

CEFCU
 PO Box 1715
 Peoria, IL 61656
 (800) 542-3328

Loan Interest Rate & Fees

Your starting interest rate will be between

4.75 % and **12.00 %**

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 (co-signer credit, etc.). 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. Any limitation is determined by applicable law. 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 after you are approved, it will **never exceed 29%** (the maximum allowable for this loan).

Loan Fees

- Origination Fee:** No Origination Fee
- Late Charge:** If the full monthly payment is ten (10) days or more late you will pay a late charge of \$10 or 5% of the payment amount, whichever is greater.
- Returned Check Charge:** \$30

Loan Cost Examples

The total amount you will pay for this loan will depend on the actual amounts required to pay off your Existing Education Loans. The term of the loan, which is the period during which regularly scheduled payment of principal and interest will be due, is 144 months.

Repayment Summary	Amount Provided (amount provided directly to you or others on your behalf)	Interest Rate (highest possible starting rate)	Loan Term (how long you have to pay off the loan)	Total Paid over 12 years (includes associated fees)
MAKE FULL PAYMENTS Pay both the principal and interest amounts	\$10,000	12.000%	144 months starting <u>after</u> your first disbursement	\$18,913.24

About this example

The repayment example assumes that your payoff amounts are sent to your Existing Education Loans 20 days from the approval date and that you make your first principal and interest payment 45 days from the disbursement date. It is based on the highest starting rate currently charged and associated fees. The repayment period will last 144 months (12 years), starting after the first disbursement.

Next Steps

1. Find Out About Other Loan Options.

For more information about consolidating federal loans, visit www.studentaid.ed.gov/repay-loans/consolidation or www.studentloans.gov

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 and the variable 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 Prime Rate.

Your rate will be calculated each quarter by adding a margin between 0.75% and 8.00% to the Prime Rate. This rate will not increase more than once each calendar quarter, but there is no limit on the amount that the rate could increase at one time, except that the rate will never exceed 29.00% (the maximum applicable for this loan).

Eligibility Criteria Borrower

In order to obtain this loan, you must become a member of CEFCU. Borrower must be at the age of majority in their state of residence at the time you apply.

Eligibility Criteria Cosigner

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

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

Bankruptcy Limitations

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

More information about loan eligibility and forbearance options is available in your promissory note.

IMPORTANT DISCLOSURE ABOUT REFINANCING YOUR STUDENT LOANS

You are eligible to refinance both private and Federal student loans, other than Federal Perkins loans, with this private consolidation loan. If any of the loans that you are refinancing are Federal student loans, you should be aware of the following important facts about how refinancing may affect your rights.

1. A Federal student loan is made according to rules set by the U.S. Department of Education. Federal student loans typically have fixed interest rates, meaning that the interest rate on a Federal student loan will never go up or down. In addition, Federal student loans have longer default periods than private student loans.
2. Federal student loans also permit borrowers in financial trouble to use certain options, such as income-driven repayment options, which may help some borrowers. Depending on the type of Federal student loan that you have, the government may discharge your loan if you die or become permanently disabled.
3. Depending on the type of Federal student loan that you have, you may be eligible for loan forgiveness in exchange for performing certain types of public service. If you are an active duty service member and you obtained your Federal student loan before you were called to active duty, you are entitled to interest rate and repayment benefits for your loan. (Note that the interest rate cap of six percent that is applicable to Federal student loans is also applicable to private student loans, including private consolidation loans, but only if you obtained your private loan before you were called to active duty.)
4. Congress could also provide additional benefits in the future that would apply to your Federal student loans.
5. If you are unable to pay your Federal student loan, the government can refer your loan to a collection agency or sue you for the unpaid amount. In addition, the government has distinct abilities to collect the loan, such as taking your tax refund and applying it to your loan balance and invoking an administrative process for garnishing your wages.
6. A private consolidation loan is not a Federal student loan and is not regulated by the Department of Education. A private consolidation loan is instead regulated like other consumer loans under both state and federal law and by the terms of the loan agreement with your lender.
7. If you refinance your Federal student loan, your new lender will use the proceeds of your new loan to pay off your Federal student loan. Subject to certain legally required exceptions, lenders making private consolidation loans do not have to honor any of the benefits that apply to Federal student loans. Because your Federal student loan will be gone after refinancing, you will lose any benefits that apply to that loan.
8. Your private consolidation loan will have a variable interest rate which rate may currently be less than the rate of your Federal student loan, although the interest rate may go up or down in the future.
9. If you don't pay a private consolidation loan as agreed, the lender can refer your loan to a collection agency or sue you for the unpaid amount.
10. If you are a borrower with a secure job, emergency savings, strong credit and are unlikely to need any of the options available to distressed borrowers of Federal student loans, a refinance of your Federal student loans into a private consolidation loan may be attractive to you. You should consider the costs and benefits of refinancing carefully before you refinance.
11. If you refinance a Parent PLUS Loan into a new private loan, you will become responsible for additional debt that you did not previously owe. Please note that paying off an obligation owed by someone else, such as Parent PLUS Loan, may trigger certain gift tax consequences under the Internal Revenue Code, 26 USC §§ 1 et seq. In such circumstances we recommend that you consult a tax attorney.

You should also be aware that some of the same concerns that apply to refinancing your Federal student loans may also apply when you are refinancing your private student loans. Some private student loans also have fixed rates, offer certain protections to borrowers in financial trouble, offer loan forgiveness in some circumstances, and offer various other benefits, including rate reductions for on-time payment, which you will lose when you refinance.

Remember also that like Federal student loans, most private consolidation loans cannot be discharged if you file for bankruptcy unless you can demonstrate that repayment of the loan would cause you an undue hardship. In most bankruptcy courts, proving undue hardship is very difficult for most borrowers. Again, consider the costs and benefits of refinancing carefully before you refinance.