



Arkansas Family Education Loan

The Arkansas Family Education Loan is a private loan option for parents, family members and others who wish to help undergraduate and graduate students with college costs. Applicants who do not meet the underwriting and credit criteria on their own may apply with cosigners. The loan features:

- ▶ Fixed rates.
- ▶ Multiple repayment options.
- ▶ An interest rate reduction for using auto-debit during repayment.
- ▶ A cosigner release option.

Students cannot apply for or cosign an application for the Arkansas Family Education Loan. The student has no obligation to repay this loan, and it is not transferrable to the student after they leave school.

Note: Aspire Servicing CenterSM has a contractual relationship with the Arkansas Student Loan Authority (ASLA), a Division of the Arkansas Development Finance Authority, wherein Aspire Servicing Center performs certain private student loan (private loan) services for the ASLA.

Repayment Options

The **Immediate Payment** options require that monthly payments of principal and interest begin immediately — while your student is enrolled in school — after the loan is fully disbursed.¹ These options also feature our lowest interest rates.

The **Interest-Only Payment** options require that monthly payments of interest begin immediately after the loan is first disbursed and feature a six-month separation period — once your student graduates, leaves school or drops below half-time enrollment and before the principal and interest repayment period begins — during which interest-only payments are required.²

In addition, you choose between 10-year and 15-year repayment terms. For more information, view the detailed interest rate and examples on the following pages.

Loan Amounts

The Arkansas Family Education Loan must be:

- ▶ No more than the cost of attendance minus other aid annually.
- ▶ At least \$1,001.
- ▶ No more than \$100,000 cumulative.

Interest

Interest capitalizes at:

- ▶ The end of any qualifying deferment period for all loan options.
- ▶ The final disbursement of loans that require monthly principal and interest payments while the student is enrolled in school and that have more than one disbursement.

¹ Borrowers with delinquencies during the principal and interest repayment period may have future disbursements and/or loans suspended or canceled.

² Borrowers who fail to stay current with any required interest-only payments may be unable to apply for and subsequently receive future loans.

Rates for borrowers or cosigners with FICO¹ scores of 800 or more

In-School Payment Choice	Immediate Payment	Interest-Only Payment
Origination Fee	0%	0%
Fixed Interest Rate	5.50%	5.70%
Payments Required While Enrolled & During the Separation Period?	Yes, principal and interest payments²	Yes, interest-only payments³
Separation Period	N/A ⁴	6 months ⁴

Examples for a \$10,000 Loan (10-Year Repayment Term)		
Principal & Interest Repayment Period⁵	10 years	10 years
Annual Percentage Rate (APR)	5.50%⁶	5.70%⁷
Finance Charge	\$3,021 ⁶	\$5,565 ⁷
Interest-Only Monthly Payment	N/A	\$48 ⁷
Principal & Interest Monthly Payment	\$109 ⁶	\$110 ⁷
Examples for a \$10,000 Loan (15-Year Repayment Term)		
Principal & Interest Repayment Period⁵	15 years	15 years
Annual Percentage Rate (APR)	5.50%⁸	5.70%⁹
Finance Charge	\$4,706 ⁸	\$7,321 ⁹
Interest-Only Monthly Payment	N/A	\$48 ⁹
Principal & Interest Monthly Payment	\$82 ⁸	\$83 ⁹

¹ The FICO score used is the TransUnion FICO Score 4, which is based on data from TransUnion and may be different from other credit scores. FICO is a registered trademark of the Fair Isaac Corporation.

² Borrowers with delinquencies during the immediate principal and interest period may have future disbursements and/or loans suspended or canceled.

³ Borrowers who fail to stay current with any required interest-only payments may be unable to apply for and subsequently receive future loans.

⁴ The in-school and separation periods cannot exceed 60 months. Payments required during this period.

⁵ If a pre-disbursement loan cancellation results in an Arkansas Family Education Loan of \$1,000 or less, the maximum principal and interest repayment term is 37 months.

⁶ Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, and a fixed interest rate of 5.50% during the 120-month principal and interest repayment period.

⁷ Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, deferring principal for 51 months, and a fixed interest rate of 5.70% during the 51-month interest-only and the 120-month principal and interest repayment periods.

⁸ Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, and a fixed interest rate of 5.50% during the 180-month principal and interest repayment period.

⁹ Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, deferring principal for 51 months, and a fixed interest rate of 5.70% during the 51-month interest-only and the 180-month principal and interest repayment periods.

Rates for borrowers or cosigners with FICO¹ scores of 760–799

In-School Payment Choice	Immediate Payment	Interest-Only Payment
Origination Fee	0%	0%
Fixed Interest Rate	6.00%	6.10%
Payments Required While Enrolled & During the Separation Period?	Yes, principal and interest payments²	Yes, interest-only payments³
Separation Period	N/A ⁴	6 months ⁴

Examples for a \$10,000 Loan (10-Year Repayment Term)

Principal & Interest Repayment Period⁵	10 years	10 years
Annual Percentage Rate (APR)	6.00%⁶	6.10%⁷
Finance Charge	\$3,321 ⁶	\$5,975 ⁷
Interest-Only Monthly Payment	N/A	\$51 ⁷
Principal & Interest Monthly Payment	\$111 ⁶	\$112 ⁷

Examples for a \$10,000 Loan (15-Year Repayment Term)

Principal & Interest Repayment Period⁵	15 years	15 years
Annual Percentage Rate (APR)	6.00%⁸	6.10%⁹
Finance Charge	\$5,187 ⁸	\$7,879 ⁹
Interest-Only Monthly Payment	N/A	\$51 ⁹
Principal & Interest Monthly Payment	\$84 ⁸	\$85 ⁹

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³ Borrowers who fail to stay current with any required interest-only payments may be unable to apply for and subsequently receive future loans.

⁴ The in-school and separation periods cannot exceed 60 months. Payments required during this period.

⁵ If a pre-disbursement loan cancellation results in an Arkansas Family Education Loan of \$1,000 or less, the maximum principal and interest repayment term is 37 months.

⁶ Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, and a fixed interest rate of 6.00% during the 120-month principal and interest repayment period.

⁷ Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, deferring principal for 51 months, and a fixed interest rate of 6.10% during the 51-month interest-only and the 120-month principal and interest repayment periods.

⁸ Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, and a fixed interest rate of 6.00% during the 180-month principal and interest repayment period.

⁹ Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, deferring principal for 51 months, and a fixed interest rate of 6.10% during the 51-month interest-only and the 180-month principal and interest repayment periods.

Rates for borrowers or cosigners with FICO¹ scores of 720–759

In-School Payment Choice	Immediate Payment	Interest-Only Payment
Origination Fee	0%	0%
Fixed Interest Rate	6.20%	6.30%
Payments Required While Enrolled & During the Separation Period?	Yes, principal and interest payments²	Yes, interest-only payments³
Separation Period	N/A ⁴	6 months ⁴

Examples for a \$10,000 Loan (10-Year Repayment Term)		
Principal & Interest Repayment Period⁵	10 years	10 years
Annual Percentage Rate (APR)	6.20%⁶	6.30%⁷
Finance Charge	\$3,441 ⁶	\$6,181 ⁷
Interest-Only Monthly Payment	N/A	\$53 ⁷
Principal & Interest Monthly Payment	\$112 ⁶	\$113 ⁷
Examples for a \$10,000 Loan (15-Year Repayment Term)		
Principal & Interest Repayment Period⁵	15 years	15 years
Annual Percentage Rate (APR)	6.20%⁸	6.30%⁹
Finance Charge	\$5,382 ⁸	\$8,160 ⁹
Interest-Only Monthly Payment	N/A	\$53 ⁹
Principal & Interest Monthly Payment	\$85 ⁸	\$86 ⁹

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³ Borrowers who fail to stay current with any required interest-only payments may be unable to apply for and subsequently receive future loans.

⁴ The in-school and separation periods cannot exceed 60 months. Payments required during this period.

⁵ If a pre-disbursement loan cancellation results in an Arkansas Family Education Loan of \$1,000 or less, the maximum principal and interest repayment term is 37 months.

⁶ Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, and a fixed interest rate of 6.20% during the 120-month principal and interest repayment period.

⁷ Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, deferring principal for 51 months, and a fixed interest rate of 6.30% during the 51-month interest-only and the 120-month principal and interest repayment periods.

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⁹ Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, deferring principal for 51 months, and a fixed interest rate of 6.30% during the 51-month interest-only and the 180-month principal and interest repayment periods.

Rates for borrowers or cosigners with FICO¹ scores of 670–719

In-School Payment Choice	Immediate Payment	Interest-Only Payment
Origination Fee	0%	0%
Fixed Interest Rate	6.30%	6.42%
Payments Required While Enrolled & During the Separation Period?	Yes, principal and interest payments²	Yes, interest-only payments³
Separation Period	N/A ⁴	6 months ⁴
Examples for a \$10,000 Loan (10-Year Repayment Term)		
Principal & Interest Repayment Period⁵	10 years	10 years
Annual Percentage Rate (APR)	6.30%⁶	6.42%⁷
Finance Charge	\$3,502 ⁶	\$6,305 ⁷
Interest-Only Monthly Payment	N/A	\$54 ⁷
Principal & Interest Monthly Payment	\$113 ⁶	\$113 ⁷
Examples for a \$10,000 Loan (15-Year Repayment Term)		
Principal & Interest Repayment Period⁵	15 years	15 years
Annual Percentage Rate (APR)	6.30%⁸	6.42%⁹
Finance Charge	\$5,480 ⁸	\$8,329 ⁹
Interest-Only Monthly Payment	N/A	\$54 ⁹
Principal & Interest Monthly Payment	\$86 ⁸	\$87 ⁹

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² Borrowers with delinquencies during the immediate principal and interest period may have future disbursements and/or loans suspended or canceled.

³ Borrowers who fail to stay current with any required interest-only payments may be unable to apply for and subsequently receive future loans.

⁴ The in-school and separation periods cannot exceed 60 months. Payments required during this period.

⁵ If a pre-disbursement loan cancellation results in an Arkansas Family Education Loan of \$1,000 or less, the maximum principal and interest repayment term is 37 months.

⁶ Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, and a fixed interest rate of 6.30% during the 120-month principal and interest repayment period.

⁷ Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, deferring principal for 51 months, and a fixed interest rate of 6.42% during the 51-month interest-only and the 120-month principal and interest repayment periods.

⁸ Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, and a fixed interest rate of 6.30% during the 180-month principal and interest repayment period.

⁹ Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, deferring principal for 51 months, and a fixed interest rate of 6.42% during the 51-month interest-only and the 180-month principal and interest repayment periods.

Repayment Benefits

Interest-Rate Reduction

Earn a 0.25% interest rate reduction on your Arkansas Family Education Loan 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

Arkansas Family Education Loan borrowers can release their cosigners from payment obligations:

- ▶ After 48 consecutive monthly principal and interest payments are received on time.
- ▶ If the borrower meets the underwriting and credit criteria at the time the cosigner release is requested.

Armed Forces Interest Reduction

ASLA recognizes and appreciates the sacrifices made by members of the military and their families. To assist service members with their student loan, we offer an Armed Forces interest reduction program. Through the program, service members can get interest reduced to 0.00% on their private student loans.

You may be eligible for the program if you meet all the following requirements:

- ▶ While on federal active duty, you have a non-defaulted private student loan owned by ASLA during the period of eligibility.
- ▶ You are deployed between Sept. 11, 2001, and June 30, 2019.

Note: ASLA is required to issue a 1099-C form to the IRS and the borrower reporting a reduction of indebtedness of \$600 or more. You should consult your tax adviser regarding any tax consequences resulting from an interest reduction.

Eligibility Criteria

To be eligible for an Arkansas Family Education Loan, you must:

- ▶ Not have defaulted on any private or government student loan.
- ▶ Be a citizen or permanent resident of the United States. Cosigners must be citizens or permanent residents of the United States and must reside in the United States. Military addresses are considered U.S. addresses if designated as an APO or FPO.
- ▶ Be of majority age pursuant to applicable law at the time of application or be an emancipated minor. An applicant not of majority age may apply with an eligible cosigner.

The student for whom the funds are being requested must:

- ▶ Be accepted, enrolled or attending an eligible nonprofit, Title IV eligible, degree-granting, accredited college or university on at least a half-time basis, as half-time basis is defined by the school.
- ▶ Be making satisfactory academic progress in an eligible education program.
- ▶ Be a citizen or permanent resident of the United States.
- ▶ Complete a Student Authorization Form.

Underwriting Criteria

To qualify for the Arkansas Family Education Loan, you or your cosigners 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.
- ▶ A FICO score of at least 670. (The FICO score used is the TransUnion FICO Score 4, which is based on data from TransUnion and may be different from other credit scores. FICO is a registered trademark of the Fair Isaac Corporation.)
- ▶ 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, which the cosigners may combine debt and income to calculate the debt-to-income ratio. For loans with only one cosigner, either the applicant or cosigner must meet all credit underwriting criteria with the exception of the debt-to-income ratio, which the applicant and cosigner may combine debt and income to calculate the debt-to-income ratio.

Please note that the list of criteria above may not be exhaustive. ASLA may require you or your cosigners to meet additional criteria in order to qualify for a loan. ASLA reserves the right to change the list of criteria in any way from time to time without notice.