

SELF Loan[®]

Just the Facts

What is the SELF Loan?

The SELF Loan is an educational loan administered by the Minnesota Office of Higher Education. The program is not subsidized by the state or federal government. It is unique to Minnesota and the Office of Higher Education is the only lender in the program.

Who may borrow?

Minnesota residents attending eligible postsecondary institutions in-state or out-of-state and non-residents physically attending eligible postsecondary institutions within Minnesota are eligible. An eligible postsecondary institution has signed a participation contract with the Office of Higher Education.

How much am I allowed to borrow?*

- \$7,500 per year for students in grade levels 1 through 5
- \$9,000 per year for graduate students

Cumulative SELF borrowing maximums are:

- \$ 7,500 for grade level 1
- \$15,000 for grade level 2
- \$22,500 for grade level 3
- \$30,000 for grade level 4
- \$37,500 for grade level 5
- \$55,500 total cumulative limit for graduate and undergraduate SELF Loans.

Grade level is determined by the school based on the number of credits earned.

The minimum loan amount is \$500.

**Loan limits will increase to \$10,000 in November 2010 for students enrolled in a bachelor's degree, postbaccalaureate or graduate program. Students in those programs can apply for the additional \$2,500 in November.

What is the current interest rate?

For July 1, 2010 through September 30, 2010, the SELF IV interest rate is 3.9 percent. The interest rate can change quarterly.

The interest charged is the sum of the margin, which is currently 3.5 percent, added to the index, which is based on the average three-month London Interbank Offered Rates (LIBOR) rate during the previous calendar quarter rounded to the nearest tenth of one percent.

There is a 3 percent cap on interest rate changes during any 12-month period.

More interest rate information is available at www.selfloan.org.

Are there any application, processing or guarantee fees deducted from my loan?

No.

How is my eligibility for a SELF Loan determined?

The school determines your eligibility based on the cost of attendance minus other financial aid. Cumulative SELF Loan debt is considered. There is no minimum income threshold or requirement to demonstrate financial need.

Is a co-signer required?

Every applicant must have a co-signer who meets the following requirements:

- is a U.S. citizen or permanent resident, who resides in the United States;
- is 24 years of age or older or 18 years if a sibling of the borrower; and
- is credit worthy
 - no negative credit reporting such as bankruptcy, garnishments, foreclosures, repossessions, suits, delinquent or unsatisfied credit obligations, or more than 5 percent of credit bureau balances past due.

What are my repayment requirements?

Quarterly interest-only payments begin within 90 days after disbursement and continue as long as you are properly enrolled. At termination of study, monthly interest-only payments begin and continue for up to 12 months. You also may have the option to select an additional two years of interest-only payments.

Are there loan deferment opportunities?

No.

If I transfer to another school or go to graduate school, may I still make interest-only payments?

Yes, but ONLY if you transfer before the transition period elapses, the school you transfer to is an eligible institution and you haven't started a required repayment period.

What is the maximum SELF IV repayment period?

Borrowers with total SELF Loan balances of less than \$18,750 have a repayment period that does not exceed 10 years from the borrower's graduation or college termination date.

Borrowers with total SELF Loan balances of \$18,750 or greater have a repayment period that does not exceed 15 years from the borrower's graduation or college termination date.

Loans enter repayment no later than seven years after the first disbursement date.

How do I apply for a SELF Loan?

Visit www.selfloan.org to see if your school uses the online application or contact your school or the Office of Higher Education for a paper application.



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