



Alaska Alternative Consolidation Loan Application and Promissory Note

Loans are made and serviced in accordance with applicable Alaska statutes, regulations, and ACPE procedures.

This Application and Promissory Note consists of multiple pages. By signing this Note you agree you have read, understood, and will abide by all terms and conditions set forth herein.

Section One: Disclosure

A. Eligibility Requirements:

In order to qualify for the Alternative Consolidation Loan, you must:

1. be a U.S. citizen or eligible non-citizen, and an Alaska resident;
2. have two or more alternative loans and a combined outstanding balance of at least \$3500;
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 Alaska Student Loans (ASL) with outstanding loan balances; and
6. have a credit history that demonstrates good credit (FICO Score 680 or higher, or have made the 18 most recent payments on eligible loans in full and on time).

B. Application Processing:

Applications will be processed in the order in which completed applications are received by ACPE.

CONSUMER ALERT:

Consider very carefully if consolidation is the right choice for you:

Consolidating existing loans and entering in to a new loan contract means that the terms and conditions of the loans being consolidated are no longer applicable. The new consolidated loan promissory note is the sole applicable contract. Please review the terms and conditions of your existing loans and of the consolidation loan carefully. Only you can decide whether consolidation is to your benefit. 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. This includes the administrative authority to seize the Alaska Permanent Fund Dividend, deny renewal of Alaska occupational or professional licenses, garnish wages, and issue a lien against real property.

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. Annual Percentage Rate (APR):

The annual percentage rate (APR) for the Alaska Alternative Consolidation Loan is 6.25%. The APR is the cost of your credit as a yearly rate. Each time you enter repayment, the APR is calculated based upon the loan's unpaid interest and principal and the remaining months to repay. For this reason, the calculated APR will likely change with each disclosure and may be higher than the actual rate at which interest is being charged on your loan balance. The APR also varies due to periods when interest is being charged but is not being paid or when any payments become or remain past due for an extended period. The APR increases if you make reduced monthly payments. Similarly, if you postpone or otherwise delay payment, the APR increases and you pay more interest than the estimated or assumed interest on your original repayment schedule. If you accelerate your repayment schedule, the APR is reduced and less interest is paid.

E. Late Fees and Collection Fees:

In the event your loan becomes delinquent or in default, you may be responsible for late fees, attorney fees and/or collection costs.

F. Credit Assessment:

Your credit history will be reviewed to ensure you are eligible. 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 680 FICO score requirement.

G. Deferment Of Payment:

This loan includes deferment options during qualifying periods. You may apply to receive a deferment of 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, on at least a half-time basis. ACPE will place any non-defaulted Alternative Consolidation Loan into student deferment status based on notification of qualifying enrollment. You must contact ACPE if you wish to remain in a repayment status during qualifying periods of enrollment. Default will result in forfeiture of any deferment rights.

Interest continues to accrue during deferment periods, so you should consider carefully costs and benefits associated with deferments. You may elect to pay interest during deferment to reduce the overall costs of borrowing.

H. 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.

I. Repayment:

You must repay in monthly installments of at least \$100 per month for up to 10 years; 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.

Section Two: General Information

A. Governing Law:

Governing Alaska statutes and regulations AS 14.43.122 and 20 AAC 15.171-199 as amended from time to time are incorporated by reference into this Note.

B. Insufficient Application:

An application that is incomplete, incorrectly completed, illegible, appears altered or is not the original may be returned to you unprocessed.

C. 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.

D. Notice of Information Sharing with Institutions and Privacy Act Notice:

Information will be used to verify the identity of the applicant; to determine eligibility; to permit servicing of the loan; and to locate missing borrowers and collect on delinquent or defaulted loans. The information may be furnished during the life of the loan to holders of this and other Alaska education loans made to the borrower; to educational institutions where the borrower is enrolled or is accepted for enrollment; to guarantee agencies, and to government agencies or private parties who may be able to provide information necessary for the collection of the loan or 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 the applicant's social security number (SSN) is required as a condition for participation in the loan program. ACPE may require the SSN under Section 7(a)(2) of the Privacy Act of 1974 (Pub. L. 93-579). The SSN will be used to verify the identity of the applicant, and although not used as the account number, may be used to identify account holders throughout the life of the loan. ACPE may utilize your SSN to access state of Alaska or federal databases to determine your eligibility for administrative action or administrative garnishment in cases of default.

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

Line-By-Line Instructions for Completing the Application/Promissory Note

Complete all items except those SHADED IN GRAY. Do not use a pencil. Use a black ballpoint pen or typewriter.

NOTE: Incorrect or incomplete information may cause your application to be rejected.

1. Name

Enter your full legal name including your middle name. If your name has changed since a prior application, attach documentation of the name change (social security card or marriage certificate).

2. Social Security Number

Enter your Social Security Number as it appears on the card issued to you by the Social Security Administration. Incorrect numbers will delay application processing. Please read the Privacy Act Notice above.

3. Mailing Address/Telephone Numbers

Enter your mailing address where documents are to be sent. If ACPE does not have your correct address at all times, document processing may be delayed or your loan cancelled. If your address is General Delivery or includes no street name, number, or post office box, you must attach a written explanation.

Enter your daytime and evening telephone numbers where we may contact you. If you do not have one, write "none" in the spaces available. Note that by providing ACPE with a telephone number, including a cellular telephone number, you are giving permission for ACPE and any contracted servicers, including debt collectors, to contact you using the phone numbers provided to place autodialed calls or leave virtual messages in association with servicing of the loan.

4. Email Address

Enter your email address here.

5. Date of Birth

Enter the month, day, and year of your birth.

6. Driver's License Number

Enter the state issuing your driver's license and your license number.

7. Gender

Specify your gender.

8. References

Both references must be completed.

9. Option to Exclude ACPE Special Program 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 process.

Consolidating existing loans and entering into a new loan contract means that the terms and conditions of the loans being consolidated are no longer applicable (e.g. interest rates, forgiveness benefits, subsidized deferment periods and any existing servicemember benefits). The consolidation loan terms do not provide any forgiveness or interest-free deferment periods. Carefully review the terms and conditions of your existing loans. Only you can decide whether consolidation is to your benefit.

10. Signature and Certification

Sign in ink in the space provided. This is your promise to pay.

Review your Application/Promissory Note to make sure you have correctly completed all items.



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Borrower Information		Print Neatly in Black Ink or Type		Read the Instructions carefully	
1. Last Name		First Name		Middle Name	
				2. Social Security Number	
3. Mailing Address (P.O. Box or Street)					
_____ City _____ State _____ Zip _____					
Daytime Phone Number (_____) _____ - _____ Evening Phone Number: (_____) _____ - _____					
4. Email Address		5. Date of Birth	6. Driver's License	7. Gender	
			State _____	☐ Male ☐ Female	
			# _____		
References.					
8. You must provide two separate references with different U.S. mailing addresses. The first reference should be the nearest relative not living with you. Both references must be completed. You should list references that will be able to provide contact information in the future.					
Reference 1	Name:		Relationship:		
	Address:		City, State, Zip:		
	Daytime Phone:		Evening Phone:		
	Email:		Employer:		
Reference 2	Name:		Relationship:		
	Address:		City, State, Zip:		
	Daytime Phone:		Evening Phone:		
	Email:		Employer:		
Option to exclude ACPE Loans					
9. Option to exclude Alaska Supplemental Education Loans and/or ACPE Special Program Loans from Consolidation Package					
☐ By checking this box you are choosing to exclude any Alaska Supplemental Education Loans you have from this consolidation package.					
☐ By checking this box you are choosing to exclude any ACPE special program loans you have from this consolidation package.					
Return original to ACPE and make a copy for your records			Application must be signed in ink		

PROMISSORY NOTE

The terms of this consolidation loan application/promissory note packet will be administered according to applicable Alaska law including Alaska Statutes 14.43.122 - 160 and Alaska Regulations 20 AAC 15.171 - 199 as amended from time to time. The laws of this state govern this contract, regardless of where you are living at the time you sign this promissory note. Any legal actions brought against ACPE as a result of this loan must be filed in the courts of Alaska.

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.

Prepayment

I may, at any time, at my option and without penalty, prepay on this loan.

Repayment

My first payment will be due no later than 30 days after the origination of my consolidation loan. I will repay this loan in monthly installments in the amount necessary to repay the loan within a 10-year repayment period but not less than \$100 per month. I may request a shorter repayment schedule. The terms and conditions of repayment will be set forth in a separate document that ACPE will provide to me before the repayment period begins. I must repay the loan in accordance with the repayment schedule that ACPE provides. I agree to send any payment noted as paid in full to a designated address provided by ACPE for special processing.

Changes Requiring Notification

I will promptly report to ACPE in writing any change that affects the conditions of a loan or its repayment schedule, including any:

- a) change of name, address, or telephone number;
- b) inability to make payments as scheduled.

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.

Information Sharing

I authorize the release of information pertinent to my loans: (1) by the school or ACPE to the references on this promissory note, or to members of my immediate family unless I submit written direction otherwise; and (2) by and among my schools, ACPE and the U.S. Department of Education. I further authorize the references provided or any educational institution that I may attend to release to ACPE, or subsequent holder or their agents, any requested information pertinent to this loan or to assist in its collection.

Late Charges and Collection Costs

I am responsible for all fees and costs incurred in the collection of this loan including actual attorney fees and costs, late fees, and collection fees if this loan becomes delinquent or in default.

Loan Servicing

I authorize ACPE and any of their contractual vendors to use all phone numbers, including cell phone numbers, provided by me in the servicing of my loan. I understand that these calls are often placed by automated dialing systems leaving virtual messages.

Default and Consumer Reporting

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 my default status:

- Failure to make any required loan payment within 180 days of its due date;
- 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
- 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.

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.

Information concerning the amount of this loan and its repayment status will be reported to nationwide consumer reporting agencies. If I am delinquent or if I default on this loan, ACPE will also report the delinquency or default to consumer reporting agencies. Default will result in the forfeit of any deferment rights.

Acceptance by ACPE of any payment, in whole or in part, of the amounts that arrears 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.

Bankruptcy

In the event the bankruptcy proceedings are commenced by or against me, I agree to notify ACPE in writing within 20 days after the petition is filed.

10. I PROMISE TO PAY to the Alaska Commission on Postsecondary Education the amount originated under the terms of this Promissory Note to discharge my prior loan obligations, plus interest and other charges and fees that may become due as provided in this Promissory Note. I understand that the amount of this loan will be based on the payoff balance(s) of the loan(s) 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 day the consolidation was originated.

I understand that this is a Note for a loan that I am required to repay. I have read and understand all information provide in this packet. I have retained a copy of this application/promissory note 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 and that I agree to abide by the terms and conditions of this note and the application packet to repay this loan. 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.

THIS IS A LOAN THAT MUST BE REPAID — *Note: A person who makes a false certification has committed a criminal offense.*

Signature of Borrower (In Ink): _____ **Date:** _____