

Bank of North Dakota
PO Box 5509
Bismarck, ND 58506-5509
1-800-472-2166 ext. 5763

Loan Interest Rate (Fixed) & Fees

Your **starting interest rate** will be between

6.00% and **7.00%**

For loans approved 07/01/2010 - 09/30/2010

Your Starting Interest Rate (upon approval)

The starting interest rate you pay will be determined when your loan is approved. It will be based upon the student's state of legal residence **OR** the location of the school the student is attending. If approved, we will notify you of your starting rate. For more information, see Reference Notes.

Your Interest Rate During the Life of the Loan

Your rate is fixed. This means that your rate will be set on the day the loan is approved and remains the same until the loan is paid in full. The fixed rate is based upon the Federal Home Loan Bank (FHLB) 10 Year Advanced Rate. For more information on this rate, see Reference Notes.

Loans approved 07/01/2010 through 09/30/2010 will **never exceed 7.00%**.

Loan Fees

Administrative Fee: 2% of the total loan amount. BND may pay the fee for North Dakota residents and students attending school in state. **Late Charge:** 6% of each late payment not to exceed \$15.00. **Non-Sufficient Funds (NSF):** \$25.00.

Loan Cost Examples

The total amount you will pay for this loan will vary depending upon when you start to repay it. This example provides estimates based upon three (3) different repayment options available to you while enrolled in school.

| Repayment Option (while enrolled in school) | Amount Provided | Interest Rate (highest possible starting rate) | Loan Term (how long you have to pay off the loan) | Total Paid Over Life of the Loan (includes associated fees) |
|---|-----------------|---|--|--|
| 1. DEFER PAYMENTS Make no payments while enrolled in school. Interest will be charged and added to your loan upon entering repayment. | \$10,000 | 7.00% | 10 years starting <u>after</u> the deferment period | \$18,694.80 |
| 2. PAY ONLY THE INTEREST Make interest payments but defer payments on the principal amount while enrolled in school. | \$10,000 | 7.00% | 10 years starting <u>after</u> the deferment period | \$17,430.69 |
| 3. MAKE FULL PAYMENTS Pay both the principal and interest amounts while enrolled in school. | \$10,000 | 7.00% | 10 years starting after your first payment | \$14,216.40 |

About this example

The repayment example assumes that you remain in school for four (4) years and have a 6-month grace period before beginning repayment. It is based on the **highest starting rate currently charged** and the administrative fee.

Federal Loan Alternatives

| Loan Program | Current Interest Rates by Program Type | |
|---|--|---------------------------------------|
| PERKINS for Students | 5% fixed | |
| STAFFORD for Students | 4.5% fixed | Undergraduate subsidized |
| | 6.8% fixed | Undergraduate unsubsidized & Graduate |
| PLUS for Parents and Graduate/Professional Students | 8.5% fixed | Federal Family Education Loan |
| | 7.9% fixed | Federal Direct Loan |

You may qualify for federal education loans.

For additional information, **contact your school's financial aid office or the Department of Education at:**

www.federalstudentaid.ed.gov

Next Steps

1. Find Out About Other Loan Options.

Some schools have school-specific student loan benefits and terms not detailed on this form. Contact your school's financial aid office or visit the Department of Education's Web site at: www.federalstudentaid.ed.gov for more information about other loans.

2. To Apply for this Loan, Complete the Application and the Self-Certification Form.

A prefilled Self-Certification Form along with an Approval Disclosure will be provided to you by BND after you have completed the application process and your loan has been approved. The Approval Disclosure will identify the loan terms in effect at the time and will be available for 45 days (terms will not change during this period except as permitted by law).

If you prefer to complete the Self-Certification Form on your own, you may get the form and the information you need from your school's financial aid office.

REFERENCE NOTES

Fixed Interest Rate

- The interest rate for a fixed interest rate loan will be set on the day the loan approval is extended and remains the same until the loan is paid in full. The current interest rates are calculated using the Federal Home Loan Bank (FHLB) 10 Year Advanced Rate by adding a margin of 2% or 3% dependent upon the student's state of legal residence or the location of the school the student is attending.

Eligibility Criteria

Borrower

- If you are not an existing BND student loan customer, your state of legal residence **OR** the location of the school that you are attending must be located in one of the following states: North Dakota, South Dakota, Minnesota, Montana, Wyoming or Wisconsin.
- You must be a U.S. citizen attending an eligible school, be making satisfactory academic progress and must not have any student loans in default.
- You must complete the Free Application for Federal Student Aid (FAFSA) process if you will be attending school at least half-time.
- The school must certify your enrollment eligibility.

Cosigners

- A cosigner is required for borrowers younger than 24 years of age. You, or a cosigner, must meet specific credit criteria. For more information on eligibility criteria, see the loan application and promissory note.

Bankruptcy Limitations

- If you file for bankruptcy, you may still be required to pay back the loan.

More information about loan eligibility, repayment, deferment and forbearance options is available in your loan application and promissory note or on our Web site at:
mystudentloanonline.nd.gov.