

Determining How Much To Borrow or Budget on Monthly Payment Plan

Total Costs for Academic Year:	Total Financial Aid:	Total Due for Academic Year:
\$ _____	Minus \$ _____	= \$ _____
Choose one or both options below to cover the total due for academic year		
Amount to be budgeted through Monthly Plan*		\$ _____
Amount to be budgeted through Alternative Loan		\$ _____

*Please contact the NNU Business Office at (208) 467-8596 for information on a monthly payment plan.

Sample Repayment

*Annual Percentage Rate (APR) Examples

Undergraduate			
Interest Rate	APR	Principal Amount Entering Repayment	Monthly Payment
Prime minus 0.50%	7.51%	\$7,472.50	\$61.35
Prime + 4.00%	11.64%	\$8,327.50	\$93.15

Undergraduate (APR) Example: Each APR example is based on a \$6,000 undergraduate loan with a 38 month deferral period followed by a 240-month repayment period and assuming a constant Prime Rate of 8.25%. Based on an interest rate of Prime minus 0.50%, the APR would be 7.51% with a \$61.35 monthly payment. The interest rate may vary and is indexed to the Prime Rate as published in *The Wall Street Journal*. As of January 2, 2007, the published Prime Rate was 8.25%. The APR will increase if the Prime Rate increases and would result in higher monthly payment, an increase in the number of scheduled payments, or both.

Financial Aid Office

Financial Aid Office

PHONE (208) 467-8638

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Glossary of Loan Terms

Accrued Interest: Interest that accumulates on the outstanding principal balance of a loan.

Capitalized Interest: The addition of unpaid interest to the principal balance of a loan which increases the total amount outstanding.

Consolidation: Combining multiple education loans into one new loan with a new repayment term and interest rate.

Co-Signer: A signer of a promissory note who is equally liable for the loan obligation.

Creditworthy: An individual with no negative credit history per the criteria established by the lender.

Default: You are considered to be in default on your student loan if you fail to meet your financial obligations by making your scheduled monthly payments.

Deferment: A deferment is an entitlement which allows you to temporarily postpone payments for a variety of reasons, including unemployment, disability and returning to school.

Disbursement: The release of loan funds to the school for delivery to the borrower.

EFT (Electronic Funds Transfer): Transfer of funds from the lender to the school that is initiated through electronic means.

Forbearance: An agreement with your lender, at its discretion, to postpone payments when you are having financial difficulty.

Grace Period: The amount of time allowed before principal repayment of loan must begin after the student graduates, leaves school or drops below half-time status.

Interest: The fee charged to borrow money, usually a percent of the outstanding loan amount, which accrues and is paid over the life of the loan.

Origination fee: The fee charged by the government to offset the cost of processing the loan. The amount of the fee is deducted from the dollar amount of the loan.

Principal: The amount of the loan that must be repaid upon maturity, and the amount upon which interest will be charged.

Promissory Note: The binding document that a borrower signs before receiving the loan proceeds. The note includes information about the terms and conditions of the loan and the borrower's promise to pay.

Servicer: An entity that administers any loan servicing requirements.

Variable Interest Rate: Interest rates that change periodically (e.g., quarterly, annually).

Alternative Student Loan Information

What are alternative student loans?

Alternative student loans are offered by banks or lending institutions to help students and parents bridge the gap between the cost of education and the amount of financial aid received. These are alternative supplemental loans that are NOT guaranteed by the federal government. Terms and conditions can vary according to specific lender guidelines.

Which lenders offer alternative student loans?

Alternative loans are offered by a wide variety of lenders, and each lender offers different programs with varying terms. Most lenders have informative websites, and we encourage students to visit each lender's site.

Who can apply for an alternative student loan?

Students can apply for alternative student loans as a supplement to traditional federal and state sources of financial aid. Northwest Nazarene University encourages all students to apply first for federal and state financial aid. Alternative loans may provide the resources for educational expenses not covered by received federal and state aid.

How much can a person borrow?

The actual amount varies according to each student's individual financial circumstance. Other variables include the cost of attendance, financial aid resources and loan limits imposed by the lender.

Are there strict requirements to obtain an alternative student loan?

Unlike federally guaranteed student loans, lending institutions that offer alternative student loans may impose certain requirements. In most cases a student must have a good credit history, a low debt-to-income ratio, and a co-signer may be required. Since a credit check is likely, not everyone is approved for an alternative loan.

How do I apply?

You can contact a lender directly. Depending on the loan program, lenders offer borrowers various ways to apply for an alternative loan. Many lenders offer you a pre-approval process so you can determine your eligibility for an alternative loan.

The Student Loan Corporation



A PREFERRED LENDER for
NORTHWEST NAZARENE UNIVERSITY
studentloan.com

LENDER CODE: 826878

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Financial Aid Office

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Undergraduate Alternative Financing Options

Are you asking yourself these questions...

How will I pay the balance of my school costs NOT covered by aid and Stafford Loans?

Should I borrow... or pay monthly... or can I do both?

How can I make payments that fit within my monthly budget?

When considering these questions, use this brochure to determine if alternative loans, monthly payments, or both are your best option for paying the costs not covered by the student aid package.


In order to allow sufficient time to obtain and review credit reports, certify enrollment and credit the loan disbursements to your account, it is advisable that you begin the application process for alternative loans approximately six weeks before the due date.

Please contact the NNU Business Office for specifics regarding a monthly payment plan.

The Student Loan Corporation



Alternative Loan Fact Sheet for Undergraduate Students

Loan Program	CitiAssist® Loans ¹	Bank of America Private Loans	Campus Door Private Loans	Chase Select Loan	US Bank Gap Education Loan	Wells Fargo Collegiate Loan
Loan Servicer	 Citibank	Bank of America	Campus Door	Chase	Great Lakes	Wells Fargo
Phone	(800) 967-2400	(800) 344-8382	(800) 786-0002	(866) 306-0868	(800) 242-1200	(800) 658-3567
Website	Apply and sign online at studentloan.com/schools/nnu	Apply and sign online at www.bankofamerica.com	Apply and sign online at www.campusdoor.com	Apply and sign online at www.ChaseSelectLoans.com	Apply and sign online at www.usbank.com/studentloans	Apply and sign online at www.wellsfargo.com
Borrower	Student or student and creditworthy co-signer	Student and/or creditworthy co-signer	Student and/or creditworthy co-signer	Student and/or creditworthy co-signer	Student and/or creditworthy co-signer	Student and/or creditworthy co-signer
Eligibility of Borrower or Co-signer	<ul style="list-style-type: none"> - Positive credit history - U.S. citizen or permanent resident - International students may apply with an eligible U.S. citizen or permanent resident co-signer - At least 18 years of age - May be enrolled less than half-time, half-time or full-time status 	<ul style="list-style-type: none"> - Undergraduate and graduate students at eligible schools. - Enrolled at least half-time in an eligible school - Making satisfactory academic progress - U.S. citizen or permanent resident. - Creditworthy or creditworthy co-borrowers - International students must apply with a qualified co-borrower and provide a copy of Student Visa F-1 	<ul style="list-style-type: none"> - Enrolled in an eligible institution at least half-time - At least 18 years of age - U.S. citizen or eligible non-citizen - Established positive credit history 	<ul style="list-style-type: none"> - Undergraduate, Graduate, or Medical Professions student enrolled in a degree or certificate program - Must be enrolled at least half-time or on a continuing education basis - U.S. citizen or permanent resident - International students may apply with a qualified U.S. co-signer 	<ul style="list-style-type: none"> - Students enrolled in eligible 4 year school or graduate program, less than half-time, half-time or full-time - U.S. citizen or permanent resident - Creditworthy 	<ul style="list-style-type: none"> - Undergraduate and graduate students enrolled less than half-time, half-time or full-time at eligible school - Have established a positive credit history and income stability sufficient to meet debt obligations, or a cosigner who does; and are U.S. citizens, permanent residents, or international students who are temporary residents. For permanent and temporary residents, a U.S. citizen or permanent resident cosigner is required
Annual Limits: Maximum Minimum	Cost of attendance less financial aid None	Cost of attendance less financial aid \$1,000	Cost of attendance less financial aid \$2,000	Cost of attendance less financial aid \$500	For loans approved at 4.00% Fee: Cost of attendance minus financial aid For loans approved at 8.00% fee: UG: \$12,000/ GR: \$15,000 \$1,000	\$25,000 \$1,000
Aggregate Limit	Undergraduate: \$120,000	\$100,000	Undergraduate: \$120,000	Undergraduate: \$120,000	\$100,000	\$100,000
Interest Rate	Interest rates as low as Prime minus 0.50%	1-month LIBOR plus a variable interest rate based on borrower and/or co-signers creditworthiness and school eligibility In school: LIBOR + 1.00% to 2.75% In repayment: LIBOR + 3.00% to 3.90%	Prime + 1.00%	Interest rates are variable and based on the Prime Rate and are updated each calendar quarter. (As of January 1, 2007 the Prime Rate is 8.25%) Prime + 0.00% to Prime + 5.75%	91 day T-Bill + 2.50% in school and grace 91 day T-Bill + 3.50% in repayment	Prime + 0.00% to Prime + 6.00% dependent on credit rating
Loan Fees	None	Undergraduate: none	0.00% to 7.00%	0.00% to 5.00%	4.00% to 8.00% depending on credit history	None
Repayment Period	Undergraduate: up to 20 years	Up to 20 years	20 years	<ul style="list-style-type: none"> - Three repayment options available - Fully Deferred, Interest Only, or Immediate - Up to 20 years to repay for loan amounts less than \$30,000 and up to 25 years for loan amounts of \$30,000 or more subject to a \$25 minimum monthly payment - Interest capitalizes once at repayment 	15 years	12 years
Grace Period	6 months	6 months	Up to 12 months after graduation or up to 6 months after student is no longer enrolled at least half-time	Undergraduate: Repayment begins 6 months after graduation or once the student ceases to be enrolled	6 months	6 months
Discounts and Benefits	<ul style="list-style-type: none"> - 0.25% interest rate reduction for auto debit. - 0.50% interest rate reduction when you make your first 48 consecutive monthly payments on time. - Co-signer release is available. - Loans can be used for balances incurred within the last 12 months. - Receive a credit response in 3 minutes or less when you apply online at studentloan.com. - Flexible credit evaluation guidelines. 	<ul style="list-style-type: none"> - No pre-payment penalty. 	<ul style="list-style-type: none"> - 0.25% interest rate reduction for auto debit. - 0.25% interest rate reduction for 48 on-time monthly payments. - Co-signer release option after making 48 on-time monthly payments. - No pre-payment penalty. 	<ul style="list-style-type: none"> - 0.25% interest rate reduction for having monthly principal and interest payments made directly from a bank account. - 0.25% interest rate reduction for choosing immediate or interest-only repayment options. - Co-signer release after 36 consecutive on-time monthly payments of principal and interest any time after graduation. 	<ul style="list-style-type: none"> - 0.25% interest rate reduction for auto-debit. - 0.25% additional interest rate reduction for auto-debit from U.S. Bank account. 	<ul style="list-style-type: none"> - 0.50% interest rate reduction for 48 consecutive on-time monthly payments. - 0.50% interest rate reduction for loan payments automatically deducted from a Wells Fargo bank account. - 0.25% interest rate reduction for loan payments automatically deducted from a non-Wells Fargo bank account. - Co-signer release option available after 24 consecutive payments.

*See APR example chart on reverse side.

¹Information printed in this document was gathered from publicly available sources and is believed to be correct as of this printing. It is intended for use as an approximate guide for comparison purposes only. To ensure fully informed borrowing, you should refer directly to each lender's loan application and promissory note for exact information regarding terms, assumptions, conditions, eligibility, definitions and **Annual Percentage Rate (APR)**.

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For CitiAssist Loans, the interest rate charged is based on the applicants' credit score. Co-signers may be released from a loan if the borrower has made the first 48 consecutive monthly payments on time, is creditworthy and is a U.S. citizen or permanent resident at the time the release is requested. Interest rate reductions and other benefits terminate upon loan delinquency or default. Borrowers must continue to make monthly payments by the scheduled payment due date to retain the applicable benefit. We reserve the right to modify or discontinue benefit programs at any time without notice. Any termination or modification of the program will not affect the terms of loans previously made. Apply online any time. The three-minute credit response is for applications submitted from 7 a.m. to 11 p.m. E.T., Monday to Friday. Additional documentation and data verification may be required for final loan approval. Specific terms and conditions apply, visit studentloan.com or call us at **(800) 967-2400**.