an important part in the type of loan for which you are eligible. The best way to determine your enrollment status is to contact New York University's registrar office.

What happens if I need to make a change after I've applied?

If you need to alter your loan amount after you have applied for a loan, you can do so until three days prior to the time of disbursement. Please note any changes may cause delays, and new online loan documents certification (if applicable) may need to be completed.

How Much Will I Have To Repay Each Month?

Your total loan amount, plus the interest accrued on that amount, is repayable in installments according to the schedule that was agreed upon with the New York University Federal Credit Union. At the time of repayment there is a maximum of 20 years to repay the loans, unless consolidated. Regular payments of your loan are due following your grace period.