

Bank of North Dakota
PO Box 5509
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Loan Interest Rate (Variable) & Fees

Your **starting interest rate** will be between

1.80%

and

2.80%

After the starting rate is set, your rate will then vary with the market.

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 your state of legal residence. 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 variable. This means that your rate could move higher or lower than the rates on this form. The variable rate is based upon the 3-month London Interbank Offered Rate (LIBOR) as posted by Bloomberg. For more information on this rate, see Reference Notes.

Although the rate will vary after you are approved, it will **never exceed 10%** (the maximum allowable for this loan).

Loan Fees

Administrative Fee: Up to 3.75% of the total loan amount. BND may pay the fee for North Dakota residents.

Late Charge: 6 percent of the unpaid portion of the installment or a maximum amount of \$15.

Non-Sufficient Funds (NSF): \$25.

Loan Cost Examples

Repayment Option	Amount Financed (amount provided directly to your loan holders)	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)
MAKE FULL PAYMENTS Principal and interest payments.	\$10,000	2.80%	10 years	\$11,907.60
MAKE FULL PAYMENTS Principal and interest payments.	\$30,000	2.80%	25 years	\$43,314.00

About these examples

These repayment examples are based on the **highest starting rate currently charged** and the administrative fee. The total amount you will pay for these loans will vary depending the term you receive, which varies based on the balance you refinance. The minimum term can vary but will be based on a minimum \$50 per month payment or a 10-year term. The maximum term you could receive is 25 years.

Next Step

To Apply for this Loan, Complete the Application

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 and the variable interest rate may change based on the market).

REFERENCE NOTES

Variable Interest Rate

- Your rate is variable. This means that your rate could be higher or lower than the rates on this form. The current variable interest rates are calculated using the 3-month London Interbank Offered Rate (LIBOR), as posted on Bloomberg L.P page BTMM USD, and adding a margin of 1.50% or 2.50% dependent upon your state of legal residence. The variable interest rate changes every three months and is set on the 15th, or proceeding business day, in the months of March, June, September and December, and is effective on the 1st of the following month. Your rate can never exceed 10%. In response to concerns about the reliability of LIBOR as a market index, the Financial Stability Oversight Council and Financial Stability Board (FSB) called for the development of alternative interest rate benchmarks to replace LIBOR. These talks lead to the creation of the Alternative Reference Rates Committee (ARRC) to identify an alternative reference rate for LIBOR. It is our understanding that the resulting benchmark rate and spread will replicate the current rate of your existing note. We anticipate that the new reference rate will become effective after December 2021. We want you to be aware of these potential changes and will continue to keep you informed of any other changes as they are recommended and adopted by the ARRC.
- For North Dakota residents only, your interest rate will not increase more than 1% annually starting on the date your loan is made. The annual maximum rate is reset each year on the anniversary of the date your loan was made and is based on the rate in effect on the last day of the current 12-month period. Assuming your interest rate is 2.65% on the last day of the current 12-month period, the maximum rate for the following 12-month period is reset at 3.65%.
- If the interest rate increases, your monthly payments may be higher.

Eligibility Criteria

Borrower

- Non-North Dakota residents must have an existing DEAL loan to consolidate DEAL and non-DEAL alternative education loans.
- Loans must be in a status of grace or repayment (repayment includes loans in deferment and forbearance).
- You must be at least 16 years of age.
- You must be a U.S. citizen.
- You must not be delinquent or in default on a student loan.
- You and/or your cosigner's credit will be evaluated to determine if the application can be approved.

Loan Repayment Benefit

- You may be eligible to receive a 0.25% interest rate reduction if you request and are approved to have your monthly payment withdrawn electronically from your bank account. This benefit may reduce your repayment term and the total amount of interest paid over the life of the loan. This benefit will be canceled due to an NSF payment, if you request the withdrawal to be canceled or at any time by BND. You must provide an additional request to regain this benefit. BND reserves the right to modify or discontinue this benefit.

Cosigners

- Creditworthy cosigner is required if you do not meet BND's credit criteria.
- Cosigner must be a U.S. citizen.
- Cosigner must be at least 18 years of age.
- Cosigner must not be delinquent or in default on a student loan.

Bankruptcy Limitations

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

See your application and promissory note for more information about interest rates, loan eligibility, repayment, deferment and forbearance options, default, consumer reporting notification and loan cancellation. This information is also available on our website at bnd.nd.gov.