

GLOSSARY OF TERMS

Borrower – The person who agrees to repay all money, interest, and fees by the end of a predetermined period.

Co-signer – The person(s) who agrees to repay a loan if the borrower does not. This person is liable to repay all loan funds not repaid by the borrower.

Co-signer release – A provision in some student loans that allows the co-signer to be released from its obligation to repay the loan. This usually occurs after a predetermined number of on-time payments have been made.

Credit ready – A borrower whose credit is not yet credit worthy, but one who does not have any bad marks on their credit report or one that doesn't have a credit file long enough to allow for borrowing at the best rates and terms.

Credit worthy – A borrower is credit-worthy if a lender feels that they have a strong enough score to allow for borrowing without a cosigner and receives better terms.

Default – Occurs when a borrower does not repay their loans. Being in default on a loan will negatively impact a borrower's credit score. If a federal loan is in default, the borrower would not be able to receive any federal financial aid until the obligation has been satisfied.

Deferment – A period of time during repayment in which the federal student loan borrower, upon meeting certain conditions, is not required to make loan payments. For subsidized loans, the federal government pays the interest during a deferment. For other loans, the interest accrues and is capitalized, and the borrower is responsible for paying it.

Forbearance – occurs when the lender or servicer allows the borrower to temporarily postpone scheduled payments or temporarily make smaller payments. Some forbearances are available for all eligible borrowers; others are granted at the discretion of the lender or servicer.

Guaranty Agency – The organization that will repay a loan to a lender if the borrower or co-signer defaults. This would also be the organization that will attempt to collect the loan from the defaulted borrower.

Lender – the organization that provides the money that is lent.

Secondary Market – An organization that buys student loans from lenders, so that they will free up money to loan to new students.

Servicer – The organization that does the administrative work on behalf of a lender (often the guaranty agency). This would be the organization to which you would send payments, deferment forms, and other loan related forms.

Minnesota State Mankato requires that a complete valid FAFSA (Free Application for Federal Student Aid) be on file prior to the processing of student loans.

The FAFSA can be completed online at: www.fafsa.ed.gov/

or you may access the link below online at www.mnsu.edu/campusub:



Minnesota State University, Mankato
School Code: 002360

The information contained herein is accurate as of the time of this printing. Terms and conditions of particular loans mentioned may change without notice according to the decision of the individual lenders who provide these alternative funding sources.

May 2008

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Minnesota State Mankato is an
Affirmative Action/Equal Opportunity University.
This document is available in alternative format to
individuals with disabilities by calling the Campus Hub at
(507) 389-1866 (V), (800) 627-3529, or 711 (MRS/TTY).

2008 INFORMATION ABOUT OTHER LOAN OPTIONS 2009



Student Financial Services

120 Wigley Administration Center
Mankato, MN 56001
(507) 389-1866
www.mnsu.edu/campusub





FEDERAL PARENT LOAN FOR UNDERGRADUATE STUDENTS PROGRAM (PLUS)

The Federal PLUS Loan provides loans to parents of dependent undergraduate students attending post-secondary schools. The parent is the borrower of the PLUS Loan and is responsible for paying the interest and principal on the loan while the student is in school. Since July 1, 2006 the interest rate on the Federal PLUS Loan is fixed at 8.5%.

To apply for a PLUS loan, a Master Promissory Note (MPN) is required. Complete an online PLUS MPN for the selected lender at www.mnsu.edu/campus/loans/FASTChoice under the "Parent PLUS" tab. The online PLUS MPN can be completed and signed using the parent PIN code used to electronically sign the student's FAFSA. If the parent does not have a Federal PIN, one can be obtained from the U.S. Department of Education at www.pin.ed.gov.

The first time you complete a PLUS MPN, the appropriate agency will supply Minnesota State Mankato with the necessary information to allow for the processing of your loan request, provided you select a lender from the list available on FASTChoice, also shown on the following page.

For subsequent PLUS Loan requests or if completing a PLUS MPN with a lender other than those listed with FASTChoice, you will need to complete and submit a PLUS Loan Request form to Student Financial Services, which is available at www.mnsu.edu/campus/loans/plus.

Dependent students whose parents are denied the PLUS Loan may be eligible to receive additional funds from the Unsubsidized Federal Stafford Loan Program. A denial letter from the lender must be submitted to Student Financial Services; at that time the eligibility for additional funds will be determined and processed according to the student's request.

The PLUS MPN is valid for up to ten years, provided that the parent borrows within one year from the date the MPN was signed, and the parent uses the same lender and guaranty agency for each requested amount in subsequent years. If the PLUS MPN is still valid, the parent-borrower need only

submit the PLUS Loan Request Form to Student Financial Services to apply for additional funds.

If the parent-borrower is applying for Federal PLUS Loan funds for more than one student, a separate PLUS Loan Request Form (and PLUS MPN, if needed) must be submitted for each student.

FEDERAL GRADUATE PLUS LOAN

Graduate students have the option to borrow a Federal Graduate PLUS Loan. This is a federal student loan; however, unlike the Federal Stafford Loan program the Federal Graduate PLUS borrower must meet the credit criteria for the lender they select. It is strongly recommended that students exhaust their Federal Stafford Loan eligibility because of the more favorable loan program terms before they consider a Federal Graduate PLUS Loan.

To apply for a Graduate PLUS Loan submit a Graduate PLUS Loan Request form, available at www.mnsu.edu/campus/loans/gradplus, to Student Financial Services and complete an online Master Promissory Note (MPN) for the selected lender, available through the same web page. Loan entrance counseling is required and can be completed online at www.mappingyourfuture.org/Graduate.

STUDENT EDUCATIONAL LOAN FUND PROGRAM (SELF)

The Student Educational Loan fund (SELF) Program is an educational loan provided by the Minnesota Office of Higher Education. The program is unique to Minnesota and the Office of Higher Education is the only lender in the program.

Minnesota residents attending eligible post-secondary institutions in-state or out-of-state, and nonresidents physically attending post-secondary institutions within Minnesota are eligible to apply, including non-U.S. citizens.

There are no application fees, processing fees, or guarantee fees required in the SELF program.

The student is the borrower of the SELF Loan and is responsible for making quarterly interest payments while in school. As of April 1, 2008 the interest rate is 6.0%. The interest rate varies quarterly, throughout the life of the loan, however the interest rate will never vary more than 3% in any twelve-month period. The interest charged is the sum of the margin, which is currently 2.7%, added to the index, which is based on the average rounded to the nearest tenth of one percent of the three-month London Interbank Offered Rates (LIBOR) during the previous calendar quarter.

SELF has no deferment options, and there are limited forbearance options.

The SELF Loan application process is available at www.ohs.state.mn.us/self/apply.cfm. Students wishing to borrow SELF Loan funds for the first time will be directed through an entrance loan counseling process at this site as well.

ALTERNATIVE EDUCATIONAL LOANS FROM PRIVATE LENDERS

Several private lenders offer educational loan programs. The terms of these alternative loans vary from one lender to another. Some have fees attached to the loans along with interest. Repayment options also vary from one lender to another.

To be eligible for an alternative loan, students must meet the specific requirements of the loan they select. Most lenders require a creditworthy co-signer. Minnesota State Mankato policy requires that a FAFSA must be on file in order for Student Financial Services to process an alternative loan application, regardless of the lender's requirements. There are limited exceptions to the FAFSA requirement for students who are prohibited from completing the FAFSA process; these students must meet with a financial aid advisor for approval before the alternative loan application will be processed.

Detailed information about these other loan options, including specific features and application processes, are included in the following pages.

The following loans are available to students to assist in meeting their Cost of Attendance (COA). The COA is listed on the award letter as the Institutional Budget. Requested loan amounts must be within the COA established by Student Financial Services. Please remember, loans must be repaid. Budget carefully; borrow only what you need.

FEDERAL PLUS LOAN/FEDERAL GRADUATE PLUS LOAN LENDER INFORMATION

Minnesota State Mankato's recommended lenders for Federal PLUS and Federal Graduate PLUS Loans for 2008-2009 include the following lenders who participate in processes that allow for the electronic application, certification, and disbursement of Federal PLUS Loan and Federal Graduate PLUS Loan funds. You may choose to borrow from any participating lender.

Lender	Code	Website	Guaranty Agency
U.S. Bank	821654	usbank.com/studentloans	Great Lakes Higher Education Corp. P.O. Box 64080 St. Paul, MN 55164-0080 800-366-0032
Wells Fargo	807176	wellsfargo.com/student	
Wachovia	870005	wachovia.com/personal/page	
Bremer Bank	806361	bremer.com/home/personal/ Click on "Student Loans"	Education Assistance Corp. (EAC) 115 First Avenue Southwest Aberdeen, SD 57401-4184 800-458-4011
Citibank	826878	studentloan.com	
EdAmerica	831453	edamerica.net	
Security National Bank	804189	studentloan.org/borrowerbenefits.htm	Iowa College Student Aid Commission c/o iLink Service Center P.O. Box 7005 Des Moines, IA 50309-7005 800-243-7552
Bank of N. Dakota	816386	mystudentloanonline.com	Student Loans of North Dakota P.O. Box 5509 Bismarck, ND 58506-5509 800-472-2166

For Federal PLUS, an eligible parent-borrower must:

- Be the natural, adoptive, or step-parent of the dependent student whose income was listed on the FAFSA,
- Be a U.S. citizen or eligible non-citizen,
- Be borrowing on behalf of a dependent student who meets all of the requirements for the Federal Family Education Loan Program,
- Have a creditworthy history as determined by your lender, and
- Not be in default or owe a refund on any Title IV Federal Student Aid.

For Federal Graduate PLUS Loans, an eligible graduate student-borrower must:

- Be a U.S. citizen or eligible non-citizen,
- Meet all of the requirements for the Federal Family Education Loan Program,
- Have a creditworthy history as determined by your lender, and
- Not be in default or owe a refund on any Title IV Federal Student Aid.

STUDENT EDUCATIONAL LOAN FUND (SELF) LENDER INFORMATION

To be eligible for the loan, students are required to have a creditworthy co-signer. The student must have a completed Free Application for Federal Student Aid (FAFSA) on file for the academic year for which funds are requested to determine eligibility.

Lender:	Minnesota Office of Higher Education www.selfloan.org
Minimum Loan Amt	\$500
Annual Limits	\$7,500 per year for student in grade levels 1 through 5 Graduate students may borrow up to \$9,000 per year Amounts not to exceed cost of attendance less financial aid
Cumulative SELF	Grade Level 1: \$ 7,500 Grade Level 2: \$ 15,000 Grade Level 3: \$ 22,500 Grade Level 4: \$ 30,000 Grade Level 5: \$ 37,500

Maximum cumulative SELF limit for graduate and undergraduate loans is \$55,000

Contact Information	For existing SELF Loans, you may contact Firstmark Services (651) 265-7666 or (888) 295-0713 www.firstmarkservices.com
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For questions on pending SELF Loans, you may contact:
Minnesota Office of Higher Education
1450 Energy Park Drive, Suite 350
St. Paul, MN 55108-5227
(651) 642-0567 or (800) 657-3866
TTY Relay: (800) 627-3529
Fax: (651) 642-0570
E-mail: selfloans@ohe.state.mn.us

ALTERNATIVE EDUCATIONAL LOANS FROM PRIVATE LENDERS

Loan Program	Eligibility of Borrower/Co-signer	Minimum Annual Loan Limit	Aggregate Loan Limit	Interest Rate	Loan Fees	Repayment Period	Grace Period
U.S. Bank No Fee Educational Loan or U.S. Bank Gap Educational Loan Lender Code: 830694 Loan Servicer: Great Lakes www.usbank.com/sl/MSUMankato (800)242-1200	<ul style="list-style-type: none"> At least 18 years of age Positive credit history U.S. citizen or permanent resident International students may apply with an eligible U.S. citizen or permanent resident co-signer 	\$1,000	\$120,000	No Fee Loan: Prime Rate +0%, Prime Rate +1.95% or Prime +3.95% depending on credit Gap Loan: 91 Day T-bill +2.5% in-school, 91 Day T-bill +3.5% in repayment	No Fee Loan: None Gap Loan: 4% or 8% depending on credit strength. Fee is deducted from loan proceed.	Up to 15 years	6 months
Wells Fargo Collegiate Loan Lender Code: 807176 Loan Servicer: Wells Fargo www.wellsfargo.com/student (800) 658-3567	<ul style="list-style-type: none"> At least 18 years of age Meet criteria determined by Wells Fargo Ed. Financial Services U.S. citizen or permanent resident International students may apply with an eligible U.S. citizen or permanent resident co-signer 	\$1,000 first year, \$500 thereafter	\$120,000	Prime + 0%, +1.49%, +2.99%, +3.99%, +4.99%, or +5.99% determined by credit rating	None	Up to 15 years	6 months
Wachovia Education Lender Code: 830005 Loan Servicer: Wachovia www.wachovia.com/privateloans (877) 689-0763	<ul style="list-style-type: none"> At least 18 years of age Positive credit history U.S. citizen or permanent resident International students may apply with an eligible U.S. citizen or permanent resident co-signer 	\$500	\$130,000	Prime <i>minus</i> .5% to Prime plus 4% depending on credit. 0.5% rate reduction for auto-debit	ZERO fees	Up to 25 years	6 months
CitiAssist Loan Lender Code: 826878 Loan Servicer: Citibank www.studentloan.com (800) 967-2400	<ul style="list-style-type: none"> At least 18 years of age Positive credit history U.S. citizen or permanent resident International students may apply with an eligible U.S. citizen or permanent resident co-signer 	None	Undergraduate: \$120,000 Graduate: \$150,000	Prime <i>minus</i> .5% to Prime plus 4.75% based on credit review and co-signer presence	0.00% to 5.00% based on credit review and co-signer presence	Undergraduate: up to 20 years Graduate: up to 20 years	6 months
EdAmerica Xtra Credit Private Loan Lender Code: 831453 Loan Servicer: Edfinancial Services www.edamerica.net (800) 337-1009	<ul style="list-style-type: none"> Undergraduate and Graduate At least 18 years of age U.S. citizen or permanent resident Must meet minimum credit guidelines 	\$500	Undergraduate: Up to \$130,000 Graduate: Up to \$225,000	Rate varies based on credit review	From 4% to 7% based on credit review	Automatic principal and interest deferment while in school. Up to 4 years additional defer for medical internship or residency	6 months
North Dakota DEAL Lender Code: 816386 Loan Servicer: Bank of North Dakota www.mystudentloanonline.com (800) 472-2166	<ul style="list-style-type: none"> U.S. citizen Positive credit history Co-signer required if borrower less than 24 yrs old Meets Satisfactory Academic Progress Standards criteria 	\$500	None	Through 6/30/08 choose variable rate of 4.17% or fixed rate of 6.5%. Visit lender web site for available rates after 6/30/08.	Through 6/30/08, no fees. Visit lender web site for fee information after 6/30/08.	Generally up to 10 years. May be up to 25 years for borrowers with student loan balance greater than \$30,000.	6 months for most loans

Most alternative loans require student-borrower to have a creditworthy co-signer.

Maximum loan limit for all loan types is the cost of attendance less any financial aid/assistance.

Borrower Benefits: see each lender's web site for most current information on loan terms, repayment benefits, and enrollment requirements.