

Minnesota Office of Higher Education  
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**Loan Interest Rate & Fees**

The **starting interest rate** through December 31, 2014

3.20%

The current interest rate is available at [www.selfloan.state.mn.us](http://www.selfloan.state.mn.us). After the starting rate is set, your rate will vary with the market.

**Your Starting Interest Rate (upon approval)**

The starting interest rate you pay is not dependent on your credit score or other factors. All SELF V variable rate loans are charged the same interest rate.

**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 rate on this form. There is a limitation that the interest rate cannot increase or decrease more than 3% over any four consecutive calendar quarters. The variable rate is based upon the LIBOR Rate (as published in the Wall Street Journal). For more information on this rate, see the reference notes.

There is no **maximum interest rate**; however, there is a limitation that the interest rate cannot increase or decrease more than 3% over any four consecutive calendar quarters.

**Loan Fees**

**Late Charge:** Up to \$20 for payments not made within 15 days of the due date.

**Returned Payment Charge:** up to \$15.00.

**Loan Cost Examples**

The total amount you will pay for this loan will vary depending upon when you start to repay it, the aggregate balance of your loans and your repayment period. This example provides estimates based upon the option available to you while enrolled in a participating SELF school at least half-time.

Repayment Option (while enrolled in a participating SELF school at least half-time)	Amount Provided (amount provided directly to your school)	Interest Rate (highest possible starting rate)	Loan Term (how long you have to pay off the principal amount of your loan)	Total Paid over 14 years (4 years In-School, 1 year Transition and 9 years Repayment) (includes associated fees)
<b>PAY ONLY THE INTEREST</b> Make interest payments but defer payments on the principal amount while enrolled in school.	\$10,000.00	3.20%	9 years starting <u>after</u> the 1-year Transition Period ends	\$13,123.66

**About this example**

This example is based on required quarterly interest payments during the In-School Period and monthly interest payments during a one-year Transition Period after the In-School Period ends. The nine-year Repayment Period begins after the one-year Transition Period ends. This example assumes you are in school for four years, have a one-year Transition Period before beginning the Repayment Period and you have up to 10 years (including the Transition Period) from when you leave school to repay the loan. You may have an option to select up to two more years of interest-only payments without extending your payment term. If balances on all your SELF Loans are \$20,000 up to \$40,000, you may have up to 15 years (including the Transition Period) after you leave school to repay the loans. If balances on all your SELF Loans are \$40,000 or greater, you may have up to 20 years (including the Transition Period) after you leave school to repay the loans. These options may cause the interest you pay to be different than the example shown.

## Federal Loan Alternatives

Loan Program	Current Interest Rates by Program Type
<b>PERKINS</b> for Students	5.00% fixed
<b>STAFFORD</b> for Students	4.66% fixed Undergraduate Subsidized & Unsubsidized
	6.21% fixed Graduate Unsubsidized
<b>PLUS</b> for Parents and Graduate/ Professional Students	7.21% fixed

### 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](http://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 website at [www.federalstudentaid.ed.gov](http://www.federalstudentaid.ed.gov) for more information about other loans.

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

If you are approved for this loan, the loan terms 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).

## REFERENCE NOTES

### Variable Interest Rate

- Your loan has a variable Interest Rate that is based on a publicly available index, the LIBOR Rate. Your rate is calculated each quarter by adding the Margin to the Index. The Margin is determined by the Minnesota Office of Higher Education each quarter and may increase or decrease.
- If the LIBOR Rate and/or the Margin increases or decreases, the Interest Rate you pay may increase or decrease from the current rate.
- There is a limitation that the interest rate cannot increase or decrease more than 3% over any four consecutive calendar quarters.

### Bankruptcy Limitations

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

### Prepayments

There is no penalty for early repayment of the loan.

### Eligibility Criteria

#### Borrower

- Enrolled at an eligible school at least half-time
- A Minnesota resident if attending a non-Minnesota school
- Making satisfactory progress
- Not in default of any student loan or delinquent on any existing SELF Loan

#### Co-Signer

- U.S. citizen or permanent resident
- At least 24 years old or 18 years old if a sibling of the borrower
- Credit worthy

### Repayment Options

Your actual Repayment Period will be determined based on the aggregate loan amounts of your SELF Loans based on the criteria below:

- Aggregate loan amounts of less than \$20,000 have a maximum Repayment Period of 10 years after the In-School Period ends.
- Aggregate loan amounts of \$20,000 up to \$40,000 have a maximum Repayment Period of 15 years after the In-School Period ends.
- Aggregate loan balances of \$40,000 or more have a maximum Repayment Period of 20 years after the In-School Period ends.

Loans are required to enter principal repayment no later than nine years after the first disbursement. You may select to have up to two additional years of interest only payments if you have not entered a required Repayment Period; however, your maximum Repayment Period will not be extended.

At the time you enter the Repayment Period, the payment amount of this loan may change if you currently or previously had other SELF Loans outstanding. During the Repayment Period, the minimum total monthly payment on your SELF Loan accounts will be at least \$50. The minimum monthly payment will be larger if necessary to repay the loans within the Repayment Period.

Your actual Finance Charge may be greater or less than the amount listed on this disclosure depending upon when your loan enters repayment, the aggregate loan amounts, the required minimum monthly payment, interest rate changes in your variable rate loans, and other factors.

**Refer to the SELF Loan Promissory Note Terms for additional terms and conditions.**