

A lot of us may not realize it, but international student loans are what help the vast majority of students in our universities secure a first world education. Most of us labor under the mistaken belief that a lot of the international students on our campuses are from well off or even wealthy families. But this is not the case. In fact, if one were to examine the countries that they come from, the startling revelation would be that almost all of them come from developing economies. While it is true that a relatively small number of them might be self-financed and consequently from wealthy families, the vast majority are able to study in our universities only because of what has come to be known as international student loans.

As the name itself reveals, international student loans are monetary assistance provided by banks and other financial institutions that enable students from one country to go abroad to further their education. For all practical purposes, international student loans are very similar to other kinds of loans. Students who want to apply for international student loans need to first and foremost secure admissions or at the very least have an offer of admission from a university of their choice. Normally, the more reputed the university and the more in demand it is, the easier it will prove to get international student loans. But a whole lot more also depends on the background of the student, the kind of course selected and even the career potential for someone who successfully completes such courses.

Why are all these things important? Well, one reason could be that the student, whenever he or she applies for the international student loans, is not in a position to earn anything. Consequently, they will be unable to begin repaying the loan unless and until they get out of college and into a job that starts paying them back. Which is why typical international student loans start the repayment terms a couple of years after they are issued. Could any commercial loan serve as international student loans? Sure, but then why would someone pay a higher rate of interest for a commercial loan and use it as a student loan when the same amount of money is available without any collateral, at a much more subsidized rate and offers a staggered repayment term? International student loans sure make sense when seen from such a perspective.