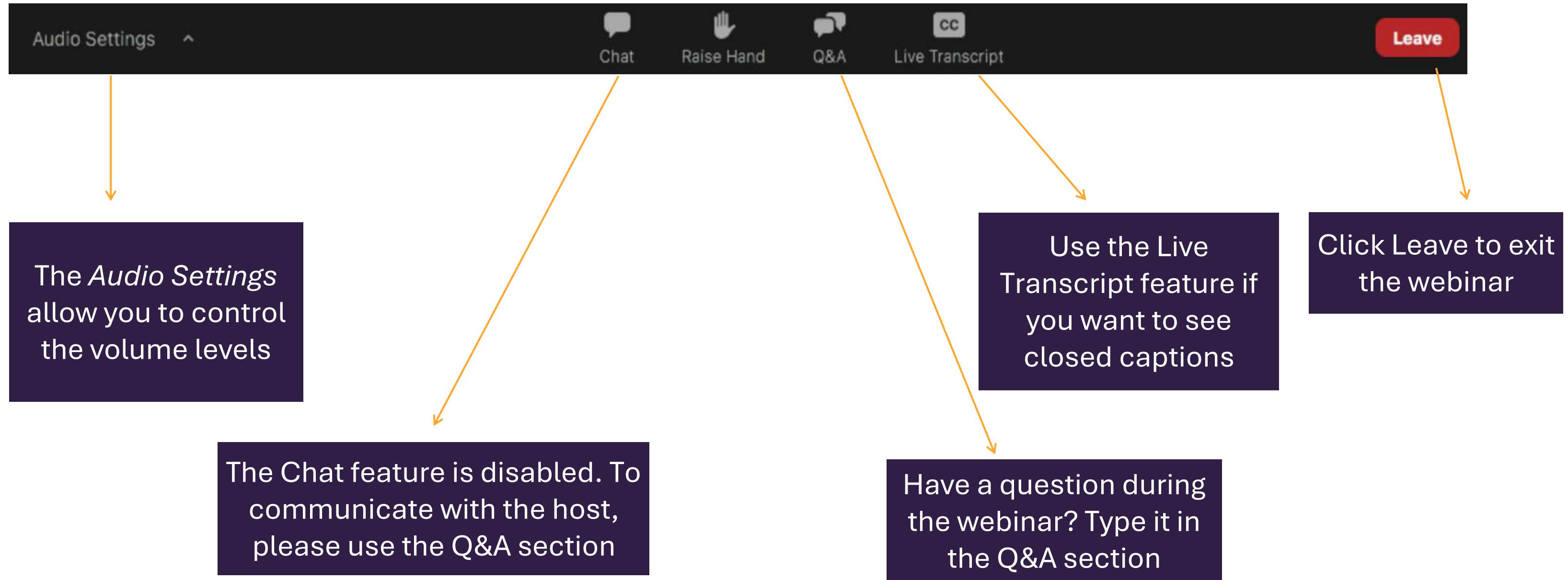


Comparing College Loan Options

MEFATM

How to Participate



Webinar Topics

- MEFA, Your Trusted Resource
- Private Loans Overview
- Loan Terminology
- Wise Borrowing Tips
 - Minimizing Debt
 - Federal Direct Loans
 - Loans Details
 - Loan Affordability
 - Loan Timing



MEFA, Your Trusted Resource

Providing tools and resources to help families pay for college for over 40 years

Straightforward and transparent with our products and services

Free resources include calculators, articles, videos, and excellent customer service

Strong relationships with colleges across the country



How Private Loans Work

Steps to Borrowing a Private Loan: An Overview

- Determine the amount to borrow based on your college bill
- Select your lender
 - Explore college lender lists, loan comparison tools, and recommendations from trusted resources
- Decide who will borrow (most students need a co-borrower)
- Submit the application online
- College will certify the loan amount
- College will receive your loan funds based on lender's disbursement date



Understand Loan Terminology

Interest Rate

- The percentage of the amount borrowed that the lender charges for the use of its money

2 TYPES: FIXED AND VARIABLE

Fixed interest rate:
monthly payment will
remain the same for the
life of the loan

Variable interest rate:
monthly payment will
adjust with market
fluctuations

- When comparing variable interest rates, always check if there is a cap
- Most interest rates are tied to the strength of your credit & repayment option

Interest Rate

- Look at the full range of potential interest rates, **not just the lowest advertised rate**
 - MEFA's interest rates range from 3.29% to 8.89%
 - Other lenders may have rates as high as 17%!
- Shorter-term loans naturally come with lower interest rates

HOW DOES MEFA STACK UP?

MEFA

3.29%

APR*

Citizens

3.49%

APR

SoFi

3.29%

APR

Sallie Mae

3.19%

APR

College Ave

3.24%

APR

*The Annual Percentage Rate (APR) is designed to help consumers understand the relative cost of a loan and reflects MEFA's current underwriting criteria, loan rates, and deferment period assumption. MEFA's lowest rates are only available to the most creditworthy applicants. Interest rates sourced from credible.com as of 6.24.25. NMLS# 1724150 nmlsconsumeraccess.org

Annual Percentage Rate (APR)

- Annual cost of the loan, including fees
- Expressed as a percentage
- Quick way to compare loans



Repayment Term

- Length of time to repay the loan
- Has a direct impact on the total cost
- Provides flexibility as families consider their monthly budget
- Most lenders offer different repayment terms to choose from

Application and Solicitation Disclosure

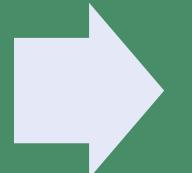
- Provides details about the loan
- Includes estimated total loan cost examples
- Required for private lenders such as MEFA
- Can be found on lender websites and loan comparison tools

Things to look for:

What are the
interest rates?



What are the
fees?



What will be the
total cost?

Compare Total Loan Cost

Difference in Total Cost Between These Loans:
Immediate Repayment: over \$11,000!
Deferred Repayment: over \$34,000!

MEFA Loan Disclosure

Loan Cost Examples

The total amount you will pay for this loan will vary depending on when you start to repay it. This example provides estimates based upon five (5) different repayment options available to you while enrolled in school.

Repayment Option (while enrolled in school)	Amount Provided (amount provided directly to you or your school)	Interest Rate (highest possible starting rate)	Loan Term (how long you have to pay off the loan)	Total Paid over life of loan (includes associated fees)
IMMEDIATE REPAYMENT Pay both the principal and interest amounts while enrolled in school.	\$10,000	8.640 %	10 years starting after your final disbursement	\$15,298.80
IMMEDIATE REPAYMENT Pay both the principal and interest amounts while enrolled in school.	\$10,000	8.740 %	15 years starting after your final disbursement	\$18,381.60
INTEREST ONLY REPAYMENT Make Interest payments during the In-School Period and defer payments on the principal amount until the end of the In-School period.	\$10,000	8.890 %	15 years starting after your final disbursement	\$19,702.68
DEFERRED REPAYMENT Make no payments while in school. Interest will accrue and capitalize once at the beginning of repayment.	\$10,000	8.840 %	15 years starting after your final disbursement	\$21,444.72
STUDENT DEFERRED REPAYMENT Make no payments while in school. Interest will accrue and capitalize once at the beginning of repayment.	\$10,000	8.890 %	15 years starting after your final disbursement	\$21,527.88

About this example

The repayment example assumes a \$10,000 loan in the first year of school with two disbursements and that you remain in school for 4 years.

Lender B Loan Disclosure

LOAN COST EXAMPLES

The total amount you will pay for this loan will vary depending upon when you start to repay it. Interest will begin accruing with the first disbursement. Any interest that is not paid during the "In-School Period" will accrue and will be added to your principal balance when you enter repayment. "In-School Period" means the time that you are enrolled in school plus a 6 month grace period. This example provides estimates based upon four (4) repayment options available to you during the In-School Period.

REPAYMENT OPTION (while enrolled in school)	AMOUNT PROVIDED (amount provided directly to your school)	INTEREST RATE (highest possible starting rate)	LOAN TERM (how long you have to pay off the loan)	TOTAL PAID OVER 15 YEARS (includes associated fees)
1. DEFER PAYMENTS Make no payments during the In-School Period.	\$10,000	18.990 %	180 MONTHS starting after the In-School Period	\$ 56,153.25
2. MAKE FLAT PAYMENTS Make flat payments of \$25 per month during the In-School Period.	\$10,000	18.990 %	180 MONTHS starting after the In-School Period	\$ 53,415.63
3. PAY ONLY THE INTEREST Make monthly payments of interest but defer payments on the principal amount during the In-School Period.	\$10,000	18.990 %	180 MONTHS starting after the In-School Period	\$ 38,824.14
4. MAKE FULL PAYMENTS Make monthly payments of principal and interest.	\$10,000	18.990 %	180 MONTHS starting after the first disbursement	\$ 30,278.64

ABOUT THIS EXAMPLE The repayment example assumes an In-School Period 54 months with a 15 year repayment term, and the repayment example is based on the highest interest rate currently charged and associated fees.

Fixed Rate Example

Loan Interest Rate & Fees

Your interest rate will be between

4.750% and 16.530%

After the rate is set, it will be fixed for the life of the loan

Loan Fees

Application Fee: \$0.00. **Origination Fee:** The fees that we charge to make this loan range from 0.000% to 0.000% of total loan amount. **Loan Guarantee Fee:** 0.000% to 0.000% of total loan amount. **Repayment Fee:** The fees we charge when you begin repayment range from 0.000% to 0.000% of the total loan amount. **Late Fee:** 5.000% of the amount of the past due payment, up to a maximum of \$25. **Returned Check Fee:** up to \$20.00.

Your Interest Rate (upon approval)

The interest rate you pay will be determined after you apply. It will be based upon the borrower's credit history and other factors (cosigner credit, repayment option, etc). If approved, we will notify you of the rate you qualify for within the stated range.

Your Interest Rate during the life of the loan

Your rate is fixed. This means that your rate will not increase or decrease for the life of the loan. For more information on this rate, see the reference notes.

Examples of other lender disclosure statements

Loan Cost Examples

The total amount you will pay for this loan will vary depending upon when you start to repay it. This example provides estimates based upon three (3) different repayment options available to you while enrolled in school.

Repayment Option (while enrolled in school and during the separation period of 6 billing periods thereafter)	Amount Provided (amount provided directly to you or your school)	Interest Rate (highest possible rate)	Loan Term (how long you have to pay off the loan)	Total Paid over life of loan (includes associated fees)
1. INTEREST REPAYMENT Make interest payments but defer payments on the principal amount while enrolled in school and during the separation period.	\$10,000	16.530%	10 years starting after the separation period	\$27,261.13
2. FIXED REPAYMENT Make payments of \$25 while enrolled in school and during the separation period. Interest will be charged and added to your loan.	\$10,000	16.530%	10 years starting after the separation period	\$32,948.81
3. DEFERRED REPAYMENT Make no payments while enrolled in school and during the separation period. Interest will be charged and added to your loan.	\$10,000	16.530%	10 years starting after the separation period	\$34,273.53

Variable Rate Example

Loan Interest Rate & Fees

Your starting interest rate will be between
8.940% and **16.690%**

After the starting rate is set, your rate will then vary with the market.

Your Starting Interest Rate (upon approval)

The starting Interest Rate you will pay will be determined after you apply. The rate will be established based on your credit history (and your cosigner's if applicable) and your selected repayment term. If approved, we will notify you of the rate you qualify for within the stated range.

Your Interest Rate during the life of the loan

Your rate is variable. This means that your actual rate varies with the market and could be lower or higher than the rate on this form. The variable rate is based upon the Prime Rate as published in the "Money Rates" section of *The Wall Street Journal* (Eastern Edition) on the first business day of the immediately preceding calendar month. For more information on this rate, see Reference Notes.

Although the rate will vary after you are approved, it **will never exceed 18.000%** (the maximum allowable for this loan).

Loan Fees

Origination Fee: 0%.

Late Fees: 5.000% of the past due amount or \$5.00, whichever is less.

Collection and Default Charges: In the event of a default, the borrower may incur additional collection charges as permitted under applicable law.

Examples of other lender disclosure statements

REFERENCE NOTES

Variable Interest Rate

- The variable interest rate is based upon the Prime Rate index plus a margin of 0.440% to 8.190% based on creditworthiness, and may be adjusted monthly.
- The rate will not increase more than once a month, but there is no limit on the amount that the rate could increase at one time. Your rate will never exceed 18.000%.
- Applying without a cosigner typically results in a higher rate.

Eligibility Criteria

- Borrower and cosigner, if applicable, must be US citizens or permanent resident aliens.
- Borrower must be at least the age of majority in his or her state of residence or be at least 17 years old and apply with a creditworthy cosigner who is the age of majority.
- Borrower must be enrolled at least half time and in an eligible program.
- Both borrower and cosigner, if applicable, are subject to credit approval. Additional documentation may be required.
- The borrower on an individual application and the cosigner on a joint application must have an employment history of at least two years.

Bankruptcy Limitations

- If you file for bankruptcy you may still be required to pay back this loan.

More information about loan eligibility and repayment deferral or forbearance options is available in your loan application and loan agreement.

Co-Borrower

-  Signs the loan agreement along with the student borrower
-  Has equal responsibility on the loan agreement
-  Adding one (or two) may increase chances for approval
-  Those with good credit may have more favorable interest rate
-  Some loans (like MEFA) have co-borrower release options



Tips for Borrowing Wisely

Tip #1: Minimize Borrowing: Use Savings & Present Income

- Each family decides on a payment strategy that works best for them
- MEFA is here to help you make a plan that works for you
- Review MEFA's recorded *Financial Aid Offers and Paying the College Bill* webinar



Balance Due:		\$20,000
Savings		
	Student College Savings	-\$1,000
	Parent College Savings	-\$4,000
Current Income		
	Parent Contribution to Payment Plan	-\$5,000
Borrowing College Loans		
	College Loan	-\$10,000
		\$0

Tip #2: Borrow Federal Direct Student Loans First

- Must file the FAFSA
- **Student is the borrower**
- No credit check
- Fixed interest rate changes annually:
6.39% for 2025-26
- Interest accrues:
 - **Subsidized**: after student leaves school
 - **Unsubsidized**: immediately upon disbursement
- 1.057% fee deducted from loan amount
 - $\$5,500 = \$5,441.87$ credited to student account
- Master Promissory Note (MPN) & Entrance Counseling: <https://www.StudentAid.gov>
- No payments while in school; several repayment options to choose from

Annual Loan Limits	
Freshman Year	\$5,500
Sophomore Year	\$6,500
Junior Year	\$7,500
Senior Year	\$7,500

Tip #3: Understand How College Loans Work

- Max loan amount = school's cost of attendance minus your financial aid
- **Only borrow what you need!**
- Estimate your monthly payment
 - Think about total debt for *all* college years
 - Consider your projected salary
- Indicate the loan will be for the spring semester
- Loan funds will go directly to the college

Tip #4: Compare the MEFA Loan vs. PLUS Loan

	MEFA Loan	Direct PLUS Loan
Interest rate	3.29%-8.89% fixed for 2025-26	8.94% fixed for 2025-26
APR	3.29%-8.89%	Not disclosed
Fee	No origination fee	4.228% origination fee
Student on the loan?	Yes	No
Responsibility to repay	Student & co-borrower(s)	Parent
Transfer responsibility?	Co-borrower release option	No
Credit criteria	Minimum credit score	Minimal credit standards
Repayment term	10-15 years	10-25 years
Repayment options	Immediate, interest-only, deferred	Immediate or deferred
Enrollment status	At least half-time	At least half-time
Consumer safeguards	Student death & disability loan forgiveness	Parent or student death & disability loan forgiveness
Need to file the FAFSA?	No	Yes

Tip #4: Compare the MEFA Loan vs. PLUS Loan

\$20,000 Balance Due

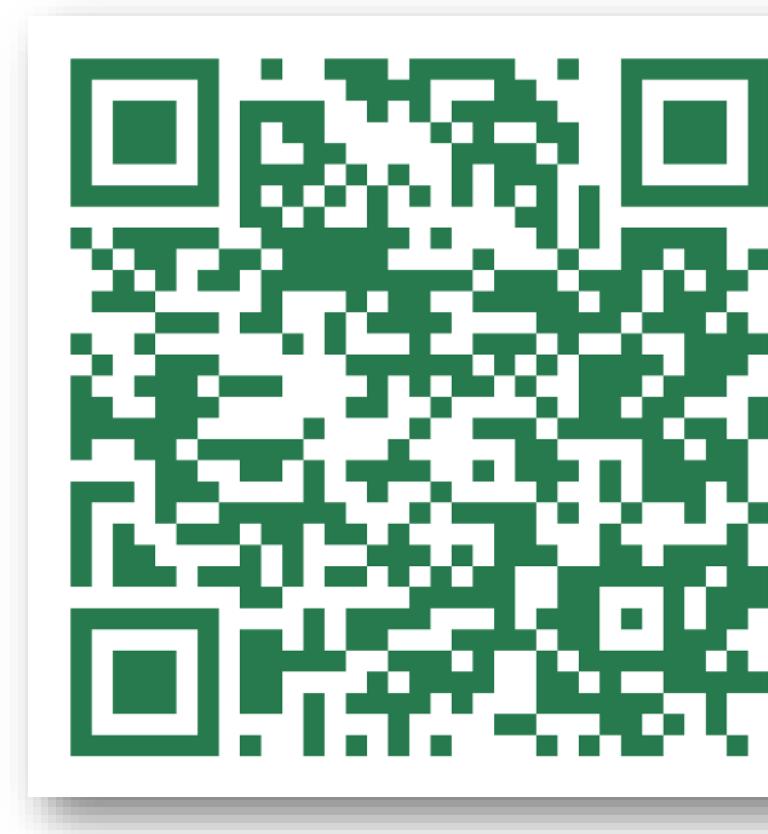
Loan Type	<u>MEFA Loan</u>	<u>PLUS Loan</u>
Amount Borrowed	\$20,000	\$20,882.93
Origination Fee	0%	4.228% ¹
Origination Fee Cost	\$0	\$882.93
Amount Sent to College	\$20,000	\$20,000
Interest Rate	6.69% ²	8.94% ¹
Monthly Payment (10 Years)	\$229.03	\$263.86
Interest & Fees	\$7,484.10	\$11,663.02
Total Paid	\$27,484.10	\$31,663.02
Total Savings	\$4,178.92	

¹ PLUS Loan interest rate (applies to loans disbursed after July 1, 2025) & fees: studentaid.gov/understand-aid/types/loans/interest-rates

² Based on 5-year weighted FICO for MEFA 10-year immediate repayment loan; 10-year immediate repayment loan 2025-26 rate range: 3.29%-8.64% APR

Tip #5: Assess MEFA Loan Affordability with MEFA's Undergraduate Loan Payment Calculator

MEFA's Student Loan Payment Calculator



Amount to Borrow		Years Before Graduation		Borrower or Co-Borrower's Credit	
15000		4 Years	▼	Exceptional	▼
Calculate					
		Immediate Repayment: 10 Years	Immediate Repayment: 15 Years	Interest-Only Repayment: 15 Years	Deferred Repayment: 15 Years
In-School Monthly Payment*	\$147.66 for 48 months	\$112.39 for 48 months	\$91.60 for 48 months	\$0.00 for 48 months	\$0.00 for 48 months
Post-School Monthly Payment*	\$147.67 for 72 months	\$112.40 for 132 months	\$167.17 for 132 months	\$218.47 for 132 months	\$219.34 for 132 months
Total Cost of Loan	\$17,719.92	\$20,231.52	\$26,463.24	\$28,838.04	\$28,952.88
Interest Rate	3.29%	4.09%	7.24%	7.44%	7.49%
APR**	3.29% - 8.64%	4.09% - 8.74%	7.24% - 8.89%	7.44% - 8.84%	7.49% - 8.89%

Tip #6: Be Aware of Timing

- Spring semester bills **are sent to the student** in Nov/Dec, due in Dec/Jan
 - Includes direct costs only (tuition, fees, dorm, meal plans & other direct costs)
 - Private scholarships and financial aid will be deducted
 - If you set up a payment plan and/or loans you may see these credited amounts
- Work-study is not typically deducted from the bill
- Apply for a MEFA Loan or other private loan **at least 2 weeks** before the college's bill due date
- You may apply for a loan if needed anytime during the academic year
- Set up payment plans according to the school's schedule

MEFA Loans

- Fixed rates 3.29%-8.89% APR
- Set monthly payments
- Multiple repayment options: immediate, interest-only, & deferred
- No origination or application fees
- Instant decision on complete applications



Apply for a MEFA Loan

MEFA as Your Resource

Request a virtual, one-on-one appointment with the MEFA Team



Listen to the MEFA Podcast wherever you get your podcasts



Access MEFA's Resource Center to find articles, videos, calculators, and webinars



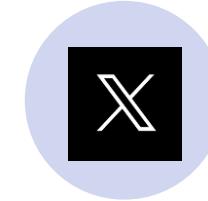
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Thank You!

Questions?



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