



## How Long Will You Have to Repay?

Loan Amount	Maximum Repayment Period
\$0 - \$7,499	10 Years
\$7,500 - \$9,999	12 Years
\$10,000 - \$19,999	15 Years
\$20,000 - \$39,999	20 Years
\$40,000 - \$59,999	25 Years
\$60,000 and greater	30 Years

## Deferment

Consolidation Loans are eligible for the following deferments:

- Full-time student
- Half-time student
- Graduate fellowship
- Rehabilitation training
- Economic hardship
- Unemployment

The Federal government will only pay interest that accrues on the subsidized portion of the Consolidation Loan during one of these deferment periods.

*Repayment periods are based on loan amounts.*

## BND Bank of North Dakota

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The information in this brochure is based upon rules and regulations in effect at the time of printing. This program is subject to changes in legislation and funding availability.

### Who Is Eligible For Consolidation?

If you currently have a loan with Bank of North Dakota (BND), you are eligible to consolidate with us. If you do not have a loan through BND, you may still be eligible. Call 1-800-472-2166 ext. 5660 to discuss your eligibility on loans ranging from Stafford and Perkins to PLUS, or visit us at

[mystudentloanonline.nd.gov](http://mystudentloanonline.nd.gov)

### How Does Consolidation Work?

Bank of North Dakota's (BND) Consolidation Loan Program is designed to help you manage your student loan debt by allowing you to combine several student loans into one loan.

#### Features of loan consolidation are:

- Your previous loans are paid off by the Bank of North Dakota who then issues you one new loan. Other eligible loans may be added to the Consolidation Loan within 180 days.
- The repayment period may be extended, which could result in lower monthly payments.
- There is no fee to consolidate.
- Your loans will be "locked in" at a fixed rate.



### Things To Consider Before Consolidation

#### Benefits of loan consolidation include:

- fixed interest rate;
- lower monthly payments;
- one payment per month;
- flexible payment schedules; and,
- one lender.

#### Consolidation may create:

- slightly higher interest costs;
- fewer deferments available (for those who took out their first loan prior to July 1, 1993); and,
- loss of cancellation options (except in the case of total and permanent disability or death).

#### To consolidate your loans, you must meet the following requirements:

- Your loans are in a grace, repayment, or deferment period.
- You are not currently applying for a Consolidation Loan with another lender.
- You have made satisfactory payment arrangements on a defaulted loan prior to application.
- You do not have a judgment or wage garnishment on Title IV loans.
- BND is your current lender or you have multiple Federal Family Education Loan Program (FFELP) holders.

### Repayment Options

#### Standard Repayment

You will receive a Standard Repayment Plan unless you request one of the other plans listed below. Payments will be a fixed amount for the life of the loan. The minimum monthly payment is \$50; however, your monthly payment may be higher depending on your loan balance. The maximum amount of time allowed for repayment is 10-30 years, depending on the loan balance.

#### Graduated Repayment

Payments start low and gradually increase during your repayment period. This plan may be good for you if you anticipate your income will increase in the future. This plan has a maximum 10-30 year repayment period, depending on the loan balance.

#### Income Sensitive Repayment

Payments are adjusted annually, based on your current income. Payments must cover at least the interest that accrues between scheduled payments. Your lender may require evidence of your income from employment or other sources during this repayment period. This plan has a maximum 10-30 year repayment period, depending on the loan balance.

#### Extended Repayment

This plan is available if all of your loans were made on or after October 7, 1998. The payment term may be extended up to 25 years if the loan balance is \$30,000 or more. Payments may be a fixed monthly payment or a graduated amount.

#### Please Note:

- Through the Graduated Repayment, Income Sensitive Repayment, and Extended Repayment plans you will pay more interest than you ordinarily would under the Standard Repayment Plan.
- There is no prepayment penalty if you choose to make larger than scheduled payments to pay off the loan in a shorter period of time.
- The interest rate is calculated as the weighted average of the loans (excluding any HEAL loan portion) and rounded up to the nearest 1/8 % not to exceed 8.25%. Once calculated, this rate becomes the fixed rate for the Consolidation Loan. The HEAL portion of the loan is variable and adjusted annually on July 1.