



# INDUSTRIAL COMMISSION OF NORTH DAKOTA

John Hoeven  
Governor

Wayne Stenehjem  
Attorney General

Roger Johnson  
Commissioner of Agriculture

News Release

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For Immediate Release

## **Bank of North Dakota Announces Interest Rate Reduction for Student Loans Paid via Automatic Payment Withdrawal**

BISMARCK - The Industrial Commission today approved a student loan borrower benefit of a .25% interest rate reduction on Bank of North Dakota (BND) student loans and loans BND services on behalf of the North Dakota Student Loan Trust. Student loans that qualify for this reduction must be paid by automatic payment withdrawal from a checking or savings account. This borrower benefit will take effect January 1, 2003 and be available to current and new participants who choose to use this repayment method.

"Using the automatic payment withdrawal saves time, money and interest for the student loan borrower," said Governor John Hoeven. "There is also the added benefits of convenience and assurance of timely payments."

"By choosing this payment alternative, students are assured the ease and convenience of repaying their student loan along with peace of mind that their payment will be on time," said Attorney General Wayne Stenehjem. "In the end, the borrower will save money with the .25% interest rate reduction and also by avoiding possible late fees."

"North Dakota historically leads the nation with the lowest student loan default rate." Agriculture Commissioner Roger Johnson said. "Automatic payment helps ensure students pay their loan on time; thereby helping Student Loans of North Dakota, a division of BND, maintain its low default rate."

Student loan borrowers still have the option to make their payments by writing a check. Currently, 13% of BND student loan borrowers and 9.32% of North Dakota Student Loan Trust borrowers utilize automatic payment. There is a total of approximately 55,000 student loan borrowers between BND and the North Dakota Student Loan Trust.

"Bank of North Dakota continues its commitment to remain a financial services leader in the state of North Dakota," said Eric Hardmeyer, president of BND. "By offering this borrower benefit, we continue our mission of providing progressive services to our customers."

Loans eligible for this borrower benefit include Stafford, Unsubsidized Stafford, Parent Loan for Undergraduate Students (PLUS) and Dakota Education Alternative Loan (DEAL) – the state-funded alternative loan.

As the only state-owned bank in the nation, Bank of North Dakota is overseen by the Industrial Commission of North Dakota, consisting of Governor John Hoeven as Chairman, Attorney General Wayne Stenehjem and Agriculture Commissioner Roger Johnson.

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