

Leominster Credit Union Student Choice Loan Features

| Feature | Description | | | | | | |
|--|--|--------------------|-----------------------|--------------------|-------|------------|-------|
| Requirements before applying for Credit Union Student Choice Loan | <ul style="list-style-type: none"> • Fill out a FAFSA (Free Application for Federal Student Aid) found at http://fafsa.ed.gov. • Apply for scholarships—students may be eligible for many of them. <ul style="list-style-type: none"> ○ Check with college financial aid offices for listings. ○ The U.S. Department of Education's site (http://studentaid.ed.gov) provides free information on preparing for and funding education beyond high school including a scholarship search wizard. • Plan to take the maximum amount of Federal <u>Stafford</u> Loans awarded. While attending school: <ul style="list-style-type: none"> ○ Government may pay the interest (on “subsidized” loans) ○ Capped low interest rate set by Government ○ Deferred payment option until after leaving the school | | | | | | |
| Type of Loan | <ul style="list-style-type: none"> • Line of Credit <ul style="list-style-type: none"> ○ Apply Just Once – Multiple draw benefit ○ Student underwritten for the cost of your education (less other aid received) as certified by the school ○ Annual draw requested with multiple disbursements up to the school certified amount • School Certified <ul style="list-style-type: none"> ○ School validates enrollment and the financial need based on the calculated Cost of Attendance estimate ○ Funds dispersed directly to the school when school specifies ○ School disburses any excess to the student beyond what is needed by the school. | | | | | | |
| Co-Borrower | Not required, but may be necessary to meet approval criteria and qualify for a lower rate | | | | | | |
| Loan Limit Amounts | <ul style="list-style-type: none"> • Annual (minimum of \$1000): Cost of Attendance (COA) less other financial aid received (as certified by the school). • Maximum Total (throughout college career): \$75,000 | | | | | | |
| Rates | <table border="0" style="width: 100%;"> <tr> <td style="text-align: left;"><u>FICO Score</u></td> <td style="text-align: center;"><u>Interest Rate*</u></td> <td style="text-align: right;"><u>Floor Rate:</u></td> </tr> <tr> <td style="text-align: left;">660 +</td> <td style="text-align: center;">Prime + 3%</td> <td style="text-align: right;">6.25%</td> </tr> </table> <p>* Variable rate based on Wall Street Journal Prime. Index adjusts quarterly (Jan, Apr, Jul, Oct).</p> <p>Maximum rate of 15.00%.</p> | <u>FICO Score</u> | <u>Interest Rate*</u> | <u>Floor Rate:</u> | 660 + | Prime + 3% | 6.25% |
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| Interest | <ul style="list-style-type: none"> • May be deferred (see below) • Interest paid is usually tax deductible (consult tax advisor) |
| Terms | <ul style="list-style-type: none"> • 20 years if balance is < \$40,000 • 25 years if balance is > \$40,000 |
| Disbursement | Funds disbursed directly to school at the time(s) the school specifies |
| Origination Fee | None |
| Misc. Fees | <ul style="list-style-type: none"> • NSF - \$20 • Late – 5% of payment amount |
| Deferment | 60 months plus six months <u>or</u> date of school separation/graduation plus six months (whichever comes first). |
| Repayment Options <i>Note: Mandatory repayment begins six months after the student graduates or separates the school. Monthly payment based on final loan balance and repayment choices.</i> | <p>While in school (member's choice):</p> <ul style="list-style-type: none"> • Full deferment of principal and interest • Interest only • Principal and interest <p>After repayment begins (member's choice before entering repayment):</p> <ul style="list-style-type: none"> • Straight repayment over 20 or 25 years (depending on loan balance). or • Graduated repayment for two years. The graduated repayment option temporarily lowers monthly payments by amortizing the first two repayment years over a 40 year period and then over either 18 or 23 years for the remainder of the loan. |
| Pre-Payment Penalty | None |
| Apply (24/7) | <ul style="list-style-type: none"> • Online at leominstercu.studentchoice.org • By phone at 877-293-7166 |
| Eligible Schools <i>Note: Community Colleges and For-Profit schools are not eligible for this loan.</i> | <ul style="list-style-type: none"> • Most Four-Year Public & Private Non-Profit Schools • Degree-Granting Program (Title IV) • For a complete list of participating schools (approximately 1700), visit our student choice website at http://leominstercu.studentchoice.org. |
| Who Can Apply | <ul style="list-style-type: none"> • Students enrolled at least half-time • U.S. Citizen or permanent resident alien (Green Card) who has resided in the U.S. for the previous two years. |

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| Covers | <p>Costs included in the school's Cost of Attendance estimates. Typically these may include:</p> <ul style="list-style-type: none"> • Tuition • Fees • Books • Room and Board • Travel/Vehicle • Food plan • Other Related Expenses |
| Automated Payment | .25% Rate Discount |
| Release of Co-Borrower | <p>With automated payment and after 48 consecutive months of payments made on time, co-borrower may request to be released. However, the primary borrower must be credit worthy with the following:</p> <ul style="list-style-type: none"> • 680 minimum FICO • \$18,000 minimum annual salary • 45% debt-to-income ratio maximum • No bankruptcies, judgments, or student loan defaults |



Be somebody.

877-293-7166

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