

# cuGrad Borrower Program FAQ

*(as reads on cuStudentLoans.org)*

## General Questions

### What is the cuGrad Private Student Loan Consolidation?

The cuGrad Private Student Loan Consolidation is issued from a not-for-profit credit union participating in the cuStudentLoans program and can be used to consolidate and refinance your outstanding private student loan debt.

### What is a private student loan consolidation?

A private student loan consolidation allows borrowers the ability to consolidate and refinance one or multiple loans into one loan at a potentially lower interest rate.

### Can I refinance both my federal loans and private loans with the cuGrad Private Student Loan Consolidation?

At this time, you can only consolidate private student loans with the cuGrad Private Student Loan Consolidation. To consolidate federal loans, please visit: <http://loanconsolidation.ed.gov/>.

## Privacy & Security

### Will my personal information be shared with third parties?

Only information that is necessary and required to complete the loan application process, make payments, and transfer funds may be shared. Please consult our [Privacy Policy](#) for additional details.

### How is financial information protected?

Fynanz servers are equipped with Secure Socket Layer (SSL) certificate technology, which encrypts the user's entire online session. Automatic sign out occurs after a period of inactivity. All banking information and social security numbers are stored in a secure off-site data center. All users must pass through our secure verification systems to prevent identity theft. Please consult our [Privacy Policy](#) for additional details.

### How does identity verification work?

All borrowers must provide a valid state issued photo identification and a social security number. This information is used to obtain non-credit based questions from an identity verification agency. The user is asked a series of questions that must be answered correctly. Since these questions are not based on a person's credit history, obtaining another person's credit report does not provide sufficient information to pass our identity verification test. Those who violate our security and privacy protections are subject

to disciplinary action, including prosecution to the fullest extent allowable by law. Please consult our [Privacy Policy](#) for additional details.

## **cuGrad Private Student Loan Consolidation Eligibility**

### **Who is eligible for the cuGrad Private Student Loan Consolidation?**

To apply for the cuGrad Private Student Loan Consolidation, you must be a graduate of an eligible school and a member of a [participating credit union](#).

If you're currently not a member of a credit union, you will be prompted to select one that you can join during the application process.

A borrower or cosigner must have a gross monthly income of \$2,000 or greater and meet our credit requirements. Choosing a creditworthy cosigner will increase the likelihood of being approved and may lead to a lower loan rate. You can apply without a cosigner if you meet all of the credit criteria by yourself.

### **What is a cosigner?**

A cosigner is a parent, grandparent, guardian or other adult who is creditworthy and willing to assume legal responsibility for the loan liabilities along with you. The cosigner must be a U.S. citizen or Permanent Resident.

### **Is a cosigner required to obtain the cuGrad Private Student Loan Consolidation?**

In some instances, a cosigner is required to obtain the cuGrad Private Student Loan Consolidation. A creditworthy cosigner increases the likelihood of your loan approval and may lead to a lower loan rate. Creditworthy borrowers that meet the [credit requirements](#) may apply without a cosigner.

### **Will the cosigner's credit record be affected?**

Yes, in a cosigned loan both the borrower and the cosigner are jointly liable for making all loan payments. The loan will appear on both the borrower and cosigner's credit report.

### **Is the cosigner responsible for repaying the loan?**

If the borrower fails to repay the loan, then the cosigner is responsible for repaying the loan. However, the cosigner may be released of this obligation once the borrower is able to meet certain criteria to determine creditworthiness and makes 12 consecutive and on-time full payments of principal and interest.

## Application Process

### How much can I borrow?

The minimum you can borrow is \$7,500 per year. The maximum you can borrow is \$125,000 for undergraduate debt and \$175,000 for graduate school debt.

### How do I apply for the cuGrad Private Student Loan Consolidation?

The application process must be completed online at <https://consolidation.custudentloans.org/>.

### Do I need to be a graduate of an educational institution to be eligible?

Yes, you must provide proof of graduation from an [eligible school](#) within the cuStudentLoans program.

### What proof of graduation do I need to provide?

Your graduation date needs to be verified through documentation, such as a school transcript, copy of the degree, diploma or certificate, written or verbal school verification, or through an electronic method such as the National Student Loan Clearinghouse.

### How does the cosigner complete their portion of the application?

During the application process, cosigners will be asked to create an account and complete their own application. They complete the same application procedures as the borrower for joint-credit.

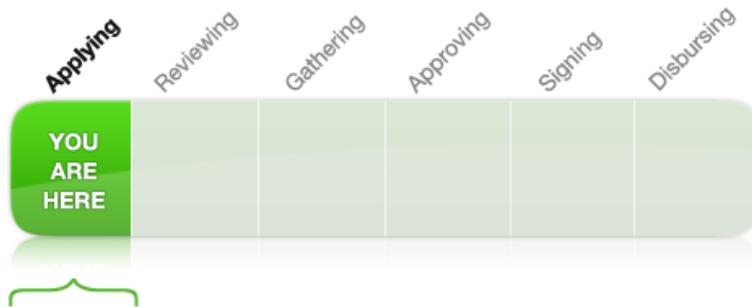
### Will both the borrower and cosigner's credit be checked?

Yes. During the application process, and as part of the underwriting process, a credit bureau report on both the borrower and cosigner is pulled. The borrower's creditworthiness or ability to repay the loan is assessed based on the credit bureau reports of both the borrower and cosigner.

### How do I check the status of my application?

The status of your application is available by [signing in to your account](#). The green status bar you see immediately after login indicates which state your application is currently in.

### What do the stages of the status bar mean?



#### Applying:

- The borrower started the application but it has not been credit reviewed for one of two reasons:
  - The borrower hasn't submitted the application yet
  - The borrower invited a cosigner that has yet to complete their portion of the application

#### Reviewing:

- cuStudentLoans forms an initial credit decision on the borrower and cosigner (if applicable)

#### Gathering

- The borrower is conditionally approved
- The borrower uploads the requested documents

#### Approving

- The credit union lender makes a final review of the application

#### Signing

- The application is final approved
- The borrower signs the loan agreement and disclosures

#### Disbursing

- The loan disbursement is scheduled

### After filling out an application is there a commitment to borrow?

No. A borrower may withdraw a request at any time and has up to 3 days after signing the loan agreement to cancel the loan.

## cuGrad Private Student Loan Consolidation Terms

### What is the repayment term of the cuGrad Private Student Loan Consolidation?

You will have 15 years to repay the principal and interest of the loan.

### How is the interest rate calculated?

Interest Rate = Base Rate + Loan Margin

The Base Rate is the average of the 3-Month LIBOR (London Interbank Offered Rate) Index, which is a variable component that resets quarterly on the first day of January, April, July, and October.

The Loan Margin stays constant for the life of the loan and is determined at loan inception, depending on the borrower's credit history and FACS Grade.

### **What is the LIBOR Index?**

The London Interbank Offered Rate (or LIBOR,) is a daily reference rate based on the interest rates at which banks borrow unsecured funds from other banks. This offered rate is the funding cost to a bank and is common to use the offered rate as a benchmark for the bank's lending rate.

### **Do you offer any borrower benefits?**

Yes! Qualified borrowers can enjoy:

- **Simplify Your Finances** with one easy payment
- **Lower Payment and Competitive Rate** with a 15 year loan repayment option
- **Cosigner Release Available** after 12 consecutive on-time principal & interest payments
- **Interest-Only Repayment Option** up to 4 years for eligible borrowers

### **What documentation is provided to borrowers?**

Borrowers receive electronic monthly statements summarizing all account activities.

### **What are the Forbearance policies?**

Borrowers may request Forbearance due to economic hardship for up to 18 months over the life of the loan. Borrowers are eligible to receive three Forbearance periods up to 6 months each, however, only one Forbearance period may be requested in a calendar year. Interest continues to accrue during Forbearance and the term of the loan is not extended.

## **Repayment**

### **What repayment options are available?**

- **Graduated Repayment:** You are responsible for paying interest only for four years and then a level repayment schedule for the remaining term.
- **Level Repayment:** You are responsible for standard level repayment for the term of the loan.

### **What is the benefit of Graduated Repayment?**

The Graduated Repayment option allows you to align expected future earnings with current debt to better manage your cash flow.

### **What is the benefit of Level Repayment?**

The Level Repayment option maintains one consistent payment structure over the loan term.

**Is there a floor rate on the loan?**

Yes, the floor rate is 4.75%.

**Is there a ceiling rate on the loan?**

Yes, the ceiling rate is 18%.

**How are payments made?**

All monthly loan payments are made to the third party loan servicer, using either a monthly electronic transfer from a financial institution account designated during the application process or mailed in by check. Checks can be made payable to:

Educational Computer Systems, Incorporated (ECSI)  
181 Montour Run Rd.  
Coraopolis, PA 15108

**Can a borrower prepay the loan at any time?**

Yes, a borrower may prepay the loan either partially or in full at anytime without incurring any fees or penalties.