



INDUSTRIAL COMMISSION OF NORTH DAKOTA

John Hoeven
Governor

Wayne Stenehjem
Attorney General
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Roger Johnson
Agriculture Commissioner
For Immediate Release

News Release

Bank of North Dakota Makes Changes to Its Alternative Student Loan Program

BISMARCK - Bank of North Dakota (BND) today announced that it has made changes to its Dakota Education Alternative Loan (DEAL), beginning in January 2007. The DEAL is a state loan program which provides additional financial support to students who are unable to obtain adequate funds through federal student aid programs.

"Sometimes federal loans aren't enough to meet educational costs," Gov. John Hoeven explained. "The DEAL loan helps students bridge the gap between what they're receiving in federal aid and what they still owe for the cost of attendance at their school of choice."

The DEAL is a fixed interest-rate loan that has no hidden costs or back-end fees. In addition the administrative/origination fees of four percent are now being waived for borrowers on loans first disbursed on or after January 1, 2007.

"No fees simply mean more money for tuition, books and other expenses," said Agriculture Commissioner Roger Johnson. "It's another way the state-owned bank helps North Dakota college students lower the cost of their education."

Another exciting change to the DEAL loan is a co-signer release option available to borrowers who meet certain BND requirements. In order to qualify, a borrower must make 24 consecutive on-time monthly payments once the loan has entered repayment to establish a history of making on-time payments and pass BND credit criteria.

"This new option is great news for co-signers," said Attorney General Wayne Stenehjem. "Deciding to co-sign a loan is a big decision. Co-signers may take comfort in knowing they have the ability to be released from the obligation of that loan much earlier than its original payoff date."

Two more changes to the DEAL loan include the institution of a DEAL consolidation loan as well as a "look back" loan option. Borrowers who have more than one DEAL loan may consolidate them into one loan. The length of repayment on the loan is based on the loan balance and shall not exceed 25 years. The other option, called "look back" loans, allows schools to certify a DEAL loan after the school term has ended in order for the student to pay off an existing monetary balance.

"Now, the DEAL loan is even more attractive for students and families looking to pay for higher education expenses," said Eric Hardmeyer, BND president. "The new changes combined with existing features, such as the .25% reduction on payments using an automatic withdrawal from a checking or savings account, allow Bank of North Dakota to help students and families of this region achieve their educational goals."

The nation's only state-owned bank, BND was established in 1919 to encourage and promote agriculture, commerce and industry in North Dakota. BND is overseen by the Industrial Commission of North Dakota, consisting of Gov. John Hoeven as chairman, Attorney General Wayne Stenehjem, and Agriculture Commissioner Roger Johnson.

FURTHER INFORMATION: Contact: Julie Kubisiak, Bank of North Dakota, 701-328-5621