



**DAKOTA EDUCATION ALTERNATIVE LOAN (DEAL)  
COSIGNER CREDIT APPLICATION AND PROMISSORY NOTE**  
BANK OF NORTH DAKOTA  
STUDENT LOAN SERVICES  
SFN 51707 (06-2011)

<b>SUBMIT COMPLETED APPLICATION TO:</b>
<b>Bank of North Dakota</b> PO Box 5509, Bismarck, ND 58506-5509 1-800-472-2166 ext. 5763 (1-800-643-3916 TDD) <i>mystudentloanonline.nd.gov</i>

LENDER USE ONLY	
Approved <input type="checkbox"/>	Date
Denied <input type="checkbox"/>	Initials

**WARNING:** Any person who knowingly makes a false statement or misrepresentation on this form is subject to criminal penalties.

**STUDENT INFORMATION (From Loan Application and Promissory Note)**

1. Last Name	First Name	Middle Initial	2. Birthdate (mm/dd/yyyy)	3. Date Student Signed Promissory Note
4. School Name			4a. City	4b. State

**COSIGNER INFORMATION (Please print neatly or type. Read the instructions carefully.)**

5. Last Name	First Name	Middle Initial	6. Date of Birth (mm/dd/yyyy)	7. Social Security Number
8. Permanent Street Address (if P.O. Box, see instructions)			8a. City	8b. State   8c. Zip Code
9. Home Telephone Number ( )	10. Cell Telephone Number ( )		11. Drivers License Number State: #:	
12. E-mail Address				

13. Are you a U.S. Citizen?  
 Yes  No

14. Loan Amount Requested by Student \$	15. Relationship to Student
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16. Employer Name			
17. Employer Address	17a. City	17b. State	17c. Zip Code
18. Employer Telephone Number ( )	19. Position		

**20. REFERENCES REQUIRED - COSIGNER MUST LIST 3 REFERENCES WHO ARE FRIENDS OR RELATIVES**

Reference Name	Reference Name	Reference Name
Street Address	Street Address	Street Address
City   State   Zip Code	City   State   Zip Code	City   State   Zip Code
E-mail Address	E-mail Address	E-mail Address
Telephone Number ( )	Telephone Number ( )	Telephone Number ( )
Relationship to Cosigner	Relationship to Cosigner	Relationship to Cosigner

**COSIGNER PROMISE TO PAY:** Although I will not personally receive any loan proceeds, I promise to repay the full amount of this debt, including unpaid principal, accrued interest, late fees, and/or collection costs, if, upon demand by the lender/holder of the Promissory Note executed by the borrower, the borrower fails to repay the debt. I understand that the lender/holder can use the same collection methods against me that can be used against the borrower. I understand that this is a Promissory Note. I will not sign this DEAL Credit Application and Promissory Note before reading it, even if otherwise advised. I am entitled to an exact copy of this Promissory Note and the Borrower's Rights and Responsibilities. My signature certifies I have read, understand and agree to the terms and conditions of the DEAL Credit Application and Promissory Note, as applicable. Under penalty of perjury, I certify that the information contained on the DEAL Credit Application and Promissory Note is true and accurate. I authorize the lender, or its agent, to investigate my credit record and report information concerning my credit to the proper persons and organizations. I understand that this debt will become part of my credit record. **I UNDERSTAND THIS IS A LOAN THAT I MUST REPAY IF THE BORROWER DOES NOT.**

21. Cosigner Signature \_\_\_\_\_ Date (mm/dd/yyyy) \_\_\_\_\_

## INSTRUCTIONS FOR COMPLETING THE DAKOTA EDUCATION ALTERNATIVE LOAN (DEAL) CREDIT APPLICATION

*(In order to approve the DEAL loan, the borrower must demonstrate good credit.  
If the borrower is not creditworthy, then a creditworthy cosigner must complete this credit application.)*

### PROGRAM REQUIREMENTS

- a) All borrowers less than 24 years of age are required to have a creditworthy cosigner;
- b) Borrowers who are at least 24 years of age may apply for the DEAL loan based on their creditworthiness. If found to be not creditworthy, then a creditworthy cosigner is required.

### CREDITWORTHINESS

A credit score of at least 700 is considered to be creditworthy. Credit applicants with a score of 575 to 699 will be reviewed for a clear credit history, and may still be eligible for the DEAL loan.

### STUDENT INFORMATION SECTION

**Item 1:** Enter the last name, then first name and middle initial of the student for whom the DEAL loan is sought.

**Item 2:** Enter the month/day/year of the student's birth. Use only numbers.

**Item 3:** Enter the date that the student signed the DEAL Application and Promissory Note (refer to Item 22 of the DEAL Application and Promissory Note). Use only numbers in month/day/year sequence.

**Item 4-4b:** Write the name, city and state of the school which the student is attending (or will attend).

### COSIGNER INFORMATION SECTION (This section is completed by the cosigner.)

**Item 5:** Enter your last name, your first name and middle initial.

**Item 6:** Enter the month/day/year of your birth. Use only numbers.

**Item 7:** Enter your Social Security Number. A cosigner's Social Security Number is required to process the loan application.

**Item 8-8c:** Enter your permanent home street address, apartment number, city, state and zip code. If you use a Post Office Box, you must also list a street address (must be a valid U.S. address).

**Item 9:** Enter the area code and home telephone number. If you have no home telephone, enter N/A.

**Item 10:** Enter your cell telephone number, including area code. If you have no cell telephone, enter N/A.

**Item 11:** Enter your current drivers license number, listing the state that issued this license, followed by the number. If you do not have a valid drivers license, enter N/A.

**Item 12:** Enter your e-mail address if applicable.

**Item 13:** You must be a U.S. Citizen to cosign this loan.

**Item 14:** Enter the amount that the student has requested in Item 11 of the DEAL Application and Promissory Note.

**Item 15:** List your relationship to the student.

**Item 16-19:** Enter your:

- (16) place of employment
- (17-17c) employer's address
- (18) employer's telephone number
- (19) your position with the employer

**Item 20:** Enter the required information for three adult references with different United States addresses. References with addresses outside the U.S. are not acceptable. Please do not list a spouse, business, instructor/coach or clergyman as a reference. References must include telephone numbers. E-mail addresses are optional, but appreciated.

**Item 21:** Sign your full name, including your first, middle initial and last name. Enter the date you are signing the Credit Application. By signing, you acknowledge that you have read, understand and agree to the provisions in the Cosigner Promise to Pay, Borrower Certification and Authorization section, the Promissory Note, and the statement of Borrower's Rights and Responsibilities. Please keep a copy of the Credit Application for your records.

### IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the federal government fight the funding of terrorism and money laundering activities, Section 326 of the USA PATRIOT Act<sup>1</sup> requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account (checking, savings, certificates of deposit, loans, safekeeping services, trust services, etc.).

What this means for you:

- When you open an account or request certain services, we will ask for your name, address, date of birth, identification number such as your Social Security Number or Tax Identification Number, and other information that will allow us to identify you.
- We may also ask to see your driver's license or other identifying documents.

The principal purpose and routine uses of this information are to verify your identity, provide for the servicing of your account or loan, including communications with consumer reporting agencies, and in the event it is necessary, to locate you and collect on your loan(s). Providing any requested information is mandatory in order to open the account or receive the requested service. We will not be able to open your account or grant the service if the requested information is not provided. In all cases, protection of our customers' identity and confidentiality is the Bank's pledge to you.

<sup>1</sup> This notice also satisfies our obligations under the Privacy Act of 1974

## PROMISSORY NOTE (continued)

### Disclosure of Terms

This Note applies to the Dakota Education Alternative Loan (DEAL). I agree that the lender or any subsequent holder may sell or transfer my loan. At the time my loan is approved, Bank of North Dakota will send me a DEAL Approval Disclosure identifying additional terms of the loan. Important additional information is also disclosed in the statement of Borrower's Rights and Responsibilities accompanying this Note.

Information concerning the amount, disbursement and repayment of my loan will be reported to one or more national credit bureau organizations.

### Interest

The borrower will choose between a fixed or variable interest rate option on their loan application. It is important that you confirm the option the borrower chose prior to signing this Note. Your signature indicates your agreement to the selection they made. If they chose a fixed rate, the interest rate will be set on the day the loan is first approved and remains the same until the loan is paid in full. If they chose a variable rate, the interest rate will change as interest rates decrease or increase throughout the life of the loan. Current interest rates are listed at [mystudentloanonline.nd.gov](http://mystudentloanonline.nd.gov) or call 1-800-472-2166 ext. 5763.

Interest accrues on the unpaid principal balance of each loan from the date of disbursement by the lender until the entire principal balance is paid in full. I agree to pay all interest charges on my DEAL loan.

Unless I pay the accrued interest as billed monthly or quarterly by the holder of my DEAL loan, the interest will be capitalized (added to the principal), upon entering into repayment status.

### Administrative Fee

I will pay an administrative fee in an amount identified in the disclosure statement, which will be deducted proportionately from each disbursement of my loan. I understand the administrative fee is refundable only if the loan is totally cancelled prior to issuing the first disbursement, or if the first disbursement check is returned and total cancellation is requested. Bank of North Dakota may pay this fee on my behalf.

### Late Charges and Collection Costs

If I fail to make any part of an installment payment within 15 days after it becomes due, the holder may collect from me a late charge not to exceed 6% of each late installment, or a maximum amount of \$15. There may be a charge on non-sufficient funds payments in an amount not to exceed the maximum allowed under the North Dakota Century Code.

If I default on this DEAL loan, I shall pay collection fees and costs, plus court costs. At the time of default, these fees may be assessed up to the maximum amount allowed under the North Dakota Century Code.

### Repayment

I am obligated to repay the full amount of the loan, accrued interest and fees if applicable. My loan will enter repayment six months after I graduate, cease to be enrolled or decrease my enrollment to less than half-time. The minimum monthly payment is typically \$50.

I will repay my loan in periodic installments during a repayment period that begins on the day immediately following the end of my grace period. My repayment term for each loan may not exceed 10 years (except under an Extended Repayment Plan). The repayment term does not include any periods of deferment or forbearance.

The holder of my loan will provide me with a repayment schedule that identifies my payment amount and due date.

I agree that the holder may grant me a forbearance for purposes of aligning due dates on my DEAL loans.

I may prepay all or any part of the unpaid balance on my loans at any time without penalty. If I do not specify which loans I am prepaying, the holder will determine how to apply the prepayment.

### Acceleration and Default

At the option of the holder, the entire unpaid balance shall become immediately due and payable upon the occurrence of any one of the following events: (i) I fail to enroll as certified on my application; (ii) I fail to use the proceeds of the loan solely for educational expenses; (iii) I make a false representation that results in my receiving a loan for which I am not eligible; or (iv) I default on the loan.

The following events shall constitute a default on a loan: (I) I fail to pay the entire unpaid balance after the holder has exercised its option under the preceding paragraph; or (II) I fail to make installment payments when due, or fail to comply with other terms of the loan, and Student Loans of North Dakota (hereinafter "the guarantor") reasonably concludes I no longer intend to honor my repayment obligation, provided my failure has persisted for at least 270 days for payments due monthly. If I default, the guarantor may purchase my loan. The principal balance and collection fees will become immediately due and payable.

If I default, this will be reported to national credit bureau organizations and will significantly and adversely affect my credit history. I acknowledge that a default shall have additional adverse consequences to me as disclosed in the statement of Borrower's Rights and Responsibilities. Following default, the loan may be subject to repayment based on my income.

### Governing Law and Notices

The terms of this Note will be interpreted in accordance with 15-62.1-02 of the North Dakota Century Code.

If I reside in North Dakota, the guarantor may sue to enforce this loan in any judicial district as allowed by law. Any notice required to be given to me will be effective if mailed by first class mail to the latest address I have provided to the holder of this Note, or if the holder reasonably determines that this address is no longer my address, to the latest address secured by the holder or other reliable source. Failure by the holder to enforce or insist on compliance with any term on this Note shall not be a waiver of any right of the holder. No provision of this Note may be modified or waived except in writing. If any provision of this Note is determined to be unenforceable, the remaining provisions shall remain in force.

## BORROWER CERTIFICATION

I declare under penalty of perjury under the laws of the United States of America that the following is true and correct:

- (1) I certify that the information contained in my application for the DEAL loan is true, complete and correct to the best of my knowledge and belief and is made in good faith.
- (2) I certify that the proceeds of this loan will be used for educational purposes for the loan period at the school named on the application.

- (3) I hereby authorize my school to pay to Bank of North Dakota, any refund that may be due to me, up to the amount of the loan.
- (4) I authorize Bank of North Dakota, subsequent holders, their agents, collection agencies or educational institutions to: (i) make inquiries of my cosigner, prior or subsequent lenders or holders with respect to my loan application and related documents; (ii) release information and make inquiries to the persons I have listed on my loan application as references, for the purpose of learning my current address and telephone number; (iii) contact me at any phone number or e-mail address (whether it is a land line or wireless service) that I have provided or the loan holder receives from any reliable source. I authorize the use of live or automated messages to any of these numbers or e-mail addresses. I understand that persons other than myself may access these messages or e-mails, which may include content concerning my indebtedness.
- (5) I also authorize Bank of North Dakota, subsequent holders or their agents to check my credit and employment history and to answer questions about their credit experience with me.
- (6) I authorize the release of information pertinent to this loan by and amongst my schools, Bank of North Dakota, the guarantor, subsequent holders and their agents, and members of my immediate family unless I submit written directions otherwise.
- (7) I authorize Bank of North Dakota to have the option to make my loan check(s) jointly payable to my school and me.
- (8) If my school participates in electronic funds transfer (EFT), I authorize the school to transfer the loan proceeds received by EFT to my student account.
- (9) Prior DEAL loans in repayment may be deferred while I am in school if I am attending at least half-time, unless I choose to repay the loan(s).
- (10) I will be responsible for paying the interest on my DEAL loan, which begins to accrue upon my first disbursement. If I fail to make required interest payments while I am in school at least half-time, during grace or deferment, Bank of North Dakota or subsequent holders may capitalize such interest, upon entering into repayment status.

## DAKOTA EDUCATION ALTERNATIVE LOAN (DEAL) COSIGNER'S COPY

### Borrower's Rights and Responsibilities

**1. Eligibility.** A student is eligible to receive funds from the DEAL loan program only after he/she has completed the Free Application for Federal Student Aid (FAFSA) and considered all the Federal Title IV aid that the institution's Financial Aid Office has determined the student may be eligible to receive. Student must be a U.S. citizen.

**2. Loan Limits.** Under the DEAL loan program, I may borrow an amount not to exceed the estimated cost of attendance minus any estimated financial assistance I will be awarded during the period of enrollment. The minimum amount I may borrow is \$500 (five hundred dollars).

**3. Loan Proceeds.** I must use the loan money for authorized educational expenses incurred to attend the school named for the loan period shown on the application. Loan proceeds may not be used for other purposes.

The loan money may be disbursed in a prorated amount based on academic terms at the school. At a school without academic terms, disbursement may be made at the beginning and midpoint of the period of enrollment. If disbursed by check, the check will be made copayable to the school and myself, and disbursed to the school. If the school participates in an electronic funds transfer process (EFT), the funds will be electronically transmitted to the institution.

**4. Change of Status.** The DEAL program requires me to notify my lender (or any subsequent holder of my loan), if any of the following events occur:

- I change my address;
- I change my name (for example, maiden name to married name);
- I do not enroll as certified on my application;
- I withdraw from school or change my enrollment status to less than half-time;
- I transfer to another school;
- I change my employer or my employer's address changes; or
- I have any other change that would affect my loan status (for example, the loss of eligibility for an unemployment deferment by obtaining a job).

I understand I must notify the school of any address changes while I am enrolled.

**5. Interest.** Interest rate information for this DEAL loan is indicated on the Approval Disclosure.

**Note:** Interest accrues while you are in school or on a deferment or forbearance. Although you are not required to pay the interest that accrues during these periods, it is to your advantage, and BND encourages you to make payments during this time. By making payments, or by paying some of the interest, it will reduce the total amount you have to pay throughout the life of the loan. Interest not paid will be added to your principal balance through capitalization at the time your loan(s) enter repayment.

**6. Deferring Interest Payments.** Under certain circumstances, for example during forbearance or deferment, I may not be required to make interest payments, but interest on my DEAL loan will accrue. If this interest is not paid, outstanding interest will be capitalized (added to the principal) when regular monthly payments resume.

**7. Sale or Transfer.** I consent to the sale or transfer of my loan. Should ownership of a loan be transferred, I understand I will be notified of the name, address and telephone number of the new holder of my loan, if the address where I make my payments changes. Sale or transfer of my loan to subsequent holders does not affect my rights and responsibilities.

**8. Consequences of Default.** Default is defined in the Note. If I default, the entire unpaid balance and collection fees will become immediately due and payable. Failure to repay this DEAL loan may result in any or all of the following: loss of state income tax refunds, loss of state lottery prizes, legal action, assessment of collection charges, loss of professional license, loss of eligibility for deferments and forbearances, and negative credit reports.

**9. Consumer Reporting Agency Notification.** Information concerning the amount, disbursement and repayment status (current or delinquent) of my loan(s) will be reported by my lender to one or more national consumer reporting agencies on a regular basis. If I default on this loan, the default will also be reported by the guarantor to all national consumer reporting agencies. Before the guarantor reports such a default, it will give me at least 30 days notice that default information will be disclosed to the consumer reporting agencies unless I enter into a repayment arrangement within 30 days of the date on the notice. The guarantor will give me a chance to ask for a review of the debt(s) before the default is reported. My lender or guarantor, as applicable, must provide a timely response to a request from any credit organization regarding objections I might raise with that organization about the accuracy and completeness of information reported by the lender or guarantor.

**10. Repayment.** I am obligated to repay the full amount of the loan, accrued interest and fees if applicable. My loan will enter repayment six months after I graduate, cease to be enrolled or decrease my enrollment to less than half-time. The minimum monthly payment is typically \$50.

I understand that I will be given a choice of repayment options. I also understand that I must make payments on my loans even if I do not receive a bill or repayment notice.

A cosigner release option may be available after the loan(s) have entered repayment and the requirements established by Bank of North Dakota have been met.

**11. Loan Cancellation.** I understand that my loan debt will be cancelled if I die. A certified death certificate must be submitted as documentation to the holder of this Note. My loan debt may also be cancelled if I become permanently and totally disabled. However, the holder of my loan may not approve the request for cancellation based on permanent and total disability if the condition existed before I applied for this loan.

If the condition did exist, my doctor must certify that the condition substantially deteriorated after the loan was approved. An application for cancellation must be submitted to my holder, and documentation verifying the permanent and total disability must be certified by my doctor and accepted by the holder of this loan.

I understand my loan(s) will not automatically be discharged in bankruptcy.

I understand that neither the holder, nor the guarantor vouch for the quality or the suitability of the academic programs offered by participating schools. Repayment of this loan is not contingent upon the performance of my school of attendance, or my obtaining employment in my field of study.

I understand that under certain conditions, my DEAL loan may be cancelled if I am unable to complete my course of study due to school closure or if my eligibility was falsely certified by the institution.

**12. Deferments.** Under certain circumstances, I have a right to postpone repayment of the principal if I provide the holder of my loan(s), or its servicing agent, with a request for a deferment together with the evidence that verifies my eligibility. The types of deferments that may be available are:

- While I am enrolled at least half-time at an eligible institution;
- While I am pursuing a graduate fellowship program or rehabilitation-training program for individuals with disabilities, if the program has been approved by the Department of Education for the FFELP program;
- For up to three years, while I am conscientiously seeking but unable to find full time employment; or
- While I am experiencing an economic hardship as determined by federal law; or
- While serving on Active Duty during a war or other military operation.

I should contact Bank of North Dakota or the current holder of my loan for more details on my options.

**13. Forbearance.** If I am unable to make my scheduled payments, the lender or holder of my promissory note may allow me to reduce the amount of my payment or to temporarily stop making payments as long as I intend to repay my loan. This action is called forbearance. During a period of forbearance, interest charges continue to accrue.

My holder is not required to grant a forbearance and may require me to provide my reasons for the request and other information.

**14. Consolidation.** Consolidation permits multiple alternative education loans to be combined into one new loan. You may be able to consolidate other alternative education loans along with your DEAL loan(s). Contact Bank of North Dakota for additional information.

**FACTS**

**WHAT DOES Bank of North Dakota DO WITH YOUR PERSONAL INFORMATION?**

**Why?**

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

**What?**

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- account balances and transaction history
- account transactions and credit history

When you are no longer our customer, we continue to share your information as described in this notice.

**How?**

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Bank of North Dakota chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does the Bank of North Dakota share?	Can you limit this sharing?
<b>For our everyday business purposes -</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus.	Yes	No
<b>For our marketing purposes -</b> to offer our products and services to you.	No	We don't share
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes -</b> information about your transactions and experiences.	No	We don't share
<b>For our affiliates' everyday business purposes -</b> information about your creditworthiness.	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share

**Questions?**

Call 1-800-472-2166 or go to [www.banknd.nd.gov](http://www.banknd.nd.gov)

## Who we are

<b>Who is providing this notice?</b>	Bank of North Dakota (BND) Student Loans of North Dakota (SLND), as administered by the BND
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## What we do

<b>How does Bank of North Dakota protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does Bank of North Dakota collect my personal information?</b>	We collect your personal information, for example, when you <ul style="list-style-type: none"><li>■ open an account or apply for a loan</li><li>■ make a wire transfer or show your government issued ID</li><li>■ make deposits or withdrawals from your account.</li></ul> We also collect your personal information from credit bureaus.
<b>Why can't I limit all sharing?</b>	Federal law gives you the right to limit only: <ul style="list-style-type: none"><li>■ sharing for affiliates' everyday business purposes - information about your creditworthiness</li><li>■ affiliates from using your information to market to you</li><li>■ sharing for nonaffiliates to market to you</li></ul> State law and individual companies may give you additional rights to limit sharing.

## Definitions

<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"><li>■ <i>Bank of North Dakota has no affiliates.</i></li></ul>
<b>Nonaffiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"><li>■ <i>Bank of North Dakota does not share with nonaffiliates so they can market to you.</i></li></ul>
<b>Joint Marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"><li>■ <i>Bank of North Dakota does not jointly market.</i></li></ul>

## Other important information

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