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Good Credit

The pattern for financing your legal education is likely to be significantly different from financing your undergraduate education. The primary sources of financial assistance for law students are educational loans. The purpose of this letter is to explain the different types of loans available to law students and to let you know what you can do now, prior to filing promissory notes to finalize loan applications. Please be aware that only admitted students who plan to matriculate should complete promissory notes.

There are two basic types of student loans for law students: federal student loans (such as the Federal Stafford and Federal Perkins loans) and credit-based educational loans (such as the Federal Graduate PLUS loan and private alternative student loans). To qualify for federal loans, students must file the FAFSA and meet minimal federal requirements. To qualify for credit-based educational loans, students (and in some cases, their co-signer) must be credit worthy and meet the lender's credit requirements. If you think you may need to borrow from a credit-based loan program, we strongly encourage you to review the status of your credit history now.

A law went into effect allowing people to obtain a free credit report every 12 months. To access your free credit report online go to **www.annualcreditreport.com**. Your credit report will contain information on the type of debts you have, current balances, payment performance, available credit, and a record of credit inquiries in the past two years. Some negative credit information may remain on your credit report for up to 7 years; bankruptcy can remain for 10 years, and student loan default remains on your report for 7 years. Review your credit report to ensure that accurate information has been reported. Errors can occur, or worse, you may find fraudulent activity on your credit report if you have been a victim of identity theft.

For a fee, you may also obtain a copy of your credit score by contacting one of the credit agencies listed below:

Equifax:	tel: 1-800-685-1111	web: www.equifax.com
Experian:	tel: 1-888-EXPERIAN	web: www.experian.com
Trans Union:	tel: 1-800-888-4213	web: www.tuc.com

When you apply for a credit-based student loan, your lender and/or guaranty agency will review a copy of your credit report and/or your credit score from an authorized reporting agency. The credit agency used by New York State Higher Education Services Corporation is Equifax. You have a credit history if you have at least one credit card, consumer loans such as auto loans, student loans, or any other form of personal credit (such as a cell phone contract). Lenders use this information to determine whether they should extend credit to you based on your "willingness to repay the loan," as demonstrated by your past credit performance.

Credit scoring is a quick and consistent method of determining the likelihood that you will repay your loans based on your past credit history. Some factors used to calculate your credit score can include promptness in paying bills, number of credit cards, total credit limit, and the amount owed on accounts. Although it is often a concern for student borrowers, having multiple student loans and/or a large amount of education debt does not necessarily mean you will have a poor credit score. How well you managed credit in the past is more important.

The cost of attending a professional graduate program represents a significant financial commitment. Students are encouraged to utilize personal resources, reduce expenses whenever possible, and borrow only the minimum amount necessary to meet your educational expenses. Most lenders' web sites have student loan repayment estimators. While you are enrolled in law school, we strongly recommend that you keep track of your total educational debt and forecast the monthly repayment amounts that will be due after graduation.

If you have questions about the loan programs available to law students or how to finance your legal education, please do not hesitate to contact the College of Law Office of Financial Aid at financialaid@law.syr.edu or call 315.443.1963 during business hours. Information can also be found online at **www.law.syr.edu/financialaid**.