QUESTIONS TO ASK YOUR FINANCIAL AID OFFICE AND LENDERS:

1. What is the interest rate of the loan? Will the interest rate remain the same for the entire life of the loan?
2. What is the total amount I will need to pay over the life of the loan, and what will my monthly payments be?
3. What borrower benefits and interest rate discounts do the lenders offer? Which of those benefits are contingent on making a certain number of consecutive on-time payments?
4. What percentage of borrowers actually receive the borrower benefits or rate discounts that are contingent on a certain number of on-time payments?
5. Does the lender typically sell its loans? Has the lender agreed to sell loans to another lender?
6. Will my borrower benefits and rate discounts continue if my loan is sold?
7. How many students actually receive a lender's advertised "as low as" interest rate?
8. When will repayment begin, and will interest start accruing while I'm in school?
9. What are the penalties for missing monthly payments?
10. How does the financial aid office select preferred lenders?

Credit cards: **Keep in mind that credit cards generally have much higher interest rates than student loans. If you use a credit card to pay for school costs, make sure you can pay your credit card bill in full by the statement due date. Otherwise, you will find yourself owing high interest debt to credit card companies on top of your other student loan obligations.**

Shop wisely. A student loan is a serious financial commitment.
For more information on these questions and answers, go to www.oag.ny.gov