

# Student Loan Refinancing- A Head to Head Competition



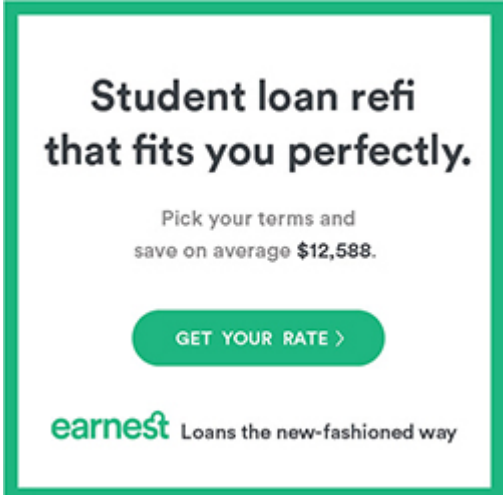
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*[Editor's Note: This is a guest post written by my business manager. We have a serious financial relationship and immense financial conflicts of interest as you might expect. In fact, this is probably the first "paid post" we've had on this site, since I'm sure she billed me for the time she spent writing this. At any rate, Cindy has been working here at The White Coat Investor for nearly a year now. She is a stay-at-home mother of four, so having the opportunity to work on her own time from home has been great for their family. They have a pretty significant student loan burden. A few years ago I introduced her to Dave Ramsey, and they've had some gazelle intensity paying off those student loans ever since. In fact, that student loan burden is one of the main reasons she decided to take on some extra work.*

*When it came time for them to refinance their loans, I told her to keep detailed track of the time she spent doing so, the hassles she ran into, and the rates she was offered. This post details her adventures in refinancing. I hope you find it useful. I have always wanted to write a post about my own experience refinancing my loans. But since I never had any, and even if I had they would have been paid off long before I*

*could have refinanced them, so this is the next best thing. Be aware that Cindy and I also have a financial relationship with every company mentioned on this page. If you refinance through links on this page, not only do you get an awesome rate, and probably some cash back, but we get paid too. I always ask people to be extra kind in the comments section on guest posts, but if you leave a mean comment on this one, your IP address will be permanently banned, especially if she sees it before I do.]*

I am not a doctor, nor married to a doctor, but my spouse does have a large student loan debt, which was at a ridiculously high rate. When the companies refinancing student loans finally decided to take a chance on non-white-coat wearing individuals with good credit I was thrilled beyond words. It is pretty depressing to add up all the interest you paid on student loans for the year and find out that you can only deduct a small portion of it on your taxes (I know, I know, many of you can't deduct it at all but that doesn't make it any less depressing for me).

An advertisement for Earnest student loan refinancing. The text is centered and reads: "Student loan refi that fits you perfectly." Below this, it says "Pick your terms and save on average \$12,588." There is a green button with the text "GET YOUR RATE >". At the bottom, the Earnest logo is followed by the tagline "Loans the new-fashioned way".

**Student loan refi  
that fits you perfectly.**

Pick your terms and  
save on average **\$12,588.**

[GET YOUR RATE >](#)

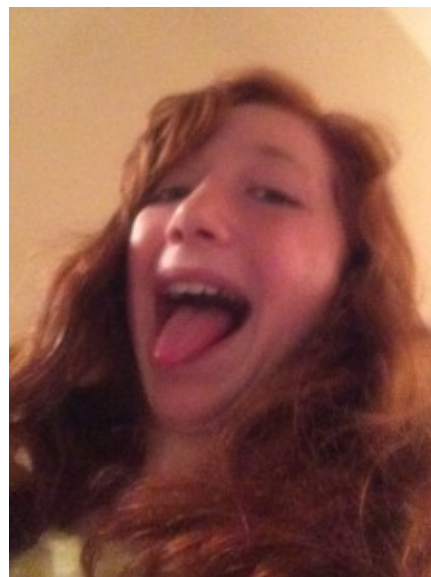
**earnest** Loans the new-fashioned way

My experience refinancing my husband's loans may appear a bit different than most of the readers' experiences due to three factors.

1. He is a self-employed cinematographer. If you thought your refinancing took reams of paperwork – I killed entire forests of trees trying to show proof of that income.

2. I did all the legwork of refinancing the loans, which are all in his name, while he was traveling around the world filming. Maybe not the best timing. It seemed he needed to tell companies multiple times that it was okay to talk to me about his loans, which was time consuming to the process.

3. WCI sent an email to his contacts at Sofi and DRB letting them know that his business manager put in an application to refinance her husband's student loans. Letting them know that he anticipated me writing a post about the experience and that he appreciated anything they could do to expedite the process, get us approved and/or help us get a great rate.



You might think it's funny to steal WCI's phone and take silly pictures of yourself, but I'd recommend against it. Those sorts of things have a funny way of showing up on the internet.

With those disclaimers here is my experience:

### [CommonBond](#)

They do not refinance student loans from Chapman University, where my husband attended graduate school nor refinance loans for a Master of Fine Arts degree. We were denied in the very beginning before wasting more than a few minutes of my time or

killing any trees. [To be fair, I didn't let CommonBond know Cindy was applying before she was already rejected. I have no idea if they would have made an exception for her, or even if that played into the interest rates she was offered from DRB or SoFi who were aware of her connection to me.-ed]

## CU Student Loans (now known as [Lend Key](#))

Based on initial questions, without uploading any documents, we were conditionally pre-approved for a 5.17% within 24 hours. When I asked if uploading documents could improve our interest rate I was informed that interest rates are based solely on credit scores so no documentation would change that. They told me the credit score they pulled for my husband was 797. My conditionally pre-approved rate for Sofi was better than 5.17% so we canceled our application with Lend Key.

## [Social Finance \(SoFi\)](#)



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The Sofi website was the best to use of the four. It is extremely user friendly and loads very fast. When uploading documents you can see the list of documents that have successfully uploaded immediately and can delete documents as needed. Sofi allows screen shots as approved documents, which makes the process of uploading all your documentation much

quicker. They also give you a conditionally pre-approved rate immediately. We chose a 5 year variable interest rate and were given the conditionally pre-approved rate of 3.055% with autopay. Within 24 hours I received an email from two different people at Sofi congratulating me on the pre-approval and giving me the next step. Then I received the same email again 2 days later. Very thorough in their congratulations.

But after that, the process got much more lengthy than with DRB. They required a phone call from my husband who was filming in Europe to verify that I could work on his loan application. Once permission was received they got serious about collecting documents. I gave them pay off documents for all 5 loans, proof of address, social security card, birth certificate, drivers license, verification of graduation, tax returns for the past 3 years, plus all of the W2s for 2013 and 2014 (11 total), and the most recent pay stub from the company he did the most work for in 2014.

I uploaded all the necessary paperwork, waited 4 days, then finally emailed asking about our application status. I received an offer that day for a 5 year variable interest loan at 3.43%. At this point it had been 12 days since my initial application.

We told Sofi that DRB had given us a lower rate and asked them to beat it. They came back with an offer of 2.68% the next business day.

### [Darlen Rowayton Bank \(DRB\)](#)

The DRB website loads incredibly slow. You upload documents but cannot see a list of what you have already uploaded. You cannot delete a document from your application either, which becomes a pain when you accidentally upload the wrong document. No initial rate is given.



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The most frustrating part of refinancing with DRB was dealing with two companies. CampusDoor is the company that manages DRB's online portal, collecting all the documents. Once you are approved and your loans have been refinanced, then you typically deal with DRB. But when our applications came across the desk of a senior underwriter and she saw that it was for a self-employed individual she got involved earlier than normal to ensure that they got exactly what they needed to get us approved.

That would have been great except that my husband gave DRB permission to speak to me about the refinancing process but not to CampusDoor. CampusDoor required that he call or log into his account to give approval (instead of via email like DRB) but there was no place that we could see online to give approval and calling while filming long hours in Europe was a pain. It was really frustrating to have several people working on our application that did not appear to communicate with each other nor were willing to talk to me.

Even more frustrating, it takes CampusDoor 24 hours to image the documents you have uploaded to the system. Meanwhile they'll continue to call you asking for those documents that they already have, but don't seem to know they have.

5 days after my initial application was submitted we received an offer for refinancing at 2.48%. We chose to refinance with DRB simply because they offered us the lowest interest rate.



DRB requires that you have a bank account with them. You don't have to keep a balance in that account. They deduct money from your account a few days before your loan is due and put that money in your DRB account then deduct it from your DRB account to pay your loan payment. In order to make additional payments you have to transfer money to your DRB account and then wait for it to be available to then pay it towards your loan. Kind of a hassle. I had to go back and forth between CampusDoor and DRB to get all my questions answered depending on whether it was about the loan application or about the loan funding and payments. It would have been great to have just one point of contact for this process.

### **After the Approval**

We signed our loan documents 15 days after our initial application. Our loans were paid off 15 days later. During this month we continued to make loan payments. Sofi told me that once we finalize the application, they would request updated payoffs from us that would reflect those recent payments so our approval decision would reflect the most accurate amounts. I assumed that would be true for DRB but I was incorrect.

At DRB they pay off your loans based on the initial pay off amounts, then any over payments are returned to them and it is deducted from your principle. In theory. I received several emails from DRB stating that they were lowering our principle amount borrowed as our previous lenders returned the over payments. But after a lengthy and frustrating phone call, forwarding of these emails stating lower original principle, and a promise to look into it and call me back, the money was repaid on my loan 3 months later.



In short, refinancing is a time consuming, frustrating, and totally worthwhile experience. With DRB it took 5 days to receive an offer, 30 days to pay off the loan, and 60 more days to have the extra money returned to my account. But who cares? We just went from loans at 8.25% to 2.48%. And if WCI keeps doing as well as he has been with this business *[Most of Cindy's pay is based on ad revenue for this site-ed,]* I'll have them paid off within the year. Anyone want to buy an ad?

What do you think? Who did you refinance your loans with? What was the process like? Was it more or less frustrating than Cindy's experience? Comment below!