

PAYING FOR COLLEGE



➤ Repaying Your Student Loans



Investing in your education is a smart investment in your future. Students pay for school in a combination of three ways, including scholarships and grants, your own money and borrowed money. Borrowed money helps many students pay for their education, but the money isn't free. You must pay it back, with interest.



1. **Federal Loans***
2. **Private Bank Loans***
3. **APEX Institutional Financing***

*Available to those who qualify

Redstone students on APEX financing **pay \$75 per month** while in school.†

†See important disclosures on reverse.

In-School Payments

➤ How much will I pay while I am in school?

Most federal student loans and private bank loans do not require you to pay back loans while you are in school, but **you are strongly encouraged to pay as much as you can while you are in school**. This will lessen the finance charges you owe after you graduate.

If you receive financing through the Redstone APEX institutional financing program, you will be required to pay \$75 per month while you are in school. APEX financing is available only to those students who have exhausted all other forms of loan and grant aid, but still have a gap to cover to pay for their education.

Out-of-School Payments

➤ What happens when I leave school?

The amount of your monthly payments will increase when you leave school. You will begin repaying any federal student loans and/or private bank loans. In addition, if you have APEX financing, you will continue to pay at a new monthly amount, depending on how much you owe.

Federal Student Loan Repayment – Most federal student loans have a 3- to 6-month grace period before students must begin repaying after they leave school.

APEX Repayment – Monthly APEX payments will adjust when you leave school and interest charges will begin. This will be reflected on your monthly statement. See reverse for more details.

Defaulting on federal student loans causes serious consequences. **No matter what your situation is, there are options for you to avoid defaulting on your federal student loans.** If you default on your federal loan, the federal government may:

- Garnish your wages
- Take your tax refunds
- Deny you federal student aid if you go back to school
- Prevent you from getting certain jobs
- Refuse to discharge your obligation in bankruptcy
- Give you bad credit
- Potentially sue you for back payments

If you can't repay your loan, don't ignore the problem! Contact your lender or Student Loan Solutions, a team of experts who can help you put a repayment plan together that works for your financial situation. Contact them at 877-553-7010 or studentloansolutions.org.

Federal student loans are required by law to provide a range of flexible repayment options, including, but not limited to, income-based repayment and income-contingent repayment plans, and loan forgiveness benefits, which other student loans or APEX institutional financing are not required to provide. Federal direct loans are available to students regardless of income.

APEX Financing Examples

The following are typical examples of the APEX institutional financing program based on 17-month associate program.

	Associate
Amount Financed	\$ 8,500.00
Down payment	\$ 0.00
Number of monthly in-school and grace period payments	20
Number of monthly out-of-school payments	120
 140
Monthly payment - In-School and Grace Period	\$ 75.00
Monthly payment - Out-of-School	\$ 77.71
Interest Rate - In-School and Grace Period	0.0%
Interest Rate - Out-of-School	6.0%
Annual Percentage Rate (APR)	4.4%
Total Payments	\$ 10,825.20
Finance Charges	\$ 2,400.20

- > In-school monthly APEX payments commence on the first day of the second month after the beginning of the academic term for which financing is provided.
- > No interest is charged while the student is in school and for a 90-day grace period after leaving school.
- > 6% interest begins 91 days after a student leaves school (whether he or she graduates or not).
- > The APR reflects an application fee of \$75.
- > The amount Redstone finances for a student under the APEX program, the monthly payments, the APR and the term of the financing will vary based on a student's particular circumstances, including the amount of financing required by the student and the length of time the student attends Redstone.
- > The minimum out-of-school monthly payment is \$75. The number of out-of-school payments may be less than 120 payments if the minimum monthly payment of \$75 applies. The number of monthly out-of-school payments will never be more than 120 payments.