**Loan Interest Rate (Fixed) & Fees**

Your **starting interest rate** will be between **5.45%** and **6.45%**

For loans approved 07/01/2018 – 09/30/2018

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**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 07/01/2018 through 09/30/2018 will never exceed 6.45%.

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**Loan Fees**

**Administrative Fee:** Up to 3.75% of the total loan amount. BND may pay the fee for North Dakota residents and students attending school in state.

**Late Charge:** 6% of the unpaid portion of the installment or a maximum amount of $15.00.

**Non-Sufficient Funds (NSF):** $25.00.

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**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.

<table>
<thead>
<tr>
<th>Repayment Option (while enrolled in school)</th>
<th>Amount Provided</th>
<th>Interest Rate (highest possible starting rate)</th>
<th>Loan Term (how long you have to pay off the loan)</th>
<th>Total Paid Over Life of the Loan (includes associated fees)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. DEFER PAYMENTS</strong></td>
<td>$10,000</td>
<td>6.45%</td>
<td>10 years starting after the deferment period</td>
<td>$18,224.40</td>
</tr>
<tr>
<td>Make no payments while enrolled in school.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest will be charged and added to your loan upon entering repayment.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2. PAY ONLY THE INTEREST</strong></td>
<td>$10,000</td>
<td>6.45%</td>
<td>10 years starting after the deferment period</td>
<td>$17,140.78</td>
</tr>
<tr>
<td>Make interest payments but defer payments on the principal amount while enrolled in school.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3. MAKE FULL PAYMENTS</strong></td>
<td>$10,000</td>
<td>6.45%</td>
<td>10 years starting once the first payment is made</td>
<td>$14,125.20</td>
</tr>
<tr>
<td>Pay both the principal and interest amounts while enrolled in school.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**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

<table>
<thead>
<tr>
<th>Loan Program</th>
<th>Current Interest Rates by Program Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERKINS for Students</td>
<td>5.00% fixed</td>
</tr>
<tr>
<td>STAFFORD for Students</td>
<td>5.05% fixed Undergraduate subsidized &amp; unsubsidized</td>
</tr>
<tr>
<td></td>
<td>6.60% fixed Graduate unsubsidized</td>
</tr>
<tr>
<td>PLUS for Parents and Graduate/Professional Students</td>
<td>7.60% fixed</td>
</tr>
</tbody>
</table>

You may qualify for federal education loans. For additional information, contact your school’s financial aid office or the Department of Education at: www.studentaid.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 website at: www.studentaid.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 creditworthy cosigner is required if you do not meet BND’s credit criteria.

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 website at bnd.nd.gov.