

## Private Education Loan Application and Solicitation Disclosure

In accordance with the Truth in Lending Act, students who have been awarded institutional loans must receive this disclosure. Please note that this is the first of the required three disclosures.

---

Columbia University  
Office:  
Phone Number:

Student Name:  
C-Number:

Name of Loan Fund(s):

### Steps

---

1. View sample Columbia University Institutional Loan Disclosure
2. Find Out about Other Loan Options
  - a. Contact your school's financial aid office or visit the Department of Education's web site at: [www.federalstudentaid.ed.gov](http://www.federalstudentaid.ed.gov) for more information about other federal loans
3. To accept this loan award, log into . <https://www.acs-education.com/CS/Jsp/cpsesign/welcome.jsp>
  - a. Complete and sign the self-certification form and e-sign your promissory note
  - b. View your second loan disclosure form
  - c. Accept the award
  - d. View your final disclosure form

You may need to have your FAFSA PIN available in order for the system to verify you for completion of this process. You can go to [www.pin.ed.gov](http://www.pin.ed.gov) and request a duplicate PIN.

### Loan Interest Rate & Fees

---

Your starting interest rate will be between:

0 %

&

25 %

After the starting rate is set, your rate could then vary with the market.

**INTEREST:** Interest shall accrue as of the first disbursement date on the total amount disbursed and during the repayment period at the percentage rate of one month LIBOR plus 7.67% on the unpaid balance. Interest will be adjusted monthly on the 20th day of each month for the following calendar month. Your interest will vary with the market, but will never go above 25%. The rate can change once a month and there is no limit on how much the rate can increase at one time.

#### Term of Loan:

The term of your loan is 240 months.

#### Loan Fees:

Application Fee: Not Applicable  
Origination Fee: Not Applicable  
Loan Guarantee Fee: 3% of each loan disbursement  
Repayment Fee: Not Applicable  
Late Charges: \$25.00  
Returned Check Fee: \$25.00

---

## Loan Cost Examples

The total amount you will pay for this loan will vary depending upon when you enter repayment. This example provides estimates based upon the number of repayment options available to you while enrolled in school and the total loan amount.

Repayment Options	Amount Provided	Interest Rate	Loan Term	Total paid over term of loan
<b>1. Pay Only the Interest while enrolled</b> Pay accrued interest but defer payments on principal amount while enrolled. <b>Interest accrues while enrolled.</b>	\$10,000.00	25%	<b>20 years</b> (240 months)	\$50,356.80
<b>2. Make Full Payments after enrollment</b> Pay both the principal and interest amounts after enrollment. <b>Interest accrues while enrolled.</b>	\$10,000.00	25%	<b>20 years</b> (240 months)	\$82,598.40

### Reference Notes

#### Variable Interest Rate

Your loan has a variable interest rate, which is based upon a publically available index, the LIBOR. Your loan has a variable interest rate. Your rate will be calculated each month by adding the LIBOR to the index.

Example: Based on 25.00% interest and a 2 year enrollment period

#### Cost of Interest Capitalization Calculator

Initial Loan Balance: \$10,000.00  
 Loan Interest Rate: 25.00%  
 Loan Term: 20 years  
 Minimum Payment: \$50.00  
 Deferment (Months): 24  
 Capitalization Frequency: Monthly

After the deferment period of 24 months, the new loan balance is \$16,402.73, including \$6,402.73 in accrued interest.

**Without** the interest capitalization there would have been 240 payments of \$209.82, for a total payment of \$50,356.80 (including a total of \$40,356.80 in interest) plus an additional \$5,000.00 in interest paid during the deferment period.

**With** the interest capitalization there are 240 payments of \$344.16, for a total payment of \$82,598.40 (including a total of \$66,195.67 in interest plus \$6,402.73 in interest accrued during the deferment period).

Thus the total amount paid with interest capitalization is \$82,598.40 or **\$27,241.60 more than would have been paid without capitalization.** That's an extra \$2.72 for every dollar borrowed.

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

About the Repayment Example:

The repayment example above is based on the estimated highest future interest rate.

These results in the adjacent "Loan Calculator Example" assume that the student is paying the interest charges on any unsubsidized loans and is not capitalizing the interest while in school.

For more information regarding variable interest rates and LIBOR, please see the website listed below:

[http://www.finaid.org/loans/prime\\_libor.phtml](http://www.finaid.org/loans/prime_libor.phtml)

**FEDERAL LOAN ALTERNATIVES:** If you are a citizen of the United States or a permanent resident, you may qualify for Federal loans. For additional information, contact your school's financial aid office or the University's Financial Aid websites:

Graduate → [http://www.columbia.edu/cu/sfs/docs/Grad\\_Fin\\_Aid/index.html](http://www.columbia.edu/cu/sfs/docs/Grad_Fin_Aid/index.html)

Undergraduate → [http://www.columbia.edu/cu/sfs/docs/Ugrad\\_Fin\\_Aid/index.html](http://www.columbia.edu/cu/sfs/docs/Ugrad_Fin_Aid/index.html)

Federal Loan Program*	Current Interest Rate by Program Type**
PERKINS	5% Fixed
DIRECT LOAN	3.4% Variable for Undergraduate Subsidized
	6.8% Variable for Undergraduate Unsubsidized & Graduate
DIRECT PLUS LOAN for Parents and Graduate/Professional Students	7.9% Variable

\*Please note that fees may apply to these Federal loans.

\*\* Interest rates subject to change each July 1, according to federal regulations.

For more information about this disclosure form, please contact your school's financial aid office.