



**First Marblehead Education Resources, Inc.**  
One Cabot Road, 2nd Floor  
Medford, MA 02155-5141  
800-218-4541

## Loan Interest Rate & Fees

Your **starting interest rate** will be between

4.950%

and

15.350%

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 on your and, if applicable, your cosigner's, credit histories, the repayment option and loan term that you select, and the requested loan amount and other information you provide on the online loan application. 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. The variable rate is based upon the One-Month LIBOR 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 16%** (the maximum allowable for this loan).

## Loan Fees

There are no fees associated with this loan.

## Loan Cost Examples

The total amount you will pay for this loan will vary depending upon when you start to repay it. This example provides estimates based upon two (2) different repayment options that may be available to you while enrolled in school.

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
<b>1. PAY ONLY THE INTEREST</b> Make interest payments but defer payments on the principal amount while enrolled in school.	\$10,000	15.350%	10 Years starting <u>after</u> the deferment period	<b>\$26,141.46</b>
<b>2. MAKE FULL PAYMENTS</b> Pay both the principal and interest amounts.	\$10,000	15.050%	10 Years starting <u>after</u> the final disbursement	<b>\$19,397.21</b>

### About this example

The loan cost example for the "Pay Only The Interest" repayment option assumes that you remain in school for 45 months and have a 6 month grace period before entering repayment. All examples are based on the highest starting rate currently charged. Depending on your loan amount and other factors, repayment may last up to 10 years, starting after the deferment period.

## Federal Loan Alternatives

Loan program	Current Interest Rates by Program Type	
<b>PERKINS</b> for Students	5% fixed	
<b>STAFFORD</b> for Students	3.76% fixed	Undergraduate subsidized & unsubsidized
	5.31% fixed	Graduate unsubsidized
<b>PLUS</b> for Parents and Graduate/Professional Students	6.31% 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.federalstudentaid.ed.gov](http://www.federalstudentaid.ed.gov)

## Next Steps

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### 1. Find Out About Other Loan Options.

Some schools have school-specific student loan benefits and terms not detailed on this form. Contact your school's financial aid office or visit the Department of Education's website at: [www.federalstudentaid.ed.gov](http://www.federalstudentaid.ed.gov) for more information about other loans.

### 2. To Apply for this Loan, Complete the Application and the Applicant Self-Certification Form.

You may obtain the Applicant Self-Certification form from your school's financial aid office or as part of this application process. If you are approved for this loan, the loan terms will be available for 45 days (terms will not change during this period, except as permitted by law and the variable interest rate may change based on the market).

## REFERENCE NOTES

### Variable Interest Rate:

- This loan has a variable interest rate that is based on the One-Month London Interbank Offered Rate (LIBOR) index which is published in the "Money Rates" section of *The Wall Street Journal* (Eastern Edition) and will be equal to the One-Month LIBOR rate published on the 25th day (or if such 25th day is not a business day, the next business day thereafter) of the month immediately preceding such calendar month, rounded up to the nearest one-eighth of one percent (0.125%).
- This loan has a Variable Rate. The Variable Rate is determined by (1) your and, if applicable, your cosigner's, credit histories, (2) the repayment option and loan term that you select, and (3) the requested loan amount and other information you provide on the online loan application.
- Your interest rate will be calculated each month by adding your margin (which can range from 3.95% to 14.35%) to the current One-Month LIBOR index.
- Your interest rate may increase or decrease monthly if the One-Month LIBOR index changes, which will affect your monthly payment.
- Your interest rate will not increase more than once a month.
- There is no limit on the amount that the rate could increase at one time, however your rate will never exceed 16.00%.
- Interest rates are typically higher without a cosigner.

### Eligibility Criteria:

- Borrower:
  - Must be enrolled at an eligible school at least half-time.
  - Must be of the legal age of majority or at least 18 years of age with a cosigner who is the legal age of majority. Age of majority is determined by your state of permanent residence:
    - 18 years of age in most states
    - 19 years of age in Alabama
    - 19 years of age in Nebraska if you are a ward of the state
    - 21 years of age in Mississippi and Puerto Rico
- Cosigner:
  - All cosigners must be the legal age of majority. Age of majority is determined by your state of permanent residence:
    - 18 years of age in most states
    - 19 years of age in Alabama
    - 19 years of age in Nebraska if you are a ward of the state
    - 21 years of age in Mississippi and Puerto Rico

### Bankruptcy Limitations:

- If you (borrower or cosigner) file for bankruptcy you may still be required to pay back this loan.

**More information about loan eligibility, interest rate reductions, and repayment deferral or forbearance options is available in your loan application and Credit Agreement.**

## ADDITIONAL IOWA STUDENT LOAN DISCLOSURES

**A. Cosigner Requirements**

A cosigner is required for this student loan if you do not meet our credit requirements on your own, for example, credit history, income and/or employment requirements.

**B. Repayment of Loan Information**

**Immediate Repayment** - First payment of principal and interest begins 30-60 days after the final disbursement of the loan.

**Interest Only** - Interest payments begin 30-60 days after the first disbursement of the loan, and principal and interest payments begin 30-60 days after the Deferment End Date. The Deferment End Date will be 6 months after the date you first graduate or cease to be enrolled at least half-time in the School (or another Title IV eligible school), but no more than 66 months after the first Disbursement Date.

You can prepay your loan in whole or part at any time without penalty.

**C. Additional Terms and Conditions**

Your loan is subject to all of the terms and conditions of your Credit Agreement. Please read your Credit Agreement carefully, it may include terms under which the interest rate on the loan may change. To obtain a copy of your Credit Agreement, please write to First Marblehead Education Resources, Inc., P.O. Box 848108, Boston, MA 02284-8108.

**D. Consequences of Loan Default**

There are serious consequences if you default on this loan. For example, under normal circumstances, student loans are not dischargeable in bankruptcy. In order to discharge a loan in bankruptcy, the borrower must prove undue hardship in an adversary proceeding before the bankruptcy court.

Additional consequences of default on this loan include:

- Lender may report the late payment history to credit reporting agencies, which will adversely affect your credit rating and ability to get more credit
- Interest will continue to accrue on the outstanding principal balance
- Lender may take legal action
- Borrower may become ineligible for further loans from the lender
- Full amount of the loan may become due immediately

**E. Lender Contact Information**

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<http://www.raiseloans.com>