



## Alaska Refinancing Loan 2016/2017 Application and Promissory Note Borrower 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 14.200 - 14.900 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. Any 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 a permanent resident;
2. be an Alaska resident;
3. be an obligated party or student beneficiary on the loan being refinanced;
4. have a credit history that demonstrates good credit, including a FICO score of at least 720; and
5. be employed or document income sufficient to repay the refinance loan.

### B. Eligible Loans:

To be included in the refinance program, a loan must:

1. have been issued to fund higher education at an institution that is accredited or has been authorized by ACPE. Qualifying loans may include Federal Stafford, PLUS, Consolidation, and state and private education loans;
2. be in grace or repayment status, and be current in repayment; or
3. if borrowed by a family member on behalf of a student, the student must have been an Alaska resident at the time the underlying loan was originated.

### C. Conditions and Limitations of Loans:

Other qualifying requirements and loan limitations include:

1. if the refinancing loan exceeds \$50,000 and the applicant was the student recipient of the underlying loan(s), the applicant must have earned the credential for which the funds were awarded;
2. an applicant refinancing must include all eligible outstanding ASLC-funded state education loans (ASLC-funded federal loans may be excluded).

### D. Credit Assessment:

Your credit history will be reviewed to ensure you meet the minimum credit requirements. To qualify for the Alaska Refinancing Loan, you must have a FICO credit score of at least 720 and be employed or document income sufficient to repay the refinance loan. If you do not qualify, you will be informed in writing and given an opportunity to add a cosigner to your application.

### E. Interest:

The loan has a fixed interest rate of 5.2%. Interest begins to accrue on the unpaid principal balance of the loan when originated and continues until the loan is paid in full. Capitalization of interest is permitted. Generally, interest is capitalized when your loan changes from a non-repayment status to repayment. Accrued and unpaid interest and collection fees must be satisfied before payments are applied to principal.

## CONSUMER ALERTS

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

Be sure you understand what you're giving up before deciding to refinance. Refinancing existing loans means you are entering into a new loan contract and agreeing to new terms and conditions. The interest rate for your exiting loan may be lower than the rate available with the Alaska Refinancing Loan. You will forgo any loan benefits such as forgiveness, interest subsidy, income-driven repayment plans, or discharge benefits provided for in those promissory notes, as well as any future benefits made available under those loan programs. If you have a secure job, emergency savings, strong credit, and are unlikely to benefit from forgiveness options, it *may* be a choice worth considering if you're looking to lower your payments.

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. Fees:

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

### G. Annual Percentage Rate (APR):

The Alaska Refinancing Loan has an APR of 5.2%. 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.

This Table Represents	Estimated Rates	Interest Rate	APR
Principal Loan Amount	\$10,000	5.20%	5.20%
<i>The APR in this example is based on a principal loan amount of \$10,000, a minimum monthly payment of \$107.05, a repayment term of 10 years, and no origination fee.</i>			

## **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 his or her dependent 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 is 5.2%.

## **H. Cosigner:**

An eligible cosigner is required if you are under 17 years of age or do not meet the credit requirements. If you elect to add a cosigner, that person will have access to your application information, and will be responsible for the loan even in the event you meet the credit conditions independently. ACPE will notify the cosigner of periods of delinquency or any repayment agreement that will change the amount due on the loan. If you fail to repay the loan, the cosigner will be responsible for repayment of the debt.

## **I. Loan Limits:**

The minimum loan amount is \$7,500.00. An applicant for a loan of \$80,000.00 or greater may be subject to additional credit-worthiness review.

## **J. 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 repayment period. You will have the choice of a 5, 10, or 15 year repayment term.

## **K. 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 ASLC or ACPE. Please notify ACPE if you need a disability accommodation. ACPE does not discriminate on any other basis.

## **L. 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.*