



Alaska Alternative Consolidation Loan 2016/2017 Application and Promissory Note Loan Terms and Conditions

The Alaska Commission on Postsecondary Education (ACPE) services the education loans owned by the Alaska Student Loan Corporation (ASLC). Loans are made and serviced in accordance with applicable Alaska statutes, regulations, and policies, including AS 14.43.122 – 160, 20 AAC 15.171 - 199 and 20 AAC 15.910 -15.990 as amended from time to time which are incorporated by reference into this Note. This loan is governed and construed in accordance with the laws of the state of Alaska. action to enforce the Note must be adjudicated exclusively in Alaska.

A. Eligibility Requirements:

In order to qualify for this loan, you must:

1. be a U.S. citizen or eligible non-citizen, and an Alaska resident;
2. have two or more alternative loans with a combined outstanding balance of at least \$3,500;
3. not be more than 60 days delinquent in payment on any loan held by ACPE;
4. not have any ACPE loan that is serviced by a collection agency;
5. include all Alaska Student Loans (ASL) with outstanding loan balances; and
6. have a credit history that demonstrates good credit, including a FICO score of at least 680, or have made the 18 most recent payments on eligible loans in full and on time.

B. Credit Assessment:

Your credit history will be reviewed to ensure you meet the minimum credit requirements. To qualify for the Alternative Consolidation Loan, you must have a FICO credit score of at least 680. If you do not meet the credit requirements, you may request ACPE perform an account review to determine if you qualify for an exception to the credit score requirement.

C. Interest:

The interest rate for the Alaska Alternative Consolidation Loan is 6.25% and is fixed for the life of the loan. Interest accrues on the unpaid principal balance of consolidation from the date of origination until the loan is paid in full. Interest also accrues during deferment and forbearance periods. Accrued and unpaid interest will be capitalized or added to your loan principal balance. Accrued and unpaid interest must be satisfied before payments are applied to principal.

D. Fees:

There is no origination fee. If your loan becomes past due in payment, you may be responsible for late fees, collection agency fees and/or legal fees.

E. Annual Percentage Rate (APR):

The APR is the yearly cost of borrowing money, shown as a percent of the amount you borrowed. The APR is calculated based on the loan's unpaid interest, principal balance and the remaining months to repay. For this reason, the APR may be different from the interest rate that is being charged on your loan balance.

This Table Represents Estimated Rates	Interest Rate	APR
Principal Loan Amount \$10,000	6.25%	6.25%

Principal Loan Amount \$10,000

6.25%

6.25%

The APR in this example is based a principal loan amount of \$10,000, a repayment term of 10 years, and no origination fee.

Required Information for Members of the Armed Forces and their Dependents:

Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and dependents may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: The costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account). To receive this information verbally, if you are not sure if this information applies to you, or to request a payment schedule, call 1-800-441-2962. **Note:** this information is provided to meet federal advisory requirements only. The interest rate on this loan will never exceed a 6.25% annual percentage rate.

CONSUMER ALERTS:

Consider very carefully if consolidation is the right choice for you. Read and understand the terms and conditions of your existing loans and of the consolidation loan carefully. Only you can decide whether consolidation is to your benefit:

Be sure you understand what you're giving up before deciding to consolidate. Consolidating existing loans means you are entering in to a new loan contract and agreeing to new terms and conditions. The consolidation loan terms do not provide any forgiveness or interest-free deferment periods. Servicemember benefits under SCRA are not transferrable when you consolidate.

The consolidation loan promissory note also authorizes ACPE to use its legal collection authority in the event of a serious delinquency or default on this loan. Failure to timely repay this loan may result in, but is not limited to:

- Adverse reports to consumer reporting agencies
- Additional interest cost over the life of the loan
- Assessment of collection costs
- Seizure of your Alaska Permanent Fund Dividend
- Denial of renewal of Alaska occupational or professional licenses
- Administrative wage garnishment and garnishment of assets
- Lien against real property

F. Deferment of Repayment:

This loan includes deferment options during qualifying periods. You may defer your payments for a maximum of 24 months over the life of the loan while you are enrolled in an approved education program, as defined in 20 AAC 15.922. You should consider carefully costs and benefits associated with deferments. You may elect to pay the interest during deferment to reduce the overall costs of borrowing. **Defaulting on your loan will result in forfeiture of any deferment rights.**

ACPE will automatically place your loan into student deferment, if eligible, based on notification of qualifying enrollment. You must contact ACPE if you wish to remain in a repayment status.

G. Loan Forbearance:

You may be eligible to forbear (postpone) your loan payments for a maximum of 12 months over the life of this loan in qualifying situations, if approved by ACPE. Interest continues to accrue during forbearance periods.

H. Repayment:

Generally, you must repay the loan in monthly installments of the greater of \$100.00 or the amount to repay the loan within the 10-year repayment period; however, ACPE will extend the period of repayment for up to five years if the amount of your loan exceeds \$30,000. You must contact ACPE if you wish to pay your loan within a shorter period.

Your first payment will be due no later than 30 days after the origination of the consolidation loan. The terms and conditions of repayment will be set forth in a separate document that ACPE will provide to you before the repayment period begins.

I. Americans With Disabilities Act Compliance:

Otherwise qualified individuals shall not, on the basis of a disability, be discriminated against or excluded from participation in, or the benefits of, the services, programs or activities of ACPE. Please notify ACPE if you need a disability accommodation.

J. Information Sharing and Privacy Act Notice:

Information you provide in this application will be used to verify your identity, to determine eligibility, to service the loan; to maintain current contact information, and to collect on a delinquent or defaulted loan. This information may be furnished to holders of this and other ASLC or ACPE Alaska education loans made to you, to government agencies or private parties who may be able to provide information necessary to assist in the servicing or collection of the loan, or as needed to contractors and other third parties involved in servicing the loan. Disclosure of your social security number (SSN) is required as a condition for participation in the loan program and is allowed under Section 7(a)(2) of the Privacy Act of 1974 (Pub. L. 93-579). The SSN will be used to verify your identity, and although not used as the account number, may be used to identify account holders throughout the life of the loan.

ACPE may use your SSN to access state or federal databases and other resources to determine your eligibility for administrative action or administrative garnishment in cases of default.

ACPE and any contracted servicers, including debt collectors, will use all phone numbers, including cell phone numbers you provide, in the servicing of this loan. By providing ACPE or any of its servicers with a telephone number, including a cell phone number, you are giving permission for any of these parties to call you on that number, including calls placed by automated dialing systems leaving virtual messages.

A copy of ACPE's Privacy Policy is available on our website.

Borrower Responsibilities and Agreements

A. Disclosure of Terms:

At or about the time your former loans are discharged, a disclosure statement will be sent to you specifying the amount of the consolidation loan and provide the terms and conditions of repayment. I agree to repay the loan accordance with the repayment schedule that ACPE provides me.

B. Credit Reporting:

The status of this loan may be reported to nationwide consumer reporting agencies on a regular basis until the loan is paid in full.

C. Default

If I default on this loan, ACPE may declare the entire unpaid amount of the loan, including interest and fees, immediately due and payable. Any of the following events may constitute default:

1. failure to make any required loan payment within 180 days of its due date;
2. failure to notify ACPE within 30 days after a change that affects the conditions of a loan or its repayment schedule, including any change of name or address or employer; or
3. making any statement of representation on the application and/or supporting documents for the loan, or in any subsequent communication with ACPE, that is untrue, incorrect, or incomplete.

D. Collection Action:

I understand that if I default on this loan, ACPE may garnish my Alaska Permanent Fund Dividend or prevent the renewal of an Alaska occupational license held by me. ACPE may transfer my loan to a collection agency, garnish my wages and place a lien on my assets for collection of this debt.

E. Changes Requiring Notification:

I agree to report to ACPE, in writing within 30 days, any change in my contact information or my ability to make scheduled payments. In the event bankruptcy proceedings are commenced by or against me, I agree to notify ACPE, in writing, within 20 days after the petition is filed.

Failure to comply with these reporting requirements may result in ACPE declaring my loan in default and demanding payment in full of my outstanding loan balance.

F. Contract Enforcement:

Acceptance by ACPE of any payment, in whole or in part, of the amounts that are overdue will not waive or affect any prior acceleration of this Note. ACPE may delay or fail to exercise or waive any of its rights on any occasion without losing its entitlement to exercise the right at any future time or any future occasion. I waive presentment, demand, notice, protest and other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note.



Alaska Alternative Consolidation Loan 2016/2017 Application and Promissory Note

BORROWER INFORMATION

Last Name: _____ First Name: _____ Telephone Number: () -

Mailing Address (P.O. Box or Street): _____ City: _____ State: _____ Zip: _____

Email Address: _____

Social Security Number: _____ Date of Birth: _____ Gender: Male Female

Driver's License or State Identification Number: _____ Issuing State: _____

REFERENCES

Provide two separate references with different U.S. addresses. Your references should be someone with whom you expect to remain in regular contact. Your references will be contacted if we need to verify or update your contact information.

Reference 1 Name: _____ Relationship: _____
 Mailing Address: _____ City, State, Zip: _____
 Telephone: _____ Email: _____

Reference 2 Name: _____ Relationship: _____
 Mailing Address: _____ City, State, Zip: _____
 Telephone: _____ Email: _____

OPTION TO EXCLUDE LOANS

Alaska State regulations require that all of your Alaska Student Loans (ASL) with outstanding balances be included in your consolidation application; however, it is your option to exclude any Alaska Supplemental Loans (ASEL) or any ACPE special program loans, including Teacher Education Loans and Guaranteed Loans (1980-81). Please specify if you would like to exclude any ASEL or ACPE special program loans from the consolidation loan.

Exclude any ASEL Loans from consolidation.

Exclude any ACPE special program loans from consolidation.

PROMISE TO PAY

THIS IS A LOAN THAT MUST BE REPAID

I PROMISE TO PAY the Alaska Commission on Postsecondary Education the amount originated under the terms of this application and promissory note to discharge my prior loan obligations, plus interest and other charges and fees that may become due. I understand that this is a loan I am required to repay. I further understand that the amount of this loan will be based on the payoff balances of the loans included for consolidation by ACPE and may exceed otherwise estimated payoff balances. The payoff amount may differ from the estimate because ACPE will include unpaid principal and accrued interest as of the date the consolidation loan is originated.

I certify I do not have a status at this time that would prevent me from repaying the loan as it becomes due. My obligation to repay this loan will remain in force even if I become totally and permanently disabled. ACPE may choose to make a claim against my estate for payment of the amount due. I have read, understood, and will abide by all terms and conditions set forth in this application and promissory note and I have retained a copy for my records.

By signing, I certify under penalty of perjury that all information I have provided in support of this application is true to the best of my knowledge. I understand that the promissory notes relative to any and all loans included in this consolidation loan are null and void and I am agreeing to forgo any forgiveness, interest, or discharge benefits provided for in those promissory notes but which are not provided for in my consolidation loan promissory note. I agree that any stray marks or notations made to this application and promissory note, in places other than fields requiring applicant completion, will not become part of this agreement. **Note:** A person who makes a false certification has committed a criminal offense.

Signature of Borrower (In Ink): _____ Date _____

Sign, date, and return to ACPE at the address listed on the first page of the application and Promissory Note.