

# LelaCHOICE Loan for **Students** and **Parents**

The LelaCHOICE loans are private education loans for students and parents.

The **LelaCHOICE Student Loan** is for undergraduate and graduate students. The **LelaCHOICE Parent Loan** is for parents and others who wish to help undergraduate and graduate students with college costs. The LelaCHOICE Loan is subject to credit approval. Applicants who do not meet the underwriting and credit criteria on their own may apply with cosigners. **Note:** Students cannot apply for or cosign an application for the LelaCHOICE Parent Loan. The student has no obligation to repay a LelaCHOICE Parent Loan, and it is not transferrable to the student after he or she leaves school.

**Please note:** Aspire Servicing Center has a contractual relationship with the Louisiana Education Loan Authority (Lela) wherein Aspire Servicing Center performs certain private student loan (private loan) services for Lela.

**Fixed Annual Percentage Rate**  
**2.94% APR–6.37% APR**

**(WITH AUTOPAY)**

**Fixed Annual Percentage Rate**  
**3.19% APR–6.51% APR**

**(WITHOUT AUTOPAY)**

## Repayment Choices

With the LelaCHOICE loan, the applicant chooses when to start making payments. The options and rates are the same for the student and parent loans.

**The Immediate Payment option** features our lowest rates. This option:

- ▶ Requires monthly principal and interest payments once the loan is fully disbursed to the college.
- ▶ Has a 10-year principal and interest repayment period

**The Interest-Only Payment option:**

- ▶ Requires monthly interest payments once the loan is first disbursed to the college.
- ▶ Features a six-month separation period when interest-only payments are required after the student graduates, drops below half-time enrollment or leaves school.
- ▶ Has a 10-year principal and interest repayment period

**The Deferred Payment option:**

- ▶ Postpones repayment until after the student graduates, leaves school or drops below half-time enrollment.
- ▶ Features a six-month separation period with no required payments.
- ▶ Has a 15-year principal and interest repayment period

In addition, unlike some lenders, **Lela never capitalizes interest during repayment.** That means you never pay interest on interest and can mean lower costs if you need to use forbearance to postpone payments at any point.

For more information, view the detailed examples on the following pages.

## Loan Amounts

The LelaCHOICE loan must be:

- ▶ No more than the cost of attendance minus other aid annually.
- ▶ No more than **\$170,000** cumulative for **student borrowers**.
- ▶ No more than **\$200,000** cumulative for **parent borrowers**.
- ▶ At least \$1,001.

**Change Notice:** Lela reserves the right to change the program in any way from time to time without notice.

Rates for borrowers or cosigners with **FICO<sup>1</sup> scores of 800 or more**

In-School Payment Choice	Immediate Payment		Interest-Only Payment	Deferred Payment
<b>Origination Fee</b>	0%		0%	0%
<b>Fixed Interest Rate</b>	3.19%	5.20%	5.40%	5.60%
<b>Payments Required While Enrolled and During the Separation Period?</b>	<b>Yes, principal and interest payments<sup>2</sup></b>		<b>Yes, interest-only payments<sup>3</sup></b>	No
<b>Separation Period</b>	N/A <sup>4</sup>		6 months <sup>4</sup>	6 months
<b>Principal and Interest Repayment Period<sup>5</sup></b>	10 years		10 years	15 years
<b>Examples for a \$10,000 Loan</b>				
<b>Annual Percentage Rate (APR)<sup>6</sup></b>	<b>3.19%<sup>7</sup></b>	<b>5.20%<sup>8</sup></b>	<b>5.40%<sup>9</sup></b>	<b>5.20%<sup>10</sup></b>
<b>Finance Charge</b>	\$1,692 <sup>7</sup>	\$2,844 <sup>8</sup>	\$5,258 <sup>9</sup>	\$7,978 <sup>10</sup>
<b>Interest-Only Monthly Payment</b>	N/A		\$45 <sup>9</sup>	N/A
<b>Principal and Interest Monthly Payment</b>	\$97 <sup>7</sup>	\$107 <sup>8</sup>	\$108 <sup>9</sup>	\$100 <sup>10</sup>

<sup>1</sup> The FICO score used is the TransUnion FICO Score 8, 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.

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

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

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

<sup>5</sup> If a pre-disbursement loan cancellation results in a LelaCHOICE loan of \$1,000 or less, the maximum principal and interest repayment term is 37 months.

<sup>6</sup> Calculations do not include the 0.25% interest rate deduction for automatic payments.

<sup>7</sup> Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, and a fixed interest rate of 3.19% during the 120-month principal and interest repayment period for applicants or cosigners who pay a mortgage or rent and have a debt-to-income ratio of 34% or less.

<sup>8</sup> Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, and a fixed interest rate of 5.20% during the 120-month principal and interest repayment period.

<sup>9</sup> 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 5.40% during the 51-month interest-only and the 120-month principal and interest repayment periods.

<sup>10</sup> Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, deferring interest and principal for 51 months, and a fixed interest rate of 5.60% during the 51-month in-school and separation period and the 180-month principal and interest repayment period.

## Rates for borrowers or cosigners with **FICO<sup>1</sup> scores of 760–799**

In-School Payment Choice	Immediate Payment	Interest-Only Payment	Deferred Payment
<b>Origination Fee</b>	0%	0%	0%
<b>Fixed Interest Rate</b>	5.70%	5.80%	6.30%
<b>Payments Required While Enrolled and During the Separation Period?</b>	<b>Yes, principal and interest payments<sup>2</sup></b>	<b>Yes, interest-only payments<sup>3</sup></b>	No
<b>Separation Period</b>	N/A <sup>4</sup>	6 months <sup>4</sup>	6 months
<b>Principal and Interest Repayment Period<sup>5</sup></b>	10 years	10 years	15 years
<b>Examples for a \$10,000 Loan</b>			
<b>Annual Percentage Rate (APR)<sup>6</sup></b>	<b>5.70%<sup>7</sup></b>	<b>5.80%<sup>8</sup></b>	<b>5.78%<sup>9</sup></b>
<b>Finance Charge</b>	\$3,141 <sup>7</sup>	\$5,667 <sup>8</sup>	\$9,124 <sup>9</sup>
<b>Interest-Only Monthly Payment</b>	N/A	\$48 <sup>8</sup>	N/A
<b>Principal and Interest Monthly Payment</b>	\$110 <sup>7</sup>	\$110 <sup>8</sup>	\$106 <sup>9</sup>

<sup>1</sup> The FICO score used is the TransUnion FICO Score 8, 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.

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

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

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

<sup>5</sup> If a pre-disbursement loan cancellation results in a LelaCHOICE loan of \$1,000 or less, the maximum principal and interest repayment term is 37 months.

<sup>6</sup> Calculations do not include the 0.25% interest rate deduction for automatic payments.

<sup>7</sup> Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, and a fixed interest rate of 5.70% during the 120-month principal and interest repayment period.

<sup>8</sup> 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 5.80% during the 51-month interest-only and the 120-month principal and interest repayment periods.

<sup>9</sup> Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, deferring interest and principal for 51 months, and a fixed interest rate of 6.30% during the 51-month in-school and separation period and the 180-month principal and interest repayment period.

Rates for borrowers or cosigners with **FICO<sup>1</sup> scores of 720–759**

In-School Payment Choice	Immediate Payment	Interest-Only Payment	Deferred Payment
<b>Origination Fee</b>	0%	0%	0%
<b>Fixed Interest Rate</b>	5.90%	6.00%	6.52%
<b>Payments Required While Enrolled and During the Separation Period?</b>	<b>Yes, principal and interest payments<sup>2</sup></b>	<b>Yes, interest-only payments<sup>3</sup></b>	No
<b>Separation Period</b>	N/A <sup>4</sup>	6 months <sup>4</sup>	6 months
<b>Principal and Interest Repayment Period<sup>5</sup></b>	10 years	10 years	15 years
<b>Examples for a \$10,000 Loan</b>			
<b>Annual Percentage Rate (APR)<sup>6</sup></b>	<b>5.90%<sup>7</sup></b>	<b>6.00%<sup>8</sup></b>	<b>5.95<sup>9</sup></b>
<b>Finance Charge</b>	\$3,260 <sup>7</sup>	\$5,872 <sup>8</sup>	\$9,489 <sup>9</sup>
<b>Interest-Only Monthly Payment</b>	N/A	\$50 <sup>8</sup>	N/A
<b>Principal and Interest Monthly Payment</b>	\$111 <sup>7</sup>	\$111 <sup>8</sup>	\$108 <sup>9</sup>

<sup>1</sup> The FICO score used is the TransUnion FICO Score 8, 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.

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

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

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

<sup>5</sup> If a pre-disbursement loan cancellation results in a LelaCHOICE loan of \$1,000 or less, the maximum principal and interest repayment term is 37 months.

<sup>6</sup> Calculations do not include the 0.25% interest rate deduction for automatic payments.

<sup>7</sup> Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, and a fixed interest rate of 5.90% during the 120-month principal and interest repayment period.

<sup>8</sup> 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 6.00% during the 51-month interest-only and the 120-month principal and interest repayment periods.

<sup>9</sup> Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, deferring interest and principal for 51 months, and a fixed interest rate of 6.52% during the 51-month in-school and separation period and the 180-month principal and interest repayment period.

Rates for borrowers or cosigners with **FICO<sup>1</sup> scores of 660–719**

In-School Payment Choice	Immediate Payment	Interest-Only Payment	Deferred Payment
<b>Origination Fee</b>	0%	0%	0%
<b>Interest Rate</b>	6.00%	6.12%	7.22%
<b>Payments Required While Enrolled and During the Separation Period?</b>	<b>Yes, principal and interest payments<sup>2</sup></b>	<b>Yes, interest-only payments<sup>3</sup></b>	No
<b>Separation Period</b>	N/A <sup>4</sup>	6 months <sup>4</sup>	6 months
<b>Principal and Interest Repayment Period<sup>5</sup></b>	10 years	10 years	15 years
<b>Examples for a \$10,000 Loan</b>			
<b>Annual Percentage Rate (APR)<sup>6</sup></b>	<b>6.00%<sup>7</sup></b>	<b>6.12%<sup>8</sup></b>	<b>6.51%<sup>9</sup></b>
<b>Finance Charge</b>	\$3,321 <sup>7</sup>	\$5,996 <sup>8</sup>	\$10,663 <sup>9</sup>
<b>Interest-Only Monthly Payment</b>	N/A	\$51 <sup>8</sup>	N/A
<b>Principal and Interest Monthly Payment</b>	\$111 <sup>7</sup>	\$112 <sup>8</sup>	\$115 <sup>9</sup>

<sup>1</sup> The FICO score used is the TransUnion FICO Score 8, 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.

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

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

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

<sup>5</sup> If a pre-disbursement loan cancellation results in a LelaCHOICE loan of \$1,000 or less, the maximum principal and interest repayment term is 37 months.

<sup>6</sup> Calculations do not include the 0.25% interest rate deduction for automatic payments.

<sup>7</sup> 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.

<sup>8</sup> 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 6.12% during the 51-month interest-only and the 120-month principal and interest repayment periods.

<sup>9</sup> Annual percentage rate, finance charge and monthly payments are based on borrowing \$10,000, a 0% origination fee, deferring interest and principal for 51 months, and a fixed interest rate of 7.22% during the 51-month in-school and separation period and the 180-month principal and interest repayment period.

## Eligibility Criteria — LelaCHOICE Student Loan

To be eligible for this private student loan, you must:

- ▶ 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.
- ▶ Not have defaulted on any private or government student loan.
- ▶ **Be a Louisiana resident** attending any nonprofit, Title IV eligible, degree-granting, and/or non-degree granting accredited college or university **OR be a non-Louisiana resident** attending any nonprofit, Title IV eligible, degree-granting, and/or non-degree granting accredited Louisiana college or university.
- ▶ Be accepted, enrolled or attending on at least a half-time basis, as defined by the school, in an eligible education program.
- ▶ Be a citizen or permanent resident of the United States. Cosigners must be citizens 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.

## Eligibility Criteria — LelaCHOICE Parent Loan

To be eligible for this private education loan, you must:

- ▶ Be a Louisiana resident or be applying for a loan for a student attending an eligible Louisiana college or university.
- ▶ Be of majority age pursuant to applicable law at the time of application.
- ▶ Not have defaulted on any private or government student loan.
- ▶ Be a citizen or permanent resident of the United States. Cosigners must be citizens 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.

The student for whom the funds are being requested must:

- ▶ Be accepted, enrolled or attending a nonprofit, Title IV eligible, degree-granting, and/or non-degree granting accredited college or university on at least a half-time basis, as defined by the school, 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 either LelaCHOICE 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.
- ▶ Continuous employment over the last two years. (This requirement may be waived for retirees, disabled persons or those receiving a verified income.)
- ▶ A FICO score of at least 660. (The FICO score used is the TransUnion FICO Score 8, 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.)
- ▶ 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 LelaCHOICE Student Loans, at least one cosigner must meet all credit underwriting criteria with the exception of the debt-to-income ratio.

**Note:** For joint cosigned LelaCHOICE Parent 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.

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

## Repayment Benefits

### Interest Rate Reduction

As a LelaCHOICE loan borrower, you can earn a 0.25% interest rate reduction<sup>1</sup> when you sign up to have monthly payments automatically withdrawn.

### No Capitalized Interest

Lela never capitalizes interest during repayment. That means you never pay interest on interest and can mean lower costs if you need to use forbearance to postpone payments at any point.

### Cosigner Release

In addition, LelaCHOICE student borrowers may apply to release any cosigners from payment obligations:

- ▶ After the first 24 consecutive monthly principal and interest payments are received on time.
- ▶ If you meet the underwriting and credit criteria at the time the cosigner release is requested.

## Added Benefits for Graduate Students

(Started 2022-23 Academic Year)

### Higher Loan Limit

Graduate loan limit increased from \$100,000 to \$170,000 cumulative.

### No Cosigner Loan Option

Graduate students have the option to apply with no cosigner. This option includes slightly more lenient criteria to be approved on your own.

### Internship Residency Forbearance

Up to a 12 month forbearance offered for internship residency, upon request.

### Past Due Balance Extension

Look back period to pay any past due balances has been extended from 120 days (4 months) to 180 days (6 months) after term ends, upon request.

<sup>1</sup> The 0.25% interest rate reduction will apply once principal and interest payments begin to be automatically deducted 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 forbearance(s) or if automatic payments are rejected due to insufficient funds. In addition, unlike some lenders, Lela never capitalizes interest during repayment. That means you never pay interest on interest and can mean lower costs if you need to use forbearance to postpone payments at any point.