

## Student Debt Issues

- **Student Affordability Report 2014, Pages 10-11**
- National average debt level for graduates of public and non-profit colleges was \$28,950. The ND average was \$27,704. (*Institute for College Access & Success*)
- In the last five years, institutions of all types saw significant decreases in loan volume, number of borrowers, and average annual loan amount.

The national default rate was 11.8% in 2012, while the NDUS institution rate was 9.0%. The ND state average is 6.6%.

2016 NDUS Student Affordability Report. <http://www.ndus.edu/uploads/reports/149/2016-ndus-affordability-report.pdf>

## Bank of ND – State Sponsored Student Loan Programs

- **Dakota Education Alternative Loan (DEAL)**
  - Fixed rate 5.02% or variable rate 2.01% (through March 31, 2016)
  - Students attending ND college or ND student attending out-of-state school
  - Maximum \$50,000 undergraduate and graduate
- **DEAL One Consolidation Program**
  - Fixed rate 5.02% or variable rate 2.01% (through March 31, 2016)
  - Consolidate any educational loans
  - ND resident for at least 6 months

# Bank of ND – Grant Programs

- **College SAVE**

- 529 college savings plan contributions
- \$300 match for up to 3 years
- Must meet income requirements
- BND has provided \$1.7 million in matching contributions since 2007

- **Children First**

- 529 college savings plan contributions
- \$200 match for ND newborns (one-year old or younger)
- No income requirements
- BND has provided more than \$326,000 in matching contributions since 2011

# Bank of North Dakota

## State Sponsored Student Loan Programs

### Dakota Education Alternative Loan (DEAL) (Established in 1997)

#### ≠ Eligibility

- ≠ Must be a U.S. citizen attending an eligible school, be making satisfactory academic progress in an eligible program and must not have any other loans in default.
- ≠ Must complete the Free Application for Federal Student Aid (FAFSA) process if you plan to attend school at least half-time.
- ≠ The school certifies current enrollment or acceptance for enrollment, academic progress and eligibility.
- ≠ High school students participating in dual credit programs may qualify for a DEAL Student Loan.
- ≠ Borrower or a creditworthy cosigner must meet specific credit criteria.

#### ≠ Interest Rates and Fees (Rates effective through March 31, 2016)

Fee and Interest Rate Comparison Table (rates effective through March 31, 2016)					
Student/College Information	Loan Fee	Fixed Interest Rate	Fixed APR <sup>1</sup>	Variable Interest Rate	Variable APR <sup>1</sup>
ND student attending a ND college	0%	5.02%	5.02%	2.01%	2.01%
Out-of-state student attending a ND college	0%	5.02%	5.02%	2.01%	2.01%
ND student attending an out-of-state college	0%	5.02%	5.02%	2.01%	2.01%

<sup>1</sup>The Annual Percentage Rate (APR) is typically different than the actual interest rate because the APR includes fees and reflects the cost of your loan as a yearly rate.

#### ≠ Loan Limits

- ≠ The maximum DEAL Student Loan limit for Undergraduate students is \$50,000. The maximum DEAL Student Loan limit for graduate students is \$50,000. A borrower may not borrow more than the cost of attendance at your school minus all other financial aid received for the loan period.

#### ≠ Repayment

- ≠ Payments are deferred until borrower leaves school or drops less than half-time. At this time, borrowers would entered into a 6-month grace period
- ≠ Once the borrower enters repayments and makes 24 on time payments, they may request to see if they meet credit requirements on their own, if they do, the cosigner may be released from loan
- ≠ Once in repayment, automatic payments qualify borrowers for a 0.25% interest rate reduction
- ≠ No pre-payment penalties
- ≠ Deferment and forbearance options available
- ≠ Loan may be forgiven in the case of borrower's death or permanent disability

## DEAL One Consolidation Program

(Consolidation program established 2007 – revamped 2014 to include federal student loans for ND residents)

### ≠ Eligibility

- You must be a U.S. citizen
- You can no longer be attending school
- You must be a North Dakota resident for at least 6 months
- You must meet BND credit criteria or a creditworthy cosigner is required

### ≠ Loan Options - ND Residents are eligible to consolidate any educational loans

- Stafford, Perkins, Parent Loan for Undergraduate Students (PLUS) and Grad PLUS, along with DEAL Student Loans, DEAL Consolidation Loans, and any other private student loans from other financial institutions

### ≠ Interest Rates and Fees (Rates effective through March 31, 2016)

DEAL One Consolidation - Fee and Interest Rate Comparison Table (rates effective through March 31, 2016)					
Borrower	Loan Fee	Fixed Interest Rate	Fixed APR <sup>1</sup>	Variable Interest Rate	Variable APR <sup>1</sup>
ND Resident	0%	5.02%	5.02%	2.01%*	2.01%*

<sup>1</sup>The Annual Percentage Rate (APR) is typically different than the actual interest rate because the APR includes fees and reflects the cost of your loan as a yearly rate.

*\*The Variable Interest rate will never exceed its annual increase of 1% or its life-time cap of 10%.*

### ≠ Repayment

- A cosigner release option is available after the borrower has made 48 consecutive on-time regular monthly payments and the borrower is able to meet credit requirements on their own
- Automatic payments qualify borrowers for a 0.25% interest rate reduction
- Loan terms vary between 10-25 years depending on loan amount
- No pre-payment penalties

### Contact Information

Tom Ternes  
701.328.5658 - [tsternes@nd.gov](mailto:tsternes@nd.gov)  
[www.DEALstudentloans.nd.gov](http://www.DEALstudentloans.nd.gov)

## **Bank of North Dakota (BND) Provides Grant Programs to Boost Families Saving for College**

**College SAVE** is the state of North Dakota's 529 college savings plan administered by Bank of North Dakota (BND). College SAVE first launched in 2001 and participation from North Dakota residents has grown to over 17,000 accounts with \$92.6 million in assets. **BND offers two matching grant programs to assist families.**

The **College SAVE Matching Grant Program** began in 2007 to encourage ND residents to save for higher education related expenses. A \$300 match is available (for up to 3 years) if the beneficiary or student is 15 years old or younger and the North Dakota account owner's income is within the following range:

- ≠ Current income parameters for a one-year match are \$120,000 Federal AGI and below for married filers (single filers \$80,000 and below).
- ≠ Multi-year grant parameters are \$80,000 Federal AGI and below for married filers (single filers \$60,000 and below). Maximum match amount is \$900.
- ≠ BND has provided \$1.7 million in Matching Grant contributions.

The **Children First Grant Program** began in 2011. Families of North Dakota newborns one year old or younger may receive a \$200 match.

- ≠ There are no income requirements for Children FIRST.
- ≠ BND has provided over \$326,000 in matching contributions since Children FIRST began.

**Participants who qualify for both programs could receive up to \$1,100 in matching grants. BND has awarded over \$2 million in matching grants to ND residents participating in the College SAVE Program.**