

**DAKOTA EDUCATION ALTERNATIVE LOAN (DEAL)
FIXED RATE LOAN APPLICATION DISCLOSURE**

Bank of North Dakota
PO Box 5509
Bismarck, ND 58506-5509
Toll-free: (833) 397-0311

Loan Interest Rate (Fixed) & Fees

Your interest rate will be

6.810%

or

7.810%

Your Interest Rate (upon approval)

The interest rate you pay 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 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 on the Federal Home Loan Bank (FHLB) 10-Year Advanced Rate, as posted by Federal Home Loan Bank - Des Moines. For more information on this rate, see Reference Notes.

The rate will be fixed for the life of the loan.

Loan Fees

Administrative Fee: Up to 3.750% of the total loan amount. BND will pay the fee for North Dakota residents and students attending school in state.

Late Fee: 6.000% of the unpaid portion of the installment or a maximum amount of \$5.00.

Collection Costs: If the loan defaults, outstanding interest is capitalized (added to the principal balance) and court costs and legal fees may be assessed.

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 (amount provided directly to you or to your school)	Interest Rate (highest possible starting rate)	Loan Term (how long you have to pay off the loan)	Total Paid Over 10 Years (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.	\$10,000.00	7.810%	10 years starting <u>after</u> the deferment period	\$20,244.00
2. PAY ONLY THE INTEREST Make interest payments but defer payments on the principal amount while enrolled in school.	\$10,000.00	7.810%	10 years starting <u>after</u> the deferment period	\$18,613.68
3. MAKE FULL PAYMENTS Pay both the principal and interest amounts while enrolled in school.	\$10,000.00	7.810%	10 years starting once the first payment is made	\$14,980.80

About this example

The repayment example assumes that you remain in school for four 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
STAFFORD for Students	5.500% fixed Undergraduate subsidized & unsubsidized
	7.050% fixed Graduate unsubsidized
PLUS for Parents and Graduate/Professional Students	8.050% fixed

You may qualify for federal education loans.
For additional information, **contact your school's financial aid office or the Department of Education at:**

<https://studentaid.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 website at: <https://studentaid.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 30 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 will be set when the loan is approved and will not increase above that rate before the loan is paid in full. The interest rate will be based on your state of residence **OR** the location of the school the student is attending.

Borrower Eligibility Criteria

- If you are not an existing BND student loan customer, your state of legal residence **OR** the location of the school you are attending must be located in one of the following states: North Dakota, South Dakota, Minnesota, Montana, Wyoming or Wisconsin.
- 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 must be attending an eligible school.
- The school must certify that you are meeting satisfactory academic progress and certify your enrollment eligibility and status.
- You must complete the Free Application for Federal Student Aid (FAFSA) process if you will be attending school at least half-time.
- Your credit will be evaluated to determine if the application can be approved. A creditworthy cosigner is required if you do not meet BND's credit criteria.

Cosigner Eligibility Criteria

- You must be at least 18 years of age.
- You must be a U.S. citizen.
- You must not be delinquent or in default on a student loan.
- Your credit will be evaluated to determine if the application can be approved.

Loan Repayment Benefits

- 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 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.
- If you have a cosigner, you may be eligible to release your cosigner. To be eligible for cosigner release, you must reside in the U.S., be in repayment on your loan, have made 24 consecutive, regular on-time payments, and meet BND's credit and eligibility criteria at the time you apply to release your cosigner.

Bankruptcy Limitations

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

See your 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.

**DAKOTA EDUCATION ALTERNATIVE LOAN (DEAL)
VARIABLE RATE LOAN APPLICATION DISCLOSURE**

Bank of North Dakota
PO Box 5509
Bismarck, ND 58506-5509
Toll-free: (833) 397-0311

Loan Interest Rate (Variable) & Fees

Your **starting interest rate** will be

6.900% or **7.900%**

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

Your Starting Interest Rate (upon approval)

The interest rate you pay 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 variable. This means that your rate could move lower or higher than the rates on this disclosure. The variable rate is based on the three-month CME Term Secured Overnight Financing Rate (Term SOFR) Index as posted by CME Group, plus a margin. For more information on this rate, see Reference Notes.

Although the rate will vary after you are approved, it will **never exceed 10.000%** (the maximum allowable for this loan).

Loan Fees

Administrative Fee: Up to 3.750% of the total loan amount. BND will pay the fee for North Dakota residents and students attending school in state.

Late Fee: 6.000% of the unpaid portion of the installment or a maximum amount of \$5.00.

Collection Costs: If the loan defaults, outstanding interest is capitalized (added to the principal balance) and court costs and legal fees may be assessed.

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 (amount provided directly to you or to your school)	Interest Rate (highest possible starting rate)	Loan Term (how long you have to pay off the loan)	Total Paid Over 10 Years (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.	\$10,000.00	7.900%	10 years starting <u>after</u> the deferment period	\$20,384.40
2. PAY ONLY THE INTEREST Make interest payments but defer payments on the principal amount while enrolled in school.	\$10,000.00	7.900%	10 years starting <u>after</u> the deferment period	\$18,714.60
3. MAKE FULL PAYMENTS Pay both the principal and interest amounts while enrolled in school.	\$10,000.00	7.900%	10 years starting once the first payment is made	\$15,039.60

About this example

The repayment example assumes that you remain in school for four 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
STAFFORD for Students	5.500% fixed Undergraduate subsidized & unsubsidized
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PLUS for Parents and Graduate/Professional Students	8.050% fixed

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

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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 website at <https://studentaid.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 30 days (terms will not change during this period, except as permitted by law and the variable interest rate may change based on the market).

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

Variable Interest Rate

- This loan has a variable interest rate that is based on a publicly available index, the three-month CME Term Secured Overnight Financing Rate (Term SOFR) Index, plus a margin of 1.500% or 2.500%.
- The variable interest rate changes every three months and is set on the 15th, or preceding business day, in the months of March, June, September and December, and is effective on the 1st of the following month.
- The rate will not increase more than once a quarter and will never exceed 10.000%.
- If the interest rate decreases or increases, your monthly payments may be lower or higher.
- This loan may be subject to a replacement index and replacement margin, if, in BND's sole discretion, the Term SOFR Index has become unavailable or unreliable, either temporarily, indefinitely, or permanently, during the term of this loan.

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- 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 must be attending an eligible school.
- The school must certify that you are meeting satisfactory academic progress and certify your enrollment eligibility and status.
- You must complete the Free Application for Federal Student Aid (FAFSA) process if you will be attending school at least half-time.
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Notice for students attending an institute of higher education in Virginia

Private education loans are one tool that students use to finance their education. Your lender and your institution's Financial Aid Office provide assistance with eligibility for the loans. For borrowers who have existing private education loans, Virginia has a Student Loan Advocate to assist borrowers who are struggling with repayment. You can contact the Student Loan Advocate at: State Council of Higher Education for Virginia, James Monroe Building, 10th Floor, 101 N. 14th Street, Richmond, VA 23219; studentloan@schev.edu; 804-786-2832. In addition, resources for prospective and current private education loan borrowers are available online at schev.edu/privateloan.