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Tips for Choosing an Education Loan

To be sure you're getting the education loan that's right for your needs, it's important to shop around – and make sure you keep in mind these basics about education loans.

1. A loan advertised as a student loan may still require a co-borrower. Many of these loans also charge a higher variable interest rate.
2. A co-borrower is equally as responsible for a loan as the primary borrower, in most cases. Many traditional private education loans require a co-borrower. Make sure all borrowers on the loan understand how the loan will be repaid, and keep all addresses and contact information current.
3. Deferred loans will cost more than immediate repayment loans. Your monthly payment may be lower by borrowing an immediate repayment education loan, and the overall cost will be significantly less.
4. Variable interest rate loans will likely increase as interest rates begin to rise in the economy. Most fixed interest rate loans charge the same interest rate and monthly payment for the life of the loan, regardless of changes in the credit markets.
5. Fine print matters! Education loans aren't one size fits all, so be sure to research and ask questions to help you decide which loan product is right for your financial situation.

MEFA is a not-for-profit self-financing state authority, not reliant on state or federal appropriation, that works to make higher education more accessible and affordable for students and families in Massachusetts. Nearly 30 years ago, MEFA was created by the state legislature at the request of Massachusetts colleges and universities. MEFA provides community education programs, college savings plans, and low-cost financing options. In its nearly thirty year history, MEFA has issued approximately \$4.2 billion in bonds and has assisted hundreds of thousands of families in financing a college education.

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