

Annual Report on Preferred Lender Arrangements
Missouri Southern State University
Updated November 2022

Private student loans are credit-based consumer loans offered to undergraduate and graduate students who wish to apply for additional loan options. These loans can be used to pay any post-secondary education-related expenses, including tuition and fees, books, room and board, and transportation. Student and parent borrowing options are typically available. A cosigner may be listed if the preferred borrower has insufficient credit to be approved for the loan on their own. View our preferred lender list to select a lender or talk to your preferred bank about your options. MSSU will always encourage the student to consider their lowest-cost options first, including grants, scholarships, and federal student loan options.

After exhausting these options, students may consider private student loan programs as an additional source of funding. Missouri Southern State University maintains a list of suggested private loan lenders that we believe offer the most borrower benefit, highest level of customer service, and competitive repayment terms. Paired with the volume MSSU has certified from these lenders in the past, we believe this list encompasses a selection of lenders that will assist our students with any additional costs.

Eligibility for private loans is based on credit-worthiness and ability to repay, not on financial need. Most private loans borrowed by the student require a credit-worthy cosigner and offer deferment of principal payments while the student is enrolled.

The Financial Aid Office at Missouri Southern utilizes FASTChoice, a loan comparison tool offered by Great Lakes Higher Education Corporation. This tool allows students to compare loans from our suggested lenders side-by-side. By clicking the following link, you will be redirected away from the MSSU Financial Aid Office website.

In an effort to provide better counseling to our students utilizing alternative loan funding, MSSU has entered into a preferred lender arrangement. Federal and state law mandates that we disclose the following:

Method and Criteria for Lender Selection

Missouri Southern State University evaluates and reviews our lenders annually. An important consideration when selecting the lenders on our lender list was the capability of electronic certification and disbursement through ScholarNet, offering faster and easier processing for the student. Other things that were considered were borrower benefits (such as interest rate reductions), student eligibility factors, customer service levels, additional application and processing fees, and consideration for the most widely used lenders by current and former students at Missouri Southern State University. Please see a detailed breakdown of our lender selection criteria in Figure 1.

Our lender list does not contain affiliated lenders. The inclusion of a loan or lender on our lender list does not imply endorsement. We do not endorse any loans or lender. MSSU does not have a revenue-sharing arrangement with any lender listed on our lender list, nor receive any financial benefits from these lenders. Students are not required to use a lender on our preferred lender list and can choose a lender of their choice.

Our preferred lenders are listed in Figure 2, and the required verbiage under the Truth in Lending Act can be found in Figure 3.

Title IV Aid First

Federal and state law mandates that maximum amounts of federal grant and loan assistance that are available be disclosed to the student. Maximum eligibility for federal financial aid typically has better terms and conditions than private student loans and we strongly encourage students to review their federal, state, and institutional aid options first. The following is a list of maximum awards for each federal program:

Pell Grant- Amounts up to \$6,895 for the 2022-2023 academic year, depending on the student's expected family contribution.

FSEOG Grant- Amounts up to \$4,000; Award amounts are dependent upon federal funding, with a typically MSSU award maximum of \$500 per academic year.

Federal Direct Loans- Dependent students, per academic year, can receive \$5,500 (freshman), \$6,500 (sophomore), and \$7,500 (junior and above). Independent students, per academic year, can receive \$9,500 (freshman), \$10,500 (sophomore), and \$12,500 (junior and above).

Parent PLUS Loans- A credit-based loan for parent borrowers. The maximum is determined by the difference between the student's cost of attendance and award for the academic year. Parent PLUS loans have a fixed interest rate of 7.54% for the 2022-2023 academic year, and an origination fee of 4.228% for loans disbursed after October 1, 2022.

State Aid Opportunities: Please visit dhewd.mo.gov to see information on aid options in the state of Missouri.

Additional Policy

In the event that the school promotes a list of preferred or recommended lenders of similar ranking or designation ("Preferred Lender List"), Missouri Southern State University agrees to refrain from:

- Refusing to certify or delaying the certification of an educational loan based on the borrower's choice of lender.
- Assigning any student to a particular lender through the packaging of the student's financial aid award.
- Packaging any credit-based loan to the student's account without an application from the student or the parent-borrower.
- Accepting any monetary resources or services from a lender, lender servicer, or guarantor, except for student aid resources such as default prevention and financial literacy materials. Missouri Southern State University will not accept any fees or funding from the lender for placement on the Preferred Lender List. MSSU staff will under no circumstance serve in an advisory role for any lender, lender servicer, or guarantor.

Missouri Southern State University has clearly disclosed the process and criteria by which lenders were selected for the Preferred Lender List. All resources that aided in the selection of our preferred lenders will be housed as a supplement to our Financial Aid Policy and Procedure. These materials will be reviewed no less than every other year.

Figure 1

Factors for Consideration

- 1) Certification Through ScholarNet
- 2) Competitive Interest Rates
- 3) No Origination/Application Fees
- 4) Cosigner Release
- 5) Borrower Benefits: Interest Rate Reductions, Varying Repayment Plan Options, Varying Eligibility Criteria (see Lender Breakdown)
- 6) Customer Service/Availability of Information
- 7) Processing Volume

Lender	Eligibility Benefits	2021-2022 Processing Volume
Sallie Mae	Covers Past Due Balance up to 365 Days; <1/2, No SAP Requirement, Available to Non-Degree Seeking Students, Parent Loan Option, Excellent Online Resources for Students, Cosigner Release, Availability of School Representative	\$533,966.00
Discover	Cosigner Release, Parent Loan Option	\$136,437.00
College Avenue	Online Resources for Students, Parent Loan Option, Excellent Ease in Website Navigation and Resources, Cosigner Release	\$101,220.00
Citizens Bank	No SAP Requirement, Parent Loan Option, Cosigner Release	\$13,000.00

Figure 2

Sallie Mae

Tel: 1-800-472-5543

<https://www.salliemae.com/student-loans/>

Discover

Tel: 1-800-STUDENT

<https://www.discover.com/student-loans/>

College Avenue

Tel: 1-844-422-7501

<https://www.collegeavestudentloans.com/>

Citizens Bank

Tel: 1-888-411-0266

<https://www.citizensbank.com/student-lending/student-loans.aspx>

Figure 3

Private education student loans are offered to students as a potential outlet to cover their educational expenses at Missouri Southern State University. **It is important to note that you may qualify for HEA program loans or other financial assistance under Title IV of the Higher Education Act, which may be more favorable than the provisions of private education loans.** In accordance with 34 CFR 668.14(b)(29)(ii), an institution must, upon the request of the applicant, discuss the availability of Federal, State, and Institutional financial Aid. The staff members in Missouri Southern State University's Financial Aid Office are happy to discuss both federal and private aid options with continuing students, prospective students, and their parents.

The Higher Education Act of 2008 (Pub. L. 110-35) (HEOA) added section 128(e)(3) to the Truth In Lending Act to require that before a private educational lender may disburse funds to a student in attendance at an institution of higher education, the private education lender must obtain the completed and signed Self-Certification form from the applicant. The Federal Reserve Board's Final Regulations, published on August 14, 2009, incorporate this new requirement at 12 CFR 226.48(e). Many private lenders will provide the Self-Certification form to the borrower.