

## IMPORTANT NOTICE FOR ALL DEAL LOANS APPROVED

Bank of North Dakota (BND) is required to disclose and collect specific documents from each borrower prior to disbursing the DEAL loan funds to the school. The documents listed below are in addition to the DEAL Loan Application and Promissory Note and the DEAL Cosigner Credit Application and Promissory Note.

### 1. **DEAL Application Disclosure**

There are two disclosures included with the DEAL Application and Promissory Note for you to review prior to your selection of a fixed or variable rate loan.

### 2. **Private Education Applicant Self-Certification**

This form needs to be completed by you based on information you can obtain by visiting with the financial aid office at your school.

**NOTE:** After BND receives the School Certification, we will provide you with a prefilled Self-Certification. You will need to review, sign and return this form to our office.

### 3. **DEAL Approval Disclosure**

You must accept the terms listed in the Approval Disclosure in order for the loan to be approved. To do this, you must sign, date and return the cover letter that is sent with the form.

**NOTE:** This offer is valid for a limited amount of time as identified on the Approval Disclosure under the “Next Steps & Terms of Acceptance” section. You must reply by this date or your loan request will be cancelled.

### 4. **DEAL Final Disclosure**

After steps 2 & 3 listed above are complete, the DEAL Final Disclosure will be sent to you with the **Right to Cancel** by a specific date listed on the form. BND will not be able to disburse any loan funds to the school until after this date.

It is imperative that you watch the mail for these documents and respond within the appropriate time frames.

If you have any questions concerning the status of your loan request, contact BND at 800.472.2166 ext. 328.5763.

**Bank of North Dakota**  
PO Box 5509  
Bismarck, ND 58506-5509  
800.472.2166 ext. 328.5763

## Loan Interest Rate (Fixed) & Fees

Your **starting interest rate** will be between

**5.29%** and **6.29%**

For loans approved 07/01/2014 – 09/30/2014

### Your Starting Interest Rate (upon approval)

The starting interest rate you pay will be determined when your loan is approved. It will be based upon the student's state of legal residence **OR** the location of the school the student is attending. If approved, we will notify you of your starting rate. For more information, see Reference Notes.

### Your Interest Rate During the Life of the Loan

**Your rate is fixed.** This means that your rate will be set on the day the loan is approved and remains the same until the loan is paid in full. The fixed rate is based upon the Federal Home Loan Bank (FHLB) 10 Year Advanced Rate. For more information on this rate, see Reference Notes.

Loans approved 07/01/2014 through 09/30/2014 will **never exceed 6.29%**.

### Loan Fees

**Administrative Fee:** Up to 3.75% of the total loan amount. BND may pay the fee for North Dakota residents and students attending school in state. **Late Charge:** 6% of each late payment not to exceed \$15.00. **Non-Sufficient Funds (NSF):** \$25.00.

## Loan Cost Examples

The total amount you will pay for this loan will vary depending upon when you start to repay it. This example provides estimates based upon three (3) different repayment options available to you while enrolled in school.

Repayment Option (while enrolled in school)	Amount Provided	Interest Rate (highest possible starting rate)	Loan Term (how long you have to pay off the loan)	Total Paid Over Life of the Loan (includes associated fees)
<b>1. DEFER PAYMENTS</b> Make no payments while enrolled in school. Interest will be charged and added to your loan upon entering repayment.	\$10,000	6.29%	10 years starting <u>after</u> the deferment period	<b>\$17,922.80</b>
<b>2. PAY ONLY THE INTEREST</b> Make interest payments but defer payments on the principal amount while enrolled in school.	\$10,000	6.29%	10 years starting <u>after</u> the deferment period	<b>\$16,963.98</b>
<b>3. MAKE FULL PAYMENTS</b> Pay both the principal and interest amounts while enrolled in school.	\$10,000	6.29%	10 years starting after your first payment	<b>\$14,023.20</b>

### About this example

The repayment example assumes that you remain in school for four (4) years and have a 6-month grace period before beginning repayment. It is based on the **highest starting rate currently charged** and the administrative fee.

## Federal Loan Alternatives

Loan Program	Current Interest Rates by Program Type
<b>PERKINS</b> for Students	5% 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.

A prefilled Self-Certification Form along with an Approval Disclosure will be provided to you by BND after you have completed the application process and your loan has been approved. The Approval Disclosure will identify the loan terms in effect at the time and will be available for 45 days (terms will not change during this period except as permitted by law).

If you prefer to complete the Self-Certification Form on your own, you may get the form and the information you need from your school's financial aid office.

## REFERENCE NOTES

### Fixed Interest Rate

- The interest rate for a fixed interest rate loan will be set on the day the loan approval is extended and remains the same until the loan is paid in full. The current interest rates are calculated using the Federal Home Loan Bank (FHLB) 10 Year Advanced Rate by adding a margin of 2% or 3% dependent upon the student's state of legal residence or the location of the school the student is attending.

### Eligibility Criteria

#### Borrower

- If you are not an existing BND student loan customer, your state of legal residence **OR** the location of the school that you are attending must be located in one of the following states: North Dakota, South Dakota, Minnesota, Montana, Wyoming or Wisconsin.
- You must be a U.S. citizen attending an eligible school, be making satisfactory academic progress and must not have any student loans in default.
- You must complete the Free Application for Federal Student Aid (FAFSA) process if you will be attending school at least half-time.
- The school must certify your enrollment eligibility.

### Cosigners

- A creditworthy cosigner is required if you do not meet BND's credit criteria.

### Bankruptcy Limitations

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

**More information about loan eligibility, repayment, deferment and forbearance options is available in your loan application and promissory note or on our website at: [dealstudentloan.nd.gov](http://dealstudentloan.nd.gov).**

Bank of North Dakota  
PO Box 5509  
Bismarck, ND 58506-5509  
800.472.2166 ext. 328.5763

## Loan Interest Rate (Variable) & Fees

Your **starting interest rate** will be between

**1.73%** and **2.73%**

After the starting rate is set, your rate will then vary with the market.

### Your Starting Interest Rate (upon approval)

The starting interest rate you pay will be determined when your loan is approved. It will be based upon the student's state of legal residence **OR** the location of the school the student is attending. If approved, we will notify you of your starting rate. For more information, see Reference Notes.

### 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 rates on this form. The variable rate is based upon the 3-month London Interbank Offered Rate (LIBOR) as posted by Bloomberg. For more information on this rate, see Reference Notes.

Although the rate will vary after you are approved, it will **never exceed 10%** (the maximum allowable for this loan).

### Loan Fees

**Administrative Fee:** Up to 3.75% of the total loan amount. BND may pay the fee for North Dakota residents and students attending school in state. **Late Charge:** 6% of each late payment not to exceed \$15.00. **Non-Sufficient Funds (NSF):** \$25.00.

## Loan Cost Examples

The total amount you will pay for this loan will vary depending upon when you start to repay it. This example provides estimates based upon three (3) different repayment options available to you while enrolled in school.

Repayment Option (while enrolled in school)	Amount Provided	Interest Rate (highest possible starting rate)	Loan Term (how long you have to pay off the loan)	Total Paid Over Life of the Loan (includes associated fees)
<b>1. DEFER PAYMENTS</b> Make no payments while enrolled in school. Interest will be charged and added to your loan upon entering repayment.	\$10,000	2.73%	10 years starting <u>after</u> the deferment period	<b>\$13,344.00</b>
<b>2. PAY ONLY THE INTEREST</b> Make interest payments but defer payments on the principal amount while enrolled in school.	\$10,000	2.73%	10 years starting <u>after</u> the deferment period	<b>\$13,159.96</b>
<b>3. MAKE FULL PAYMENTS</b> Pay both the principal and interest amounts while enrolled in school.	\$10,000	2.73%	10 years starting after your first payment	<b>\$11,883.60</b>

### About this example

The repayment example assumes that you remain in school for four (4) years and have a 6-month grace period before beginning repayment. It is based on the **highest starting rate currently charged** and the administrative fee.

## Federal Loan Alternatives

Loan Program	Current Interest Rates by Program Type	
<b>PERKINS</b> for Students	5% 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.

A prefilled Self-Certification Form along with an Approval Disclosure will be provided to you by BND after you have completed the application process and your loan has been approved. The Approval Disclosure will identify the loan terms in effect at the time and will be available for 45 days (terms will not change during this period, except as permitted by law and the variable interest rate may change based on the market).

If you prefer to complete the Self-Certification Form on your own, you may get the form and the information you need from your school's financial aid office.

## REFERENCE NOTES

### Variable Interest Rate

- Your rate is variable. This means that your rate could be lower or higher than the rates on this form. The variable rates are based upon the 3-month London Interbank Offered Rate (LIBOR) by adding a margin of 1.5% or 2.5% dependent upon the student's state of legal residence or the location of the school the student is attending.

### Eligibility Criteria

#### Borrower

- If you are not an existing BND student loan customer, your state of legal residence **OR** the location of the school that you are attending must be located in one of the following states: North Dakota, South Dakota, Minnesota, Montana, Wyoming or Wisconsin.
- You must be a U.S. citizen attending an eligible school, be making satisfactory academic progress and must not have any student loans in default.
- You must complete the Free Application for Federal Student Aid (FAFSA) process if you will be attending school at least half-time.

- The school must certify your enrollment and eligibility.

#### Cosigners

- A creditworthy cosigner is required if you do not meet BND's credit criteria.

#### Bankruptcy Limitations

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

**More information about loan eligibility, repayment, deferment and forbearance options is available in your loan application and promissory note or at our website: [dealstudentloan.nd.gov](http://dealstudentloan.nd.gov).**



**DAKOTA EDUCATION ALTERNATIVE LOAN (DEAL)  
BORROWER APPLICATION AND PROMISSORY NOTE**

BANK OF NORTH DAKOTA  
STUDENT LOAN SERVICES  
SFN 50962 (06-2014)

dealstudentloan.nd.gov

**SUBMIT COMPLETED APPLICATION TO:**

**Bank of North Dakota (BND) PO Box 5509, Bismarck, ND 58506-5509 800.472.2166 ext. 328.5763 TTY: 800.366.6888**

**WARNING:** Any person who knowingly makes a false statement or misrepresentation on this form is subject to criminal penalties.

**BORROWER (STUDENT) SECTION**

1. Last Name		First Name		Middle Initial	2. Date of Birth (mm/dd/yyyy)		3. Social Security Number		
4. Permanent Street Address (if P.O. Box, see instructions)					4a. City		4b. State	4c. ZIP Code	
5. Home Telephone Number ( )		6. Cell Telephone Number ( )			7. Drivers License Number State: #:				
8. Email Address					9. State of Legal Residence				
10. Loan Period (mm/yyyy) From: To:					11. Requested Loan Amount \$		11a. Major Course of Study		
12. School Name					12a. City		12b. State		
13. Are you a U.S. Citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No		14. Are you applying with a cosigner? <input type="checkbox"/> Yes <input type="checkbox"/> No			15. Grade Level (during loan period) <input type="checkbox"/> Undergraduate <input type="checkbox"/> Graduate <input type="checkbox"/> High School				
16. Are you currently in default on any education loan? <input type="checkbox"/> Yes <input type="checkbox"/> No									
17. Employer Name									
18. Employer Street Address					18a. City		18b. State	18c. ZIP Code	
19. Employer Telephone Number ( )					20. Position				

**21. REFERENCES — YOU MUST LIST 3 REFERENCES**

Reference Name			Reference Name			Reference Name		
Street Address			Street Address			Street Address		
City	State	ZIP Code	City	State	ZIP Code	City	State	ZIP Code
Email Address			Email Address			Email Address		
Telephone Number ( )			Telephone Number ( )			Telephone Number ( )		
Relationship to Student			Relationship to Student			Relationship to Student		

**PROMISSORY NOTE**

I promise to pay to the lender, or a subsequent holder of this Promissory Note, all sums disbursed (hereinafter "loan") under the terms of this Note, plus interest and other fees which may become due as provided in this Note. If I fail to make payments when due, I will also pay collection costs, not to exceed the maximum allowed under North Dakota State law including court costs, collection fees, and attorney fees. I understand I may cancel or reduce the size of any loan by refusing to accept any disbursement that is issued. I understand that this is a Promissory Note. I will not sign this Note before reading it, even if otherwise advised. I am entitled to an exact copy of this Promissory Note and the Borrower's Rights and Responsibilities. My signature certifies I have read, understand and agree to the terms and conditions of this Application and Promissory Note, the Borrower Certification, and the accompanying Borrower's Rights and Responsibilities. I authorize the lender, or its agent, to investigate my credit record and report information concerning my credit to the proper persons and organizations.

**THIS IS A LOAN THAT MUST BE REPAYED.**

**I have reviewed the Fixed and Variable Rate Loan Application Disclosures and choose:**

22. \_\_\_\_\_ **Fixed Interest Rate** (rate remains the same for the life of the loan)

\_\_\_\_\_ **Variable Interest Rate** (rate will change throughout the life of the loan which could impact your monthly payment amount)

23. Borrower's Signature \_\_\_\_\_ Today's Date (mm/dd/yyyy) \_\_\_\_\_

**LENDER SECTION (lender use only)**

Amount Approved \$	Date	Initials	Loan #
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## INSTRUCTIONS FOR COMPLETING THE DAKOTA EDUCATION ALTERNATIVE LOAN (DEAL) APPLICATION

### BORROWER SECTION

**Item 1:** Enter your last name, then your first name and middle initial.

**Item 2:** Enter the month, day and year of your birth.

**Item 3:** Enter your Social Security Number. An application without a Social Security Number will not be processed.

**Item 4-4c:** Enter your permanent home street address, apartment number, city, state and ZIP code. If you use a Post Office Box, you must also list a street address. A temporary school address is not acceptable.

**Item 5:** Enter the area code and telephone number for the address listed in Item 4. If you have no telephone, enter N/A.

**Item 6:** Enter your cell telephone number, including area code. If you have no cell telephone, enter N/A.

**Item 7:** Enter the two-letter abbreviation for the state that issued your drivers license followed by the drivers license number. If you do not have a valid driver's license, enter N/A.

**Item 8:** Enter your email address if applicable.

**Item 9:** List your state of legal residence.

**Item 10:** Enter the beginning and ending dates (month/year) of the academic period for which this loan is to be used. These dates must not be more than 12 months apart.

**Item 11:** Enter the maximum amount you wish to borrow under the DEAL Loan program. Apply only for what you will need to pay for your educational expenses this year, keeping in mind your ability to repay your loan(s). You may borrow up to the estimated cost of education at the school you will attend minus any estimated financial assistance that has or will be awarded during the period of enrollment.

**Item 11a:** Please list your major course of study.

**Item 12-12b:** Enter the name of the school that you are attending. Include the city and state where the school is located.

**Item 13:** You must be a U.S. Citizen to be eligible to apply for this loan.

**Item 14:** You have the option of applying with or without a cosigner. If you choose to apply with a cosigner we will use their credit and/or financial information in our approval decision. If you choose to apply without a cosigner we will only use your credit and/or financial information in our approval decision. If you do not qualify on your own a creditworthy cosigner may be added later during the application process.

**Item 15:** Enter your grade level.

**Item 16:** If you have ever defaulted on any educational loan, you must check the box marked "Yes." Default means that you have been severely delinquent in making payments on your loan and that a default claim has been paid to your lender.

If you answered yes to this question, you must attach a written statement from the holder of your loan explaining your current status.

**Item 17:** Enter your place of employment. Enter N/A if you are currently not employed.

**Item 18-18c:** Enter your employer's address (street address, city, state and ZIP code).

**Item 19:** Enter your employer's telephone number.

**Item 20:** Enter the position you hold with your employer.

**Item 21:** Enter the requested information for three adult references with different United States addresses. References with addresses outside the U.S. are not acceptable. The first reference should be a parent or legal guardian. If both your parents or legal guardians are deceased, enter information for an adult relative. All requested items, including telephone number, must be complete or your application will be delayed.

**Item 22:** You must select a fixed interest rate or a variable interest rate. Important information you should consider prior to making this selection is located under the "Interest" sections of the Promissory Note and the Borrower's Rights and Responsibilities.

**Item 23: Use blue or black ink to sign your full name, including your first, middle initial and last name.** Enter the date you are signing the Application/Promissory Note. By signing, you:

- 1) Acknowledge that you have read, understand and agree to the provisions in the Borrower Certification, the Promissory Note, and the Borrower's Rights and Responsibilities.
- 2) Agree to repay the loan in full according to the terms and conditions in the Promissory Note.

**Note:** Borrower Signature and Date are required. If you fail to sign and date the Promissory Note, processing of your application may be delayed.

### LENDER SECTION

(To be completed by the lender)

Bank of North Dakota will indicate the approved amount for the DEAL Loan. The amount will be disclosed to you on the DEAL Loan Approval Disclosure. The approved amount cannot exceed the cost of education minus other financial aid awarded for the same loan period, and will be the lesser of the amount the school certified, or the amount the borrower requested.

### IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the federal government fight the funding of terrorism and money laundering activities, Section 326 of the USA PATRIOT Act<sup>1</sup> requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account (checking, savings, certificates of deposit, loans, safekeeping services, trust services, etc.).

What this means for you:

- When you open an account or request certain services, we will ask for your name, address, date of birth, identification number such as your Social Security Number or Tax Identification Number, and other information that will allow us to identify you.
- We may also ask to see your driver's license or other identifying documents.

The principal purpose and routine uses of this information are to verify your identity, provide for the servicing of your account or loan, including communications with consumer reporting agencies, and in the event it is necessary, to locate you and collect on your loan(s). Providing any requested information is mandatory in order to open the account or receive the requested service. We will not be able to open your account or grant the service if the requested information is not provided. In all cases, protection of our customers' identity and confidentiality is the Bank's pledge to you.

<sup>1</sup> This notice also satisfies our obligations under the Privacy Act of 1974

## PROMISSORY NOTE (continued)

### Disclosure of Terms

This Note applies to the Dakota Education Alternative Loan (DEAL). I agree that the lender or any subsequent holder may sell or transfer my loan. At the time my loan is approved, Bank of North Dakota will send me a DEAL Approval Disclosure identifying additional terms of the loan. Important additional information is also disclosed in the statement of Borrower's Rights and Responsibilities accompanying this Note.

Information concerning the amount, disbursement and repayment of my loan will be reported to one or more national consumer reporting agencies.

### Interest

I must choose between a fixed or variable interest rate option. If I chose a fixed rate, the interest rate will be set on the day the loan is first approved and remains the same until the loan is paid in full. If I chose a variable rate, the interest rate will change as interest rates decrease or increase throughout the life of the loan. Current interest rates are listed at [dealstudentloan.nd.gov](http://dealstudentloan.nd.gov) or call 800.472.2166 ext. 328.5763.

Interest accrues on the unpaid principal balance of each loan from the date of disbursement by the lender until the entire principal balance is paid in full. I agree to pay all interest charges on my DEAL Loan.

Unless I pay the accrued interest as billed monthly or quarterly by the holder of my DEAL Loan, the interest will be capitalized (added to the principal), upon entering into repayment status.

### Administrative Fee

I will pay an administrative fee in an amount identified in the disclosure statement, which will be deducted proportionately from each disbursement of my loan. I understand the administrative fee is refundable only if the loan is totally cancelled prior to issuing the first disbursement, or if the first disbursement check is returned and total cancellation is requested. Bank of North Dakota may pay this fee on my behalf.

### Late Charges and Collection Costs

If I fail to make any part of an installment payment within 15 days after it becomes due, the holder may collect from me a late charge not to exceed 6% of each late installment, or a maximum amount of \$15. There may be a charge on non-sufficient funds payments in an amount not to exceed the maximum allowed under the North Dakota Century Code.

If I default on this DEAL Loan, I shall pay collection fees and costs, plus court costs. At the time of default, these fees may be assessed up to the maximum amount allowed under the North Dakota Century Code.

### Repayment

I am obligated to repay the full amount of the loan, accrued interest and fees if applicable. My loan will enter repayment six months after I graduate, cease to be enrolled or decrease my enrollment to less than half-time. The minimum monthly payment is typically \$50.

I will repay my loan in periodic installments during a repayment period that begins on the day immediately following the end of my grace period. My repayment term for each loan may not exceed 10 years (except under an Extended Repayment Plan). The repayment term does not include any periods of deferment or forbearance.

The holder of my loan will provide me with a repayment schedule that identifies my payment amount and due date.

I agree that the holder may grant me a forbearance for purposes of aligning due dates on my DEAL Loans.

I may prepay all or any part of the unpaid balance on my loans at any time without penalty. If I do not specify which loans I am prepaying, the holder will determine how to apply the prepayment.

### Acceleration and Default

At the option of the holder, the entire unpaid balance shall become immediately due and payable upon the occurrence of any one of the following events: (i) I fail to enroll as certified on my application; (ii) I fail to use the proceeds of the loan solely for educational expenses; (iii) I make a false representation that results in my receiving a loan for which I am not eligible; or (iv) I default on the loan.

The following events shall constitute a default on a loan: (I) I fail to pay the entire unpaid balance after the holder has exercised its option under the preceding paragraph; or (II) I fail to make installment payments when due, or fail to comply with other terms of the loan, and Student Loans of North Dakota (hereinafter "the guarantor") reasonably concludes I no longer intend to honor my repayment obligation, provided my failure has persisted for at least 270 days for payments due monthly. If I default, the guarantor may purchase my loan. The principal balance and collection fees will become immediately due and payable.

If I default, this will be reported to national consumer reporting agencies and will significantly and adversely affect my credit history. I acknowledge that a default shall have additional adverse consequences to me as disclosed in the statement of Borrower's Rights and Responsibilities. Following default, the loan may be subject to repayment based on my income.

### Governing Law and Notices

The terms of this Note will be interpreted in accordance with 15-62.1-02 of the North Dakota Century Code.

If I reside in North Dakota, the guarantor may sue to enforce this loan in any judicial district as allowed by law. Any notice required to be given to me will be effective if mailed by first class mail to the latest address I have provided to the holder of this Note, or if the holder reasonably determines that this address is no longer my address, to the latest address secured by the holder or other reliable source. Failure by the holder to enforce or insist on compliance with any term on this Note shall not be a waiver of any right of the holder. No provision of this Note may be modified or waived except in writing. If any provision of this Note is determined to be unenforceable, the remaining provisions shall remain in force.

### BORROWER CERTIFICATION

I declare under penalty of perjury under the laws of the United States of America that the following is true and correct:

- (1) I certify that the information contained in my application for the DEAL Loan is true, complete and correct to the best of my knowledge and belief and is made in good faith.
- (2) I certify that the proceeds of this loan will be used for educational purposes for the loan period at the school named on the application.
- (3) I hereby authorize my school to pay to Bank of North Dakota, any refund that may be due to me, up to the amount of the loan.

- (4) I authorize Bank of North Dakota, subsequent holders, their agents, collection agencies or educational institutions to: (i) make inquiries of my cosigner, prior or subsequent lenders or holders with respect to my loan application and related documents; (ii) release information and make inquiries to the persons I have listed on my loan application as references, for the purpose of learning my current address and telephone number; (iii) contact me at any phone number or email address (whether it is a land line or wireless service) that I have provided or the loan holder receives from any reliable source. I authorize the use of live or automated messages to any of these numbers or email addresses. I understand that persons other than myself may access these messages or emails, which may include content concerning my indebtedness.
- (5) I also authorize Bank of North Dakota, subsequent holders or their agents to check my credit and employment history and to answer questions about their credit experience with me.
- (6) I authorize the release of information pertinent to this loan by and amongst my schools, Bank of North Dakota, the guarantor, subsequent holders and their agents, and members of my immediate family unless I submit written directions otherwise.
- (7) I authorize Bank of North Dakota to have the option to make my loan check(s) jointly payable to my school and me.
- (8) If my school participates in electronic funds transfer (EFT), I authorize the school to transfer the loan proceeds received by EFT to my student account.
- (9) Prior DEAL Loans in repayment may be deferred while I am in school if I am attending at least half-time, unless I choose to repay the loan(s).
- (10) I will be responsible for paying the interest on my DEAL Loan, which begins to accrue upon my first disbursement. If I fail to make required interest payments while I am in school at least half-time, during grace or deferment, Bank of North Dakota or subsequent holders may capitalize such interest, upon entering into repayment status.



## DAKOTA EDUCATION ALTERNATIVE LOAN (DEAL) Borrower's Rights and Responsibilities

**1. Eligibility.** A student is eligible to receive funds from the DEAL Loan program only after he/she has completed the Free Application for Federal Student Aid (FAFSA) and considered all the Federal Title IV aid that the institution's Financial Aid Office has determined the student may be eligible to receive. Student must be a U.S. citizen.

The DEAL Loan program is an alternative loan program guaranteed by the State of North Dakota. Applicants who do not meet Bank of North Dakota's credit criteria require a creditworthy cosigner.

**2. Loan Limits.** If I don't have a DEAL Loan balance as of July 1, 2012, I may borrow up to \$50,000 as an undergraduate student and \$50,000 as a graduate student. (Exceptions may be made for certain high cost programs.) If I have a DEAL Loan balance as of July 1, 2012, I am not subject to the maximum loan limits. At no time may the amount I borrow exceed the estimated cost of attendance minus any estimated financial assistance I will be awarded during the time of enrollment. The minimum amount I may borrow is \$500.

**3. Loan Proceeds.** I must use the loan money for authorized educational expenses incurred to attend the school named for the loan period shown on the application. Loan proceeds may not be used for other purposes.

The loan money may be disbursed in a prorated amount based on academic terms at the school. At a school without academic terms, disbursement may be made at the beginning and midpoint of the period of enrollment. If disbursed by check, the check will be made copayable to the school and myself, and disbursed to the school. If the school participates in an electronic funds transfer process (EFT), the funds will be electronically transmitted to the institution.

**4. Change of Status.** The DEAL program requires me to notify my lender (or any subsequent holder of my loan), if any of the following events occur:

- I change my address;
- I change my name (for example, maiden name to married name);
- I do not enroll as certified on my application;
- I withdraw from school or change my enrollment status to less than half-time;
- I transfer to another school;
- I change my employer or my employer's address changes; or
- I have any other change that would affect my loan status (for example, the loss of eligibility for an unemployment deferment by obtaining a job).

I understand I must notify the school of any address changes while I am enrolled.

**5. Interest.** Interest rate information for this DEAL Loan is indicated on the Approval Disclosure.

**Note:** Interest accrues while you are in school or on a deferment or forbearance. Although you are not required to pay the interest that accrues during these periods, it is to your advantage, and Bank of North Dakota encourages you to make payments during this time. By making payments, or by paying some of the interest, it will reduce the total amount you have to pay throughout the life of the loan. Interest not paid will be added to your principal balance

through capitalization at the time your loan(s) enter repayment.

**6. Deferring Interest Payments.** Under certain circumstances, for example during forbearance or deferment, I may not be required to make interest payments, but interest on my DEAL Loan will accrue. If this interest is not paid, outstanding interest will be capitalized (added to the principal) when regular monthly payments resume.

**7. Sale or Transfer.** I consent to the sale or transfer of my loan. Should ownership of a loan be transferred, I understand I will be notified of the name, address and telephone number of the new holder of my loan, if the address where I make my payments changes. Sale or transfer of my loan to subsequent holders does not affect my rights and responsibilities.

**8. Consequences of Default.** Default is defined in the Note. If I default, the entire unpaid balance and collection fees will become immediately due and payable. Failure to repay this DEAL Loan may result in any or all of the following: loss of state income tax refunds, loss of state lottery prizes, legal action, assessment of collection charges, loss of professional license, loss of eligibility for deferments and forbearances, and negative credit reports.

**9. Consumer Reporting Agency Notification.** Information concerning the amount, disbursement and repayment status (current or delinquent) of my loan(s) will be reported by my lender to one or more national consumer reporting agencies on a regular basis. If I default on this loan, the default will also be reported by the guarantor to all national consumer reporting agencies. Before the guarantor reports such a default, it will give me at least 30 days notice that default information will be disclosed to the consumer reporting agencies unless I enter into a repayment arrangement within 30 days of the date on the notice. The guarantor will give me a chance to ask for a review of the debt(s) before the default is reported. My lender or guarantor, as applicable, must provide a timely response to a request from any credit organization regarding objections I might raise with that organization about the accuracy and completeness of information reported by the lender or guarantor.

**10. Repayment.** I am obligated to repay the full amount of the loan, accrued interest and fees if applicable. My loan will enter repayment six months after I graduate, cease to be enrolled or decrease my enrollment to less than half-time. The minimum monthly payment is typically \$50.

I understand that I will be given a choice of repayment options. I also understand that I must make payments on my loans even if I do not receive a bill or repayment notice.

A cosigner release option may be available after the loan(s) have entered repayment and the requirements established by Bank of North Dakota have been met.

**11. Loan Cancellation.** I understand that my loan debt will be cancelled if I die. A certified death certificate must be submitted as documentation to the holder of this Note. My loan debt may also be cancelled if I become permanently and totally disabled. However, the holder of my loan may not approve the request for cancellation based on permanent and total disability if the condition existed before I applied for this loan.

If the condition did exist, my doctor must certify that the condition substantially deteriorated after the loan was approved. An application for cancellation must be submitted to my holder, and documentation verifying the permanent and total disability must be certified by my doctor and accepted by the holder of this loan.

I understand my loan(s) will not automatically be discharged in bankruptcy.

I understand that neither the holder, nor the guarantor vouch for the quality or the suitability of the academic programs offered by participating schools. Repayment of this loan is not contingent upon the performance of my school of attendance, or my obtaining employment in my field of study.

I understand that under certain conditions, my DEAL Loan may be cancelled if I am unable to complete my course of study due to school closure or if my eligibility was falsely certified by the institution.

**12. Deferments.** Under certain circumstances, I have a right to postpone repayment of the principal if I provide the holder of my loan(s), or its servicing agent, with a request for a deferment together with the evidence that verifies my eligibility. The types of deferments that may be available are:

- While I am enrolled at least half-time at an eligible institution;
- While I am pursuing a graduate fellowship program or rehabilitation-training program for individuals with disabilities, if the program has been approved by the Department of Education for the FFELP program;
- For up to three years, while I am conscientiously seeking but unable to find full time employment; or
- While I am experiencing an economic hardship as determined by federal law; or
- While serving on Active Duty during a war or other military operation.

I should contact Bank of North Dakota or the current holder of my loan for more details on my options.

**13. Forbearance.** If I am unable to make my scheduled payments, the lender or holder of my promissory note may allow me to reduce the amount of my payment or to temporarily stop making payments as long as I intend to repay my loan. This action is called forbearance. During a period of forbearance, interest charges continue to accrue.

My holder is not required to grant a forbearance and may require me to provide my reasons for the request and other information.

**14. Consolidation.** Consolidation permits multiple alternative education loans to be combined into one new loan. You may be able to consolidate other alternative education loans along with your DEAL Loan(s). Contact Bank of North Dakota for additional information.

**FACTS**

**WHAT DOES Bank of North Dakota DO WITH YOUR PERSONAL INFORMATION?**

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- account balances and transaction history
- account transactions and credit history

When you are no longer our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Bank of North Dakota chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does the Bank of North Dakota share?	Can you limit this sharing?
<b>For our everyday business purposes -</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus.	Yes	No
<b>For our marketing purposes -</b> to offer our products and services to you.	Yes	No
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes -</b> information about your transactions and experiences.	No	We don't share
<b>For our affiliates' everyday business purposes -</b> information about your creditworthiness.	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share

Questions?

Call 1-800-472-2166 or go to [www.banknd.nd.gov](http://www.banknd.nd.gov)

## Who we are

<b>Who is providing this notice?</b>	Bank of North Dakota (BND) Student Loans of North Dakota (SLND), as administered by the BND
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## What we do

<b>How does Bank of North Dakota protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does Bank of North Dakota collect my personal information?</b>	We collect your personal information, for example, when you <ul style="list-style-type: none"><li>■ open an account or apply for a loan</li><li>■ make a wire transfer or show your government issued ID</li><li>■ make deposits or withdrawals from your account.</li></ul> We also collect your personal information from credit bureaus.
<b>Why can't I limit all sharing?</b>	Federal law gives you the right to limit only: <ul style="list-style-type: none"><li>■ sharing for affiliates' everyday business purposes - information about your creditworthiness</li><li>■ affiliates from using your information to market to you</li><li>■ sharing for nonaffiliates to market to you</li></ul> State law and individual companies may give you additional rights to limit sharing.

## Definitions

<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"><li>■ <i>Bank of North Dakota has no affiliates.</i></li></ul>
<b>Nonaffiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"><li>■ <i>Bank of North Dakota does not share with nonaffiliates so they can market to you.</i></li></ul>
<b>Joint Marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"><li>■ <i>Bank of North Dakota does not jointly market.</i></li></ul>

## Other important information

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