# Private Education Loan Application and Solicitation Disclosure



**Royal Credit Union**
115 1ST AVE SW
ABERDEEN, SD 57401
(877) 526-6765

## Loan Interest Rate & Fees

Your **starting interest rate** will be between

6.75% and 11.75%

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 upon your credit history and other factors. 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 interest rate is variable.** This means that your actual rate varies with the market and could be lower or higher than the rate on this form. The variable rate is based upon the Prime Rate (as published in the Wall Street Journal). For more information on this rate, see the reference notes.

Although the rate will vary, **it will never exceed 15.00%** (the maximum allowable for this loan).

### Loan Fees

**Late Charge:** None
**Returned Check Charge:** $15.00

## Loan Cost Examples

The total you will pay for this loan will vary depending upon when you start to repay it. These examples provide estimates based on the three available repayment options.

| **Repayment Option** (while enrolled in school) | **Amount Provided** (amount provided directly to you or your school) | **Interest Rate** (highest possible starting rate) | **Loan Term** (how long you have to pay off the loan) | **Total Paid over 144 months** (includes associated fees) |
|---|---|---|---|---|
| **1. DEFER PAYMENTS** Make no payments while enrolled in school. Interest will be charged and added to your loan. | $10,000.00 | 11.75% | 144 months starting after the deferment period | **$28,721.01** |
| **2. PAY ONLY THE INTEREST** Make interest payments but defer payments on the principal amount while the student is enrolled in school. | $10,000.00 | 11.75% | 144 months starting after the deferment period | **$23,990.37** |
| **3. MAKE FULL PAYMENTS** Immediately pay both the full amount of principal and interest. | $10,000.00 | 11.75% | 144 months starting when your loan is first disbursed | **$18,696.34** |
| | | | | |

### About this example

The defer payment example assumes that you remain in school for 4 years and have a 6 month grace period before beginning repayment. It is based on the **highest starting rate currently charged** and associated fees. Repayment will last 12 years, once the initial principal payment is made. You are not required to make any payments on your loan while you are in school, although you may make payments of interest or principal and interest at any time while you are in school. Interest will be charged and added to your loan. Interest-only payments require a minimum monthly payment of $30. Immediate Repayment Plan requires a minimum monthly payment of $50.00.

## Federal Loan Alternatives

| Loan Program | Current Interest Rates by Program Type | |
|---|---|---|
| **STAFFORD** for Students | 6.52% fixed | Undergraduate subsidized & unsubsidized |
| | 8.07% fixed | Graduate unsubsidized |
| **PLUS** for Parents and Graduate/Professional Students | 9.07% 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:**

**www.studentaid.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 the school's financial aid office or visit the Department of Education's website at: www.studentaid.gov for more information about other loans.

**2. To Apply for this Loan, Complete the Application.**

If you are approved for this loan, the loan terms will be available for 30 days (terms will not change during this period, except as permitted by law).

**REFERENCE NOTES**

**Variable Interest Rate**

This loan has a variable interest rate that is based on the Prime Rate. Your rate will be calculated each quarter by adding a margin between 0.00% and 5.00% to the Prime Rate.

The rate will not increase more than once each quarter, but there is no limit on the amount the rate could increase at one time. If the interest rate increases, your monthly payments may be higher. Your rate will never be lower than 3.25% and will never exceed 15.00%.

**Eligibility Criteria**

**Borrower**

Must be enrolled at an eligible school at least half-time. In order to obtain this loan, you must be a member of Royal Credit Union.

Must be the age of majority in state of residence at time you apply.

**Cosigners**

Cosigner must be age of majority in the state of residence at the time you apply.

Rates may be, but are not necessarily, higher without a Cosigner.

**Borrower Benefits**

Interest rate discount of 0.25% for borrowers who are enrolled in recurring ACH payments. This discount is only applied for payments received via the recurring ACH process.

**Bankruptcy Limitations**

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

**More information about loan eligibility and repayment deferral or forbearance options is available in your loan application and credit agreement.**