

Kinecta Federal Credit Union

200 Clarendon Street, 3rd Floor
Boston, MA 02116
866-272-0433

Loan Interest Rate & Fees

Your **starting interest rate** will be between

5.290% and 12.150%

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 after you apply. It will be based on the student's and, if applicable, the cosigner's, credit histories, the repayment option and loan term that you select, and the requested loan amount and other information you provide on the online loan application. If approved, we will notify you of the rate you qualify for within the stated range.

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 LIBOR Rate (as published in *The Wall Street Journal*). For more information on this rate, see the Reference Notes.

Although the interest rate will vary after you are approved, it will **never exceed 18%**(the maximum allowable for this loan).

Loan Fees

Late Charge: The lesser of \$10.00 or 5.00% of the overdue payment, if not made on or before the 10th calendar day after its due date.

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 four (4) different repayment options available to you while enrolled in school.

Repayment Option (while enrolled in school)	Amount Provided (amount provided directly to your school)	Interest Rate (highest possible starting rate)	Loan Term (how long you have to pay off the loan)	Total Paid (includes associated fees)
1. DEFER PAYMENTS Make no payments while enrolled in school. Interest will be charged and added to your loan.	\$10,000	12.150%	10 Years starting <u>after</u> the deferment period	\$26,274.50
2. PAY ONLY THE INTEREST Make interest payments but defer payments on the principal amount while enrolled in school.	\$10,000	11.570%	10 Years starting <u>after</u> the deferment period	\$21,836.58
3. PAY PARTIAL INTEREST Make \$25 interest payments, but defer payments on principal amount and remaining interest while enrolled in school. Unpaid interest will be added to your loan.	\$10,000	12.070%	10 Years starting <u>after</u> the deferment period	\$25,205.32
4. MAKE FULL PAYMENTS Pay both the principal and interest amounts while enrolled in school.	\$10,000	10.740%	10 Years starting <u>after</u> the final disbursement	\$16,354.06

About this example

The repayment examples for the "Pay Only The Interest", "Pay Partial Interest" and "Defer Payments" repayment options assume that you remain in school for 45 months and have a 6 month grace period before entering repayment. All examples are based on the highest starting rate currently charged. Depending on your loan amount and other factors, repayment may last 5 or 10 years from the end of your deferment period (if applicable).

Federal Loan Alternatives

Loan program	Current Interest Rates by Program Type	
PERKINS for Students	5% fixed	
STAFFORD for Students	5.05% fixed	Undergraduate subsidized & unsubsidized
	6.60% fixed	Graduate unsubsidized
PLUS for Parents and Graduate/Professional Students	7.60% fixed	Federal Direct Loan

You may qualify for Federal education loans.

For additional information, **contact your school's financial aid office or the Department of Education at:**

<https://studentaid.ed.gov/sa/>

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: <https://studentaid.ed.gov/sa/> for more information about other loans.

2. To Apply for this Loan, Complete the Application and the Self-Certification Form.

You may obtain the Self-Certification Form from your school's financial aid office or you may execute it electronically within our online application system. If you are approved for this loan, the loan terms 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).

REFERENCE NOTES

Variable Interest Rate:

- This loan has a variable interest rate that is based on a publicly available index, the London Interbank Offered Rate (LIBOR). Your rate will be calculated each calendar quarter by adding a margin of between 2.99% to 9.85% to the average of the one-month LIBOR rates published in *The Wall Street Journal*(Eastern Edition) on the first business day of each of the three (3) immediately preceding calendar months, rounded to the nearest one-hundredth of one percent (0.01%).
- This loan has a variable interest rate. The variable interest rate is determined by (1) the student's and, if applicable, the cosigner's, credit histories, (2) the repayment option and loan term that you select, and (3) the requested loan amount and other information you provide on the online loan application.

Eligibility Criteria:

- Borrower:
 - Must be enrolled at an eligible school at least half-time.
 - Must be a U.S. Citizen or Permanent Resident Alien
 - Must be of the legal age of majority or at least 17 years of age with a cosigner who is the legal age of majority. Age of majority is determined by your state of permanent residence:
 - 18 years of age in most states
 - 19 years of age in Alabama
 - 19 years of age in Nebraska if you are a ward of the state
 - 21 years of age in Mississippi and Puerto Rico
- Cosigner:
 - Must be a U.S. Citizen or Permanent Resident Alien
 - Must be the legal age of majority. Age of majority is determined by your state of permanent residence:
 - 18 years of age in most states
 - 19 years of age in Alabama
 - 19 years of age in Nebraska if you are a ward of the state
 - 21 years of age in Mississippi and Puerto Rico

Bankruptcy Limitations:

- If you (borrower or cosigner) file for bankruptcy you may still be required to pay back this loan.

More information about loan eligibility, interest rate reductions and repayment deferral or forbearance options is available in your loan application and Credit Agreement.

ADDITIONAL IOWA STUDENT LOAN DISCLOSURES

A. **Cosigner Requirements**

A cosigner is required for this student loan if you do not meet our credit requirements on your own, for example, credit history, income and/or employment requirements.

B. **Repayment of Loan Information**

Immediate Repayment - The first monthly principal and interest payment will be due 30-60 days after the final disbursement date of the loan.

Interest Only - The first monthly interest payment will be due 30-60 days after the first disbursement date of the loan. The first monthly principal and interest payment will be due 30-60 days after the deferment end date. The deferment end date will be the earlier of (a) 6 months after the student graduates, (b) 6 months after the student ceases to be enrolled at least half-time in an eligible school, or (c) 60 months after the first disbursement date.

Partial Interest - The first monthly partial interest payment of \$25.00 will be due 30-60 days after the first disbursement date of the loan. The first monthly principal and interest payment will be due 30-60 days after the deferment end date. The deferment end date will be the earlier of (a) 6 months after the student graduates, (b) 6 months after the student ceases to be enrolled at least half-time in an eligible school, or (c) 60 months after the first disbursement date.

Full Deferral - The first monthly principal and interest payment will be due 30-60 days after the deferment end date. The deferment end date will be the earlier of (a) 6 months after the student graduates, (b) 6 months after the student ceases to be enrolled at least half-time in an eligible school, or (c) 60 months after the first disbursement date.

You can prepay your loan in whole or part at any time without penalty.

C. **Additional Terms and Conditions**

Your loan is subject to all of the terms and conditions of your Credit Agreement. Please read your Credit Agreement carefully, it may include terms under which the interest rate on the loan may change. To obtain a copy of your Credit Agreement, please write to Kinecta Federal Credit Union, PO Box 848108, Boston, MA 02284-8108.

D. **Consequences of Loan Default**

There are serious consequences if you default on this loan. For example, under normal circumstances, student loans are not dischargeable in bankruptcy. In order to discharge a loan in bankruptcy, the borrower must prove undue hardship in an adversary proceeding before the bankruptcy court.

Additional consequences of default on this loan include:

- Lender may report the late payment history to credit reporting agencies, which will adversely affect your credit rating and ability to get more credit
- Interest will continue to accrue on the outstanding principal balance
- Lender may take legal action
- Borrower may become ineligible for further loans from the lender
- Full amount of the loan may become due immediately

E. **Lender Contact Information**

Kinecta Federal Credit Union
PO Box 848108
Boston, MA 02284-8108
866-272-0433
<http://www.kinecta.org>