



## **Why a Preferred Lender List?**

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# Why A Preferred Lender List?

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- ED recommends it
  - ED, says *“a preferred lender list can be an effective tool to help families.....when the list reflects the school’s unbiased research to identify lenders providing the best combination of services and benefits to borrowers at that school.”*



## Why A Preferred Lender List?

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- Provides the best possible financial solutions and ensures your families
  - make maximum use of Title IV Aid
  - do not borrow excessively
  - are not charged excessive interest rates and fees
  - are not subjected to poor service levels
  - avoid potential fraud
- Gives families confidence that the FAO has carefully looked at and compared terms and services of available loans
- Allows you to be an advocate for your families and assist them with making the best lender choice
- Reduces the administrative burden of using multiple random delivery flows



*This information is provided as a tool for institutions and is an overview of current guidance and directives from the U.S. Department of Education and as always are subject to change. This overview is intended to help institutions understand their requirements and should not be construed as legal advice.*