

## No credit check student loans

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Sometimes there are exceptions to some rules but one has to search real hard to dig out those lawful exceptions to their own benefit. It is the same thing that applies to students with bad credit whereby certain financial organizations are reluctant to grant them loans for educational purposes.

Normally, the usual procedure for obtaining student loans involves checking if the student has an existing credit facility and if this is the case, depending on the discretion of the banker and the credit policy of the bank the banker can refuse a request or grant it. If a student has an existing loan but is in need of more funds, a request will have to be made to the bank for renewal of the existing loan or a fresh application will be tendered.

Under no credit check student loans the loan is obtained for a definite purpose and a specified period. The transaction is one time, the amount is withdrawn once and the amount is payable in regular installments. Contrary to the cash credit system the time of repayment and the regular installment payment are fixed before the loan is disbursed. This requires a lot of discipline on the side of the student. The documentation of the loan is also more comprehensive than cash credit system. The banker reviews the loan regularly and if the student's attitude towards repayment of the loan is not satisfactory the banker can discontinue the loan facility. The bank charges their interest based on the period of loan.

Because every loan requires a new negotiation with the banker the students are usually advised to take more than is required to avoid going back to the negotiation table each time. The use of the loan is at the discretion of the student who applies for the loan and the bank has no right on what it is used for but most banks usually insist that the student pledge that the funds will be used for the purpose for which it is approved. Student loans are frequently reviewed though it is usually for a fixed period. Under the cash credit system there is a limit to the amount that can be borrowed based on the collateral presented by the customer. This is not the case in no cash credit system as no security or guarantees is required. There are many websites on the internet which give information on no credit check loans. The student should make lots of enquiries before deciding on the best deal.