



NORTHWESTERN UNIVERSITY

NU Loan for Undergraduate Students Terms and Conditions for 2015-16

ELIGIBILITY AND PARENT RESPONSIBILITIES

- Applicant(s) [hereafter referred to as "parent borrower(s)"] should be the parent(s) or legal guardian(s) of an undergraduate student who is enrolled as full time at Northwestern University. Other individuals who wish to become the primary borrower will be approved only on a case by case basis.
- Parent borrower(s) must have a satisfactory credit history.
- Parent borrower(s) must be a citizen or permanent resident of the United States.
- Parent borrower(s) and the student must keep the Northwestern University Student Loan Office informed of changes of name, social security number, address, and phone number as well as any changes in the student's enrollment status prior to graduation from Northwestern University.

STUDENT RESPONSIBILITIES

- Student must be enrolled as a full time student at Northwestern University.
- Student must apply for either a social security number or individual taxpayer identification number.
- Student must keep the NU Student Loan Office informed of changes of name, social security number or ITIN, address, and phone number as well as any changes in his or her enrollment status prior to graduation or separation from Northwestern University.
- It is expected that the parent borrower(s) will endeavor to meet the total responsibility of repayment. Although the parent(s) is responsible for repaying this loan, the student is equally responsible for this debt. In the event the parent(s) defaults, payment will be the responsibility of the student.
- If the NU Loan is past due, the student will not be permitted to register for subsequent academic terms.

LOAN LIMITS

- Minimum loan amount is \$2,000.
- Maximum loan amount for any one given year cannot exceed that offered to the parent(s) by the Northwestern University Undergraduate Financial Aid Office.
- Maximum aggregate loan amount for each student (or his or her parent(s)) cannot exceed limit set by Northwestern University Student Loan Office.

INTEREST RATE

- There is no loan application, guarantee, or origination fee.
- Variable interest rate is established annually each September 1.
- A rate change will result in an adjustment to the scheduled payment amount.
- Interest begins accruing once funds are disbursed to the student.
 - For historical interest rate information select this link: <http://www.northwestern.edu/sfs/financial-aid-and-loans/loan-types/northwestern-loans/nu-loan/index.html>

APPROVAL

- Loan approval is subject to review by the NU Student Loan Office.
- Financial Aid Office must certify all loan applications before the loan funds are disbursed to the student's tuition and fees account.
- Approved loan amount may be less than that requested on the initial application based on the determination of the Financial Aid Office.

- A loan packet containing the promissory notes and insurance certificate will be created upon approval. All documents must be signed as instructed.

DISBURSEMENT

- Loan funds are disbursed directly to the student's Northwestern tuition and fees account.
- Total approved loan amount is usually disbursed in equal amounts for each term of enrollment during the academic year, unless specified otherwise by the Financial Aid Office.

INSURANCE

- The student is covered under a group term life and disability insurance policy.
- The first co-signer is covered by group term life insurance.
- The insurance premium is incorporated into the interest rate for the loan.
- There are no additional fees for the insurance coverage.
- Both the first co-signer and student must sign the insurance forms provided with the promissory note (further details and restrictions regarding insurance coverage are contained on those forms).

REPAYMENT

- A repayment schedule is provided to the parent borrower(s) with the promissory notes.
- Repayment of both principal and interest begins within 45 days of the initial loan disbursement and continues until the loan is paid in full. The repayment amount is calculated based upon the total amount of the loan, not each individual disbursement.
- Repayment of principal and interest can extend up to a maximum of 10 years.
- The required monthly payment of principal and interest is based on the total amount borrowed, but in no case, will it be less than \$100.
- No penalties are assessed for prepayment or early repayment.
- Forbearance of the loan is available upon request and is subject to the approval by the Northwestern University Student Loan Office.
- Payments are due monthly and statements are sent to the parent borrower(s) in advance of each due date.

LATE PAYMENT PENALTIES

- NU Loan accounts more than 90 days past due may be assigned to an outside collection agency.
- A late charge equal to 5% of the late payment on any interest and/or principal payment that is overdue 7 days or more will be assessed.
- The student's academic records and ability to register will be placed on hold.
- Failure to make timely monthly payments may affect the student's ability to receive future NU Loan funds.

PLEASE RETAIN THIS INFORMATION SHEET WITH YOUR RECORDS

Northwestern is an equal opportunity, affirmative action educator and employer.

Northwestern University does not discriminate or permit discrimination by any member of its community against any individual on the basis of race, color, religion, national origin, sex, pregnancy, sexual orientation, gender identity, gender expression, parental status, marital status, age, disability, citizenship, veteran status, genetic information, or any other classification protected by law in matters of admissions, employment, housing, or services or in the educational programs or activities it operates.

Harassment, whether verbal, physical, or visual, that is based on any of these characteristics, is a form of discrimination. This includes harassing conduct affecting tangible job benefits, interfering unreasonably with an individual's academic or work performance, or creating what a reasonable person would perceive is an intimidating, hostile, or offensive environment. Prohibited sex discrimination includes sexual harassment and sexual violence.

For advice or assistance regarding this policy, see <http://www.northwestern.edu/provost/policies/statements/discrimination.html>.

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