



Student Loan Tips

How Your Credit Score Affects Private Student Loan Approval

Learn how credit scores impact private student loan approval and why most students need a cosigner to qualify for the best rates.

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5 min read

If you're applying for a private student loan, your **credit score plays a big role** in whether you get approved — and what interest rate you receive. Unlike federal student loans, which don't require a credit check for most undergraduates, **private lenders use credit history to assess risk**.

Credit Review Process

So what does this mean? Most college students are early in their credit journey and don't have enough history to qualify on their own. That's why most undergraduate **applicants need a cosigner** — usually a parent, guardian, or trusted adult with a stronger credit profile.

Lenders look at a few key factors during the credit review process:

- Credit score
- Length of credit history
- Payment history and any missed payments
- Debt-to-income ratio
- Income and employment status (for the borrower or cosigner)

A better credit score doesn't just increase your chances of approval — it also helps you qualify for **lower interest rates**, which can save you money over the life of the loan.

What if I am denied for a student loan?

If you don't have a cosigner and are denied, don't panic. GradBridge was built specifically for students who **fall just outside the approval box** at traditional lenders. If you've been referred to us after a denial, we may still be able to help you secure funding — even if your credit profile needs work.

Build your credit

In the meantime, you can take steps to build your credit: make on-time payments, keep balances low, and avoid applying for too many accounts at once. The stronger your credit, the more options you'll have in the future.

Private student loans can be a powerful tool — and understanding how credit works puts you in a better position to use them wisely.