

# American State Bank Private Student Loan Program



The American State Bank Private Student Loan is subject to credit approval. Applicants who do not meet the underwriting and credit criteria on their own may apply with cosigner(s).

**Note:** Aspire Servicing Center<sup>SM</sup> has a contractual relationship with American State Bank wherein Aspire Servicing Center performs certain private student loan (private loan) services for American State Bank.

## Loan Details

The American State Bank Private Student Loan must be:

- ▶ No more than the cost of attendance minus other aid annually.
- ▶ No more than \$80,000 cumulative.
- ▶ At least \$500.

The following chart and example detail the interest rates and fees for the American State Bank Private Student Loan.

American State Bank Private Student Loan	
<b>Cosigners</b>	1 or 2 <b>Note:</b> Applicants who are creditworthy (meet the underwriting and credit criteria) are not required to provide cosigner(s).
<b>Origination Fee</b>	0%
<b>Interest Rate</b>	Variable <sup>1</sup> 2.50% + prime rate index (varies quarterly) <sup>2</sup>
<b>Capitalization of Interest</b>	At repayment and at the end of any authorized period of deferment
<b>Current Interest Rate<sup>1</sup></b>	<b>10.50%</b>
<b>Repayment Term</b>	20 years <sup>3</sup>
<b>Payments Required While Enrolled?</b>	No, but making payments that at least cover accrued interest prevents increases to the loan balance.
<b>Separation Period (After the in-school period and before principal and interest repayment begins)</b>	6 months

Example for a \$10,000 Loan	
<b>Annual Percentage Rate (APR)</b>	<b>9.81%<sup>4</sup></b>
<b>Finance Charge</b>	\$24,631 <sup>4</sup>
<b>Monthly Payment</b>	\$144 <sup>4</sup>

<sup>1</sup> **The rate is subject to increase after consummation.** The prime rate index is defined as the U.S. Prime Rate published by the Wall Street Journal on the 10th calendar day prior to month end March, June, September and December (or the preceding business day if the 10th calendar day is not a business day). The prime index for the quarter October 1–December 31, 2024, is 8.00%.

<sup>2</sup> The rate will not exceed 21.00%.

<sup>3</sup> A loan of \$1,000 or less has a maximum repayment term of 37 months.

<sup>4</sup> Annual percentage rate (APR), finance charge and monthly payment examples are based on borrowing \$10,000, a 0% origination fee, deferring interest and principal for 51 months, and maintaining a constant interest rate on a variable rate loan of 10.50% during the 51-month interim and 240-month repayment periods. APR examples are based on quarterly interest rates October 1–December 31, 2024.

## Eligibility Criteria

To be eligible for the American State Bank Private Student Loan, you must:

- ▶ Be a current customer of American State Bank attending any nonprofit, Title IV eligible, degree-granting, regionally accredited college or university or nonprofit school of nursing; **or** be a student at Dordt University or Northwestern College in Iowa.
- ▶ Be of majority age pursuant to applicable law at the time of application or be an emancipated minor. A student not of majority age must apply with an eligible cosigner.
- ▶ Not have defaulted on any private or government student loan.
- ▶ Be accepted, enrolled or attending on at least a half-time basis, as defined by the school, **and** be making satisfactory academic progress in an eligible education program.
- ▶ Be a U.S. citizen or permanent resident residing in the United States. Cosigner(s) must be U.S. citizens or permanent residents residing in the United States.

## Underwriting Criteria

To qualify for this supplemental private student loan, you or your cosigner(s) must have:

- ▶ Monthly payments for approved credit (mortgages, rent, car loans, credit cards and other forms of credit, including the loan for which the student has submitted an application) that do not exceed 40% of gross monthly income (if a mortgage or rent is not included, debt-to-income ratio cannot exceed 25%). All student loan debt will be treated as though it is in repayment.
- ▶ Continuous employment over the last two years. (This requirement may be waived for retirees, disabled persons or those receiving a verified income.)
- ▶ No more than two accounts reporting 30-day delinquencies and no delinquencies of 60 days or more during the previous two years.
- ▶ No charge-offs, repossessions, collection accounts, judgments, foreclosures, garnishments by credit providers or tax liens.
- ▶ No previous bankruptcies.
- ▶ Not defaulted on any private or government student loan.

**Note:** For joint cosigned loans, at least one cosigner must meet all credit underwriting criteria with the exception of the debt-to-income ratio.

Please note that the list of criteria above may not be exhaustive. American State Bank may require you or your cosigners to meet additional criteria in order to qualify for a loan. American State Bank reserves the right to change the list of criteria in any way from time to time.

## Interest-Rate Reduction

Earn a 0.25% interest rate reduction by making auto-debit payments when you begin principal and interest repayment.

The 0.25% interest rate reduction will apply once Aspire Servicing Center begins to automatically deduct payments and will remain in effect as long as automatic payments continue without interruption during the repayment period. The 0.25% interest rate reduction will not lower the monthly payment amount but will instead reduce the interest amount that accrues. The interest rate reduction will be suspended during approved assistance or if automatic payments are rejected due to insufficient funds.

## Cosigner Release

You may apply to have your cosigner(s) released from their obligation after 36 consecutive, on-time monthly principal and interest payments as long as you meet the underwriting and credit criteria at the time the cosigner release is requested.

## Repayment Details

Once you're approved for the American State Bank Private Student Loan, your loan funds will be disbursed directly to your school.

After your loan funds are sent to your school:

- ▶ Interest will begin to accrue on your loan.
- ▶ No payments are due until six months after you graduate, leave school or drop below half-time enrollment.
- ▶ You will receive monthly interest statements while you are enrolled at least half time. You are not required to make payments while you're enrolled at least half time and during the six-month separation period, but American State Bank and Aspire Servicing Center strongly encourage you to make payments that at least cover your interest to avoid increases to your loan balance.
- ▶ Payments should be sent to Aspire Servicing Center.
- ▶ You can access your account information through the secure Account Access system at [www.AspireServicingCenter.com](http://www.AspireServicingCenter.com).