

Cosigning a BND Student Loan



Bank of North Dakota (BND) wants you to **Be Confident** with your decision to cosign a student loan. When you cosign, you are helping someone achieve an educational goal. It is an important financial decision for you because it may impact your personal credit rating.

What is a cosigner?

A cosigner is a person who must repay the loan if the borrower (student) does not. If the borrower stops making payments, the cosigner is automatically responsible to make payments until the borrower starts making them again.

Does BND always require a cosigner?

A cosigner is required if the student borrower does not meet credit criteria. For many students, they are too young to have established a strong credit rating, so a cosigner is often needed.

How does being a cosigner affect my credit rating?

If the borrower stops making payments and you fail to start making them, it will be reported to the consumer reporting agencies and may impact your credit rating. Because this loan shows up on your credit report, it may impact your credit rating in that way as well.



Can a cosigner be released from the loan?

A cosigner may be released after a borrower makes the required number of on-time, consecutive monthly payments and meets credit criteria.

Can loan payments be made while in school?

Yes. There are no prepayment penalties on BND Student Loans. It is to the borrower's advantage if some payments are made, even if they are small. A cosigner can set up automatic payments and take advantage of the 0.25% interest rate reduction while the borrower is still in school.

What are the advantages of BND Student Loans over other private student loans?

BND Student Loan interest rates are typically lower than other private student loans. In addition, all qualified applicants get the same rate unlike some private student loan lenders that provide a range of interest rates based on your credit score and other criteria.

There are no loan fees for North Dakota residents and out-of-state residents attending a North Dakota college.

BND has flexible repayment options. You'll appreciate our friendly North Dakota service where you can connect with us by phone, email or online chat. Our customer service representatives are available Monday-Friday from 8 a.m. – 5 p.m. CT. You can schedule an appointment to visit with a representative at your convenience.

Apply now at bnd.nd.gov/confident

Have questions? Contact us by phone at 833.397.0311, email at studentloans@nd.gov or live chat on the website.



Point your phone or tablet camera at the QR Code to access more helpful information

