

IMPORTANT FINANCIAL AID NEWS

Dear Students and Parents,

I am writing to assure you that federal loans are available to students. Some media reports have suggested that these or other loans may not be available. In fact lenders are committed to providing these loans this year. In addition other forms of federal student aid such as Pell Grants, Federal Work Study remain available for students. Students should have no problems getting federal student loans. Federal student loans are guaranteed and not based on the credit worthiness of the applicant. There are many lenders for students and parents to choose from. My office will provide interested students with a list of lenders that provide good service. At the same time students are welcome to select any lender they choose.

Some students and parents may need to borrow “Private or Alternative Educational Loans” to help meet school expenses. These loans are based on the credit worthiness of the applicant. Some lenders, due to current market conditions, may place stricter credit criteria for borrowing these loans. Only a few students will have trouble getting private or alternative educational loans (some estimate as few as 5%). Students can use a co-signer to secure better loan terms or approval if denied as a single applicant. Due to the higher cost of borrowing private loans should only be used as a last resort. We encourage all students to learn more about their credit rating. Please check these web sites for tips on improving your credit score:

<http://www.myfico.com/CreditEducation/>

<http://www.credit.com/>

http://www.nextadvisor.com/credit_report_services/index.php

Finally, the Financial Aid Staff at Saint Mary’s College of California is here to help you through this process. If you have any concerns about student loans or would like information on searching for outside scholarships to help reduce the need to borrow please contact us at (925) 631-4370 or toll free at (800) 306-0390.

Sincerely,

Priscilla Muha
Director of Financial Aid