

Steps to Processing a Private/Alternative Loan Application

As a wise consumer, you should review and compare alternative loan programs to find the right fit for your needs. Once you have started an application, you must monitor its progress through four steps that must be completed. Each lender's process may vary, but each step must be accomplished before a disbursement is made to Notre Dame College as payment on your student account.

1. Application Disclosure: Lender Responsibility

- Presented with or on an application or at time a solicitation is made.
- Lender is required to mail an application disclosure within 3 days after a phone application is taken and credit is pulled.
- Provides general information about the range of rates, fees and other terms that apply.
- Also includes information on federal loan options with directions to contact the financial office or Department of Education (all disclosures will include this section).

2. Approval Disclosure: Lender Responsibility

- Presented when a lender is prepared to make a firm offer (conditionally approved/approved) and contains terms extended.
- Borrower has 30 calendar days to accept offer made by lender. Disclosure can be mailed or presented electronically.
- Mailed disclosures are required to provide an additional 3 business days to account for mail time.
- Disclosure must state the acceptance date deadline and the manner in which the lender requires the borrower to accept the terms of the loan.
- A lender can allow the borrower to accept the terms of the loan by mail, phone or electronically (cannot be sole form of acceptance).
- Lenders are prohibited from changing the terms of the loan, except for changes based on adjustments to the index, during the acceptance period.
Exceptions: Fraud or if an extension of credit would be prohibited by law.
- Re-disclosure would not be required if there would be any **borrower beneficial** changes to the loan, such as reduced interest rate or loan amount.

3. Final Disclosure: Lender Responsibility

- Presented to borrower after the loan has been accepted and 3 business days before the loan is disbursed (3 additional business days if mailed); loan funds may not be disbursed during this period.
- The type of information disclosed in Final Disclosure is identical to Approval Disclosure except for **Right to Cancel Notice**.
- Disclosure must clearly note the borrower's right to cancel and state the cancellation deadline and method lender accepts for cancellation.

4. Self Certification Form: School and Lender Responsibility

- The responsibility for providing, completing and collecting the self certification form is shared between the school, applicant and lender.
- Lenders are also allowed to provide the form to applicants along with the information required to complete the form.
- Lender determines when this form is needed in the process.