

Frequently Asked Questions: Bar Loans

What is a Bar Loan?

A Bar Loan provides funding to cover the fees associated with the preparation and taking of the Bar, as well as support for your living costs during your post graduate Bar study period.

Who offers Bar Loans?

Bar Loans are presently only offered by private lenders (i.e. there are no federal loans available). Contact information for those active Bar Loan lenders are included below.

How much money can I borrow?

Each lender sets different loan limits, with a maximum of \$16,000.

What is the approval process?

As a private loan, the Bar Loan approval is credit-based and at the discretion of each lender's criteria. Before applying for a Bar Loan, you may wish to check your credit at www.annualcreditreport.com which provides free access to your report from the three credit bureaus: Equifax, TransUnion and Experian. By reviewing your credit in advance of the Bar Loan application, it may provide you with time to rectify any discrepancies on the credit report or correct any credit issues incurred.

What is the interest rate?

Because these are private loans, lenders set their own interest rates. Some may be fixed rates (i.e. that rate remains the same over the life of the loan) and some may be variable (i.e. may rise or fall as either the Prime or LIBOR rate changes over time).

What other factors should I review in evaluating Bar Loan options?

- Fees – are there origination or disbursement fees associated with the loan? If so, be conscious of the percentage that will be deducted from your loan disbursement.
- Interest Rate Reductions – does the lender offer any interest rate reductions for either automatic debit or prior account or loan history with the lender?
- Repayment terms – how long will you have to pay the loan back and will that repayment schedule align with COAP? Is there any type of post enrollment grace period offered? Are there other deferment or forbearance options?

When should I apply for a Bar Loan?

Traditionally, you should apply for the Bar Loan anytime during your final spring semester. Because payment of the loan comes directly to you – you will be able to set the beginning and end date of the loan, as well as the disbursement dates.

How do I begin the Bar Loan application process?

The best way to begin the process is to compare the various Bar Loan products from the different lenders. Visit the websites listed below and use the phone contact information to talk with representatives. In essence, you are “shopping” at this point to determine which loan product will benefit your financial situation. Be careful not to submit applications to multiple lenders given that each submission may impact your credit score. Again, some key points to compare are: determination of approval (i.e. credit standard), maximum loan amount, loan period and disbursement dates, interest rates - fixed vs. variable, fees, available interest rate reductions and repayment terms (including grace period, deferment and forbearance availability).

Will I need a co-signer?

In some cases (if your credit is at question or if you have not established enough of a credit history) you will be asked to add a co-signer to your application to gain approval. The lender may also suggest the addition of a credit worthy co-signer to lower your interest rate as well. In addition, international students may be required to apply with a U.S. citizen co-signer in order to receive approval.

Will the Bar Loan be covered by COAP?

If you are deemed eligible to receive COAP support, you can include up to \$10,000 in a Bar Loan in your total COAP eligible loan balance. In order to include a Bar Loan in your COAP eligible loan balance, you must provide documentation that the Bar Loan was approved prior to your last day of enrollment (May 21, 2021). In addition, when you first apply to COAP, you will also need to present documentation that you ultimately took the Bar, and as such used the Bar Loan for its intended support.

Do I have any alternatives to the Bar Loan?

One of the things you may wish to consider is if you have any federal loan eligibility for the Spring term that you have not accessed (whether you did not accept your full unit loan offer or did not borrow for the sake of the parent contribution). You may have the ability to borrow additional federal COAP eligible loans for the Spring and retain those funds as a refund to fund your post graduate Bar study. Federal loans may offer lower interest rates and more flexible repayment plans options than private loans. If you wish to discuss any Spring term loan eligibility, please contact the Financial Aid Office.

Does my current loan debt impede my borrowing capacity?

Some lenders do have a cap on the amount a student can borrow based on the borrowers total loan indebtedness (aggregate), and this may limit the amount a student can borrow. For example, one lender may allow a maximum of up to \$180K in aggregate loan total, while another lender may not have a cap at all. The aggregate amounts vary by lender.

Private Lenders Currently Providing Bar Loans

| Lender | CollegeAve | PNC | Sallie Mae |
|----------------------|---|---|---|
| Product Name | Bar Study Loan | PNC Solution Loan for Bar Study | Bar Study Loan |
| Web Contact | https://www.collegeave.com/lp/bar-study/ | https://www.pnc.com/en/personal-banking/borrowing/education-loan-center/pnc-solution-loan-for-bar-study.html | https://www.salliemae.com/student-loans/graduate-student-loans/bar-study-loan/ |
| Phone Contact | 1-844-422-7502 | 1-800-762-1001 | 1-877-279-7172 |