

Most students who borrow to help finance their education use federal student loans. There are some students who do not qualify for federal loans or who choose not to use loans that require interest to be paid. Some private organizations provide interest-free loans that students may want to consider. **NOTE:** Private loans can have some drawbacks to federal loans both in the application process and repayment benefits*.

The organizations listed below offer interest-free loans to people of all faiths. Students seeking interest-free educational loans can also check with religious organizations, ethnic societies, and local community foundations.

- [Bill Raskob Foundation](#) offers loans of up to \$8,000 (most range from \$3,000 to \$5,000) to about 60 sophomores, juniors, or seniors. Application deadline is April 1.
- [Evalee C. Schwarz Charitable Trust for Education](#) awards loans of up to \$15,000 to students who have grades and scores in the top 10 percent, have Expected Family Contributions below \$4,600, attend in-state schools, and are not seeking law degrees. Application deadline is April 10.
- [International Association of Hebrew Free Loans](#) provides interest-free loans for everyday emergencies and educational needs. Contact the organization for application deadlines.
- [Leo S. Rowe Pan American Fund](#) offers loans of up to \$7,500 to about 70 upperclassmen who are citizens of Latin American or Caribbean nations who want to study in the United States and return to their home countries. The fund accepts applications throughout the year.
- [Military Officers Association of America Scholarship Fund](#) offers loans of up to \$5,500 to about 1,500 children of active or retired military who have a grade point average of at least 3.0. Application deadline is March 1.

*Drawbacks to private loans/Benefits of federal loans:

- **Application:** Many of the charities that offer interest-free loans require essays or personal interviews. Federal student loans only require completion of the [Free Application for Federal Student Aid \(FAFSA\)](#) and school's financial aid application.
- **Co-signers:** Some charities require a credit-worthy co-signer – someone who promises to repay the loan if the student fails to do so. Federal student loans don't require co-signers.
- **Immediate repayment:** Some charities require students to make monthly payments immediately. Federal student loans waive payments as long as students attend college at least half time (six credits).
- **Loan forgiveness:** Charitable loans do not qualify for the government's public service forgiveness. Federal loans allow graduates who go into public service to have a portion of their federal student loans forgiven after 10 years of payments.

St. Cloud State University does not endorse any one organization or lender. By clicking on the name of an organization, you will leave the St. Cloud State University web site. Please contact the organization(s) for information regarding terms and conditions or to apply for a loan. This list is updated in February of each year.