

Financing for
nontraditional students.

Your future starts here.



Loan Types	Focus	Eligibility	Annual Loan Limits*	Maximum Loan Limits*	Loan Disbursements
Federal Family Education Loan (FFEL) Program Loans Subsidized and Unsubsidized Stafford PLUS Loan	Undergraduate and graduate students.	<ul style="list-style-type: none"> You're a U.S. citizen or an eligible noncitizen as defined by federal rules. You're working toward a degree or certificate at an eligible school at least half-time. You have a Social Security number. Subsidized Stafford borrowers must demonstrate financial need. 	The following are total subsidized and unsubsidized loan limits for a full academic year: Dependent undergraduate students 1st year.....\$2,625 2nd year.....\$3,500 3rd & remaining years.....\$5,500 Ask your financial aid administrator how much you can borrow if your period of undergraduate study is less than a full academic year. Independent undergraduate students¹ 1st year\$6,625 (at least \$4,000 must be in unsubsidized loans) 2nd year\$7,500 (at least \$4,000 must be in unsubsidized loans) 3rd & remaining years.....\$10,500 (at least \$5,000 must be in unsubsidized loans) Graduate students Per year.....\$18,500 (at least \$10,000 must be in unsubsidized loans)	Dependent undergraduate students \$23,000 cumulative total for all years. Independent undergraduate students \$46,000 cumulative total for all years (at least \$23,000 must be in unsubsidized loans). Graduate students \$138,500 cumulative grand total for all years, including undergraduate school (at least \$73,000 must be in unsubsidized loans). Limits are higher for health profession students.	Two or more disbursements to school on dates it requests, generally via electronic transfer. Disbursements may be co-payable to school and student if requested by the school.
	Parents of undergraduate students; graduate/professional students borrowing for their own educational expenses (effective 7/1/06).	<ul style="list-style-type: none"> You're the parent of an eligible undergraduate student, or a graduate/professional student who is enrolled in a degree program at least half-time. You're a U.S. citizen or eligible noncitizen. You meet credit criteria as defined by credit rules. You've applied for the maximum allowable federal Stafford loans. 	Parents of undergraduate students No set maximum, based on cost of education minus expected financial aid (must meet credit criteria). Graduate students No set maximum, based on cost of education minus expected financial aid (must meet credit criteria).	None.	Two or more disbursements to school on requested dates, via electronic transfer or by check. Funds are co-payable to school and borrower.
Bank of America Private Loans Bank of America Undergraduate and Graduate Loans	Undergraduate, graduate, medical, dental, MBA and law students.	<ul style="list-style-type: none"> You're enrolled at an eligible school at least half-time. You're a U.S. citizen or permanent resident as defined by federal rules, or an international student with a permanent U.S. resident co-borrower. You and/or your co-borrower meet credit criteria. 	Undergraduate students No set maximum, but cannot exceed total cost of education minus other student aid. Graduate students \$40,000 (exceptions: Bar loans and residence loans).	Undergraduate students No set maximum, but cannot exceed total cost of education minus other student aid. Graduate students Cumulative loan amount (including all student loans) without a co-borrower is \$225,000 for Dental or Medical, \$130,000 for Law and \$120,000 for all other graduate loans.	Multiple disbursements to the school, based on the school's schedule.
Bank of America Education Maximizer™	K-12, undergraduate, graduate and continuing education students.	For current eligibility criteria, go to educationmaximizer.com . ²	The annual maximum amount is \$30,000 (\$40,000 for certain schools where TERI has determined that the annual cost of attendance exceeds \$30,000).	\$130,000 cumulative borrowing limit.	One disbursement sent directly to the borrower in as few as two days after receipt of final approval.

*May not exceed total cost of education minus other financial aid.

¹This term generally refers to individuals at least 24 years old, orphans, state wards, U.S. Armed Forces on active military duty or veterans or married; or those with a legal dependent other than a spouse.

Please note: Dependent undergraduate students may also be eligible to borrow at this higher level if their parents cannot meet credit criteria for obtaining a PLUS Loan.

²REPAYMENT EXAMPLE: Principal loan amount — \$10,000. Origination fee — 0%. In-school rate, In-repayment rate — 7.74%. 240 monthly payments — \$102.14.* Annual Percentage Rate (APR) — 8.356%. *Note that the APR and payment amounts will change if the interest rate changes. The interest rate example is based on the LIBOR rate of 4.99% plus a margin of 2.75% for the in-school rate and 3.55% for the repayment rate. This example also assumes no origination fee. This example is for comparison purposes only.

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Investing in Your Future

You're going back to college? Congratulations! You'll be expanding the range of opportunities available to you and gaining the skills you'll need to excel in your chosen field. A degree truly is the one investment that will give you returns for the rest of your life. And at Bank of America, we want to help you make the best financial decisions for your education.

Remember that with age comes wisdom. Yes, it's true that you might have a few years on some of the students on campus, but that can be a good thing. You'll have a stronger desire to succeed and a greater commitment to learning. And you'll have greater money management skills and established credit. Plus, you might qualify for college credit for your previous work experience or military service. These qualities can put you miles ahead of the younger students on the road to a degree.

Loan Types	Interest Rate/Borrower's Benefits	Fees	Repayment Terms	Monthly Payments
Federal Family Education Loan (FFEL) Program Loans Subsidized and Unsubsidized Stafford	<p>For new loans disbursed on or after 7/1/06, the fixed interest rate set by the federal government is 6.8%.</p> <p>Option to reduce rate by 0.25% through automatic payments from checking or savings account.</p> <p>Receive up to a 3% reduction in the current outstanding principal balance during the first 36 months of repayment for making on-time payments (after on-time payments 1-12, 13-24 and 25-36).²</p>	<p>Bank of America pays the federal loan origination fee and federal default fee¹ on your behalf.</p>	<p>Subsidized Stafford: Federal government pays (subsidizes) interest while student is in school at least half-time and during six-month grace period. Repayment follows six-month grace period after student drops below half-time enrollment.</p> <p>Unsubsidized Stafford: Federal government doesn't pay (subsidize) interest. It's billed quarterly; borrower may repay interest monthly or quarterly. Repayment of principal follows six-month grace period after student drops below half-time status. Payments may be deferred under some conditions; in case of temporary hardship, borrower may request forbearance.</p> <p>Choice of standard, graduated and income-sensitive repayment plans.</p> <p>Normally, maximum repayment period is 10 years for loans disbursed on or after July 1, 1993.³</p>	<p>Payment depends on loan amount; minimum payment is \$50 monthly or \$600 annually.</p> <p>No prepayment penalty.</p>
PLUS Loan	<p>For new loans disbursed on or after 7/1/06, the fixed interest rate set by the federal government is 8.5%.</p> <p>Option to reduce rate by 0.25% through automatic payments from checking or savings account.</p> <p>Receive up to a 3% reduction in the current outstanding principal balance during the first 36 months of repayment for making on-time payments (after on time payments 1-12, 13-24 and 25-36).²</p>	<p>Federal government charges 3% loan origination fee, and guarantor charges insurance premium up to 1%; deducted by lender from loan proceeds.</p>	<p>Interest begins to accrue on the day the loan is disbursed.</p> <p>First payment is due within 60 days after full disbursement. Payments may be deferred under some conditions; in case of temporary hardship, borrower may request a forbearance. Graduate/professional students may apply for an in-school deferment.</p> <p>Maximum repayment period is 10 years.⁴</p>	<p>Payment depends on loan amount; minimum payment is \$50 monthly or \$600 annually.</p> <p>No prepayment penalty.</p>
Bank of America Private Loans Bank of America Undergraduate and Graduate Loans	<p>The variable interest rate is based on the one-month LIBOR averaged over a three-month period, plus an additional percentage (determined by the loan type, whether or not you have a co-applicant and whether you are in school or in repayment). The rate may be adjusted quarterly — January, April, July and October.⁵</p> <p>Undergraduate rate is LIBOR + 2.75% while in school deferment or grace period; LIBOR + 3.55% in repayment.</p> <p>Graduate rate is LIBOR + 1.00% to 2.75% while in school, deferment or grace period; LIBOR + 3.00% to 3.9% in repayment.</p>	<p>Undergraduate loans: No loan guarantee fee.</p> <p>Graduate loans: The loan guarantee fee is determined by grade level and loan type, your school's Federal cohort default rate and whether you apply with or without a co-applicant.</p> <p>Call for more information.</p>	<p>Option 1: Payments of both principal and interest begin within 60 days of full disbursement.</p> <p>Option 2: Payments of interest only while student is in school, with payments of principal and interest after the six-month grace period.</p> <p>Option 3: Payments of both principal and interest deferred while student is in school and during the six-month grace period. In case of temporary hardship, borrower may request a forbearance. Accrued interest will be added to your loan when the deferment period ends.</p> <p>Call us for more information.</p>	<p>Payment depends on loan amount; minimum payment is \$25 monthly.⁶</p> <p>No prepayment penalty.</p>
Bank of America Education Maximizer™	<p>For current interest rate information, call us at 1.888.870.8142.</p>	<p>Fees vary by loan type. Call 1.888.870.8142 for specific rate information.</p>	<p>Undergraduate loan payments can be deferred up to 4½ years while continuously enrolled at least half-time in a participating program; or up to 5½ years for a five-year program. Call 1.888.870.8142 for K-12, graduate and continuing education loan terms.</p>	<p>Minimum payment is \$25 monthly.⁷</p> <p>No prepayment penalty.</p>

¹For Federal Stafford Loans for the 2006-2007 school year, Bank of America pays the federal origination fee for the borrower. Bank of America will pay the 1% federal default fee on Stafford loans in situations where the guarantor doesn't pay the fee. We reserve the right to modify or discontinue benefit programs at any time without notice. However, any such change would not affect the terms of loans previously made.

²Certain restrictions may apply. Each set of 12 payments during the first 36 months of repayment is treated independently for the purposes of awarding benefits. If you fail to make the first 12 payments or the second 12 payments on time, you can still qualify for the next 1% outstanding principal reduction if you make the next 12 payments on time.

³If the borrower doesn't repay the interest, monthly interest will accumulate and be added to the principal amount when the borrower enters repayment (known as capitalization).

⁴Depending on total loan debt, borrowers may be able to extend repayment period up to 25 years.

⁵The interest rate is based on the quarterly average of the one-month London InterBank Offering Rate (LIBOR), plus the additional percentage. The LIBOR Index is equal to the average of the one-month LIBOR rates as published in the "Money Rates" section of The Wall Street Journal on the first business day of each of the three (3) calendar months immediately preceding each quarterly adjustment date; however, the additional percentage will remain constant at 2.95%.

⁶REPAYMENT EXAMPLE: Principal loan amount — \$10,000. Origination fee — 0%. In-school rate, In-repayment rate — 7.74%. 240 monthly payments — \$102.14.* Annual Percentage Rate (APR) — 8.356%. *Note that the APR and payment amounts will change if the interest rate changes. The interest rate example is based on the LIBOR rate of 4.99% plus a margin of 2.75% for the in-school rate and 3.55% for the repayment rate. This example also assumes no origination fee. This example is for comparison purposes only.

⁷REPAYMENT EXAMPLE: Principal loan amount — \$10,000. Origination fee — \$650. In-school rate, In-repayment rate — 9.64%. 240 monthly payments — \$114.97.* Annual Percentage Rate (APR) — 9.64%. *Note that the APR and payment amounts will change if the interest rate changes. The interest rate example is based on the LIBOR rate of 4.99% plus a margin of 4.65% for the in-school rate and repayment rates. This examples also assumes a 6.5% origination fee. This example is for comparison purposes only.



School might require some adjustments to your lifestyle — but it'll be worth it.

Finding a comfortable balance between juggling a job, family responsibilities and school is critical. Here are some suggestions that might help you in this transition:

- **Choosing the right school.** Consider its academic program, class schedule and financial opportunities. And as an adult student, another factor to consider is the location of the college in relation to where you live or work. Figuring out how to handle your day-to-day responsibilities, in addition to your academic activities, can help you determine which college is best for you.
- **Continuing employment.** Even if you receive financial aid, you might have to work. This means you'll need to adjust your work schedule or reduce your class schedule.
- **Handling family responsibilities.** Juggling family responsibilities and school isn't easy. Scheduling your time efficiently and keeping the channels of communication open can help. Finances, time demands and household duties are a lot easier to manage with your family's support. Setting aside time for your own personal needs is also important.



Get off to a good start by developing a financial plan that fits your particular situation. Here are some ideas to help:

Let's talk tuition.

Your school can supply you with estimated yearly attendance costs. These typically include tuition, fees, books, supplies, living expenses, transportation and other personal expenses. Tuition, fees and books are usually payable upon registration. Living expenses are normally paid monthly. It's good to know what you'll have to pay upfront so you can plan how you're going to pay for it.

You may have most of your school already paid for.

Keep your out-of-pocket contributions to a minimum by exploring other options when you are thinking of funding school. Here are some examples:

- **Employer-paid tuition assistance.** Some employers offer educational assistance to employees who are attending graduate or professional schools.
- **Tuition payment plans.** Many colleges offer tuition payment plans for a minimal finance charge. Check with your college's financial aid administrator to see if a plan is in effect.
- **Military benefits.** If you've served in the military or are on active duty, you may be eligible for veterans' benefits or tuition assistance.

- **Apply for an internship or fellowship.** Check with your school to see if you qualify.
- **Scholarships and grants.** Every year, thousands of dollars in scholarships and grants go unclaimed. To find out which scholarships or grants you may qualify for, visit bankofamerica.com/studentloans.
- **Lifetime learning credit.** As a taxpayer, you may be eligible to claim a federal income tax credit for qualified tuition and related fees. Consult your tax advisor.
- **Campus-based federal programs.** Some colleges participate in and administer federal aid programs that are awarded to undergraduate and graduate students who demonstrate exceptional financial need.
- **Early IRA withdrawals.** You may make early withdrawals from individual retirement accounts (IRAs) without incurring a penalty — if the money is used for qualified expenses. These include tuition, fees, books, supplies and room and board for students enrolled at least half-time.
- **Home equity loans.** This option offers reasonable rates if you're a homeowner, and the interest may be tax deductible. You should consult your tax advisor concerning interest deductibility. To learn more visit bankofamerica.com/loansandhomes.

These are just some of the options available to help you fund your education. Check with your school's financial aid administrator for further details.

A student loan can help fill in the gaps.

Even with all of the help you can find, you still may need a loan to help pay for your tuition. Here are some tips when considering a student loan:

- **Learn the lingo.** Learn the terminology and acronyms used by your school and the bank. (See glossary on page 22.)
- **Know the process.** Each school's loan process is different. Become familiar with the application forms, how the application is tracked and how long it takes for approval.
- **Save with a Bank of America student loan.** Bank of America will pay the Department of Education Stafford Loan origination fee and federal default fee¹ on your behalf. In addition, you can earn a 0.25% discount on your Federal Stafford or PLUS Loan rate if you have payment automatically deducted from your checking or savings account. You may also be eligible to receive up to a 3% reduction of your current outstanding principal balance on your Stafford or PLUS Loan for making consecutive on-time payments during your first 36 months of repayment (1% reduction of your current outstanding principal balance after you make on-time payments 1-12, 13-24 and 25-36).²

Note: In some cases, students may be offered different repayment incentives, but the discounts offered will meet or exceed the stated amounts.

- **If you need multiple loans, it may be a good idea to stick to the same lender.** Borrowing from one lender simplifies repayment. If you borrow from several lenders, each one will calculate a separate payment amount, which could result in a higher total monthly payment.
- **Stay creditworthy.** A credit check is one of the requirements for obtaining a private loan or a PLUS Loan if you're a graduate student, so remember to keep your credit in good standing.



Federal or Private? Subsidized or Unsubsidized? There are many loan options available to you. At Bank of America, we're committed to helping you understand the difference and choose the loan that suits you best.

Listed below are a few loans you should consider. (Refer to the chart beginning on page 26 for more details on your options.)

Federal loans.

- **Subsidized Stafford Loan.** This loan was specifically designed for undergraduate and graduate students who can demonstrate financial need and meet other loan eligibility requirements.
- **Unsubsidized Stafford Loan.** This loan is for undergraduate and graduate students who do not qualify for need-based loans, like the Subsidized Stafford Loan, but do meet other eligibility requirements.
- **PLUS Loans.** Beginning 7/1/06, graduate/professional students may borrow under the Federal PLUS program, which was formerly reserved only for parents of dependent undergraduate students. Graduate/professional students must complete a Free Application for Federal Student Aid (FAFSA) and apply for their maximum allowable federal Stafford Loan amount (subsidized and unsubsidized) prior to applying for a PLUS Loan.

How to get a federal loan.

Getting a federal loan doesn't have to be a lengthy application process. We've broken it down into four easy steps:

1. Get a Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov. You can also call toll free: **1.800.4FED.AID (1.800.433.3243)** 8:00 a.m. to 12:00 a.m., Eastern time, seven days a week. The TTD number is 1.800.730.8913. Make sure you know the deadline date so you can submit your application on time.
2. You'll receive a Student Aid Report (SAR) four to six weeks after you send in your FAFSA. This report will detail your expected family contribution (EFC), which is the amount you are responsible for paying toward your education. The federal government also uses your EFC to determine if you're eligible for federal and state financial aid.
3. Your SAR will automatically be transmitted to your college, if it's set up to receive documents electronically. Otherwise, you'll need to send it to the college yourself. Before you submit your SAR, make sure it's accurate and then sign it. Before mailing, make a copy for your records.
4. You'll be assigned to a financial aid administrator who will calculate the amount of aid you're eligible to receive.

This is determined by subtracting your EFC from the total cost of attendance for one academic year. Your school will send you a financial aid award letter outlining your financial aid package, which is usually a combination of grants, work-study programs and loans.

Note: If you have any special circumstances that might affect your EFC, make sure you discuss them with your financial aid administrator. You must be able to prove these circumstances.

Find out if your school requires an additional form called The Financial Aid Profile. If so, be sure to fill it out and submit it by the appropriate deadline.

Private loans.

Sometimes, a federal loan isn't enough, or you just want to skip the federal process. Or maybe you're thinking of funding a specialized graduate degree. No problem — you can apply for a private graduate or undergraduate loan from Bank of America. For undergraduates, we offer a special undergraduate loan with no loan guarantee fee. We also offer a range of special graduate loans for medical, law, dental and MBA students.

For more information about our federal or private loans, talk with one of our student loan specialists at **1.800.344.8382**. Or log on to **bankofamerica.com/studentloans**.

(For more details, see the chart beginning on page 26.)





Okay, you've decided to get a loan. Now what?

It's important that you know what to expect when the time comes to repay your loan. Here are a few suggestions that will make repayment easier:

Prepay your loan. If you can, pay all or part of your loan ahead of schedule. This will lower the total amount of interest you'll pay over the life of the loan.

Always keep in touch with your lender. Notify your lender or loan servicer of any important changes, such as your name, address, school, attendance status or graduation date.

Keep and maintain accurate records. Store everything relating to your loan in a safe and accessible place until the loan is completely repaid.

Keep tabs on loan repayment regulations. The United States Congress regularly makes changes to federal loan repayment policies, including changes to Internal Revenue Service (IRS) regulations. For instance, the Taxpayer Relief Act of 1997 created a tax deduction for interest paid on qualified education loans. For more details, consult a tax advisor or the IRS. Or, you can go online to bankofamerica.com/studentloans to download *How to document and claim your tax benefits for Higher Education*, a guide that outlines tax benefits for students.

Your rights and responsibilities.

No matter what type of student loan you get, your loan is a contract between you and the lender. Here are a few important facts to keep in mind:

- You'll receive a statement with the amount borrowed and your interest rate.
- You'll receive a repayment schedule before you start making payments.
- You must repay your loan, including interest and fees.
- Most lenders do not charge a penalty if you repay all or part of your loan early.
- Your minimum monthly payment could be as low as \$25 a month, depending on how much you borrow and the loan type.³
- You must repay your loan as scheduled unless you apply for and receive a deferment or forbearance (not available with all loan types).
- You'll receive written notice if your loan is transferred to a new loan holder, such as a secondary market or servicing agency. Once notified, you'll be responsible for directing all correspondence to the new holder. (Be sure to include your account number on your correspondence.)
- If you don't make your loan payments on time or honor the other terms of your loan agreement, your loan is subject to enter default status.

Keep your credit in good standing by making on-time payments.

Here's how to manage your loan while building an impressive credit history:

Stay organized.

Store all loan-related materials — such as your application, promissory note and disclosure statement — in a safe place. Hold on to them even after you've repaid your loan, just in case you need proof of repayment.

Deal with payment problems immediately.

Stick to payment due dates. If you have a problem repaying your loan, it's your responsibility to contact the holder or servicer of your loan immediately.

Avoid a loan default.

If your federal loan is placed in default status, the following consequences come into play:

- The holder of your loan (the bank or servicer) files a claim with the government to collect funds.
- The government assigns your loan to a collection agency. The unpaid amount of your loan, including interest, may become due and payable immediately.
- To ensure that the government gets repaid, the IRS has the right to seize property, garnish wages, litigate and make you pay court costs and attorney fees.

- You may be ineligible for future educational aid, as well as deferments, forbearances and loan consolidation on student loans you may already have.
- If you're married and live in a community-property state, these actions may also affect your spouse.
- Federal student loans cannot be dismissed by filing for bankruptcy.

Ten Great Reasons to Choose Bank of America as Your Lender



1. Experience.

As one of the nation's largest consumer banks, we have more advantages to offer adult student loan borrowers. Plus, with almost 40 years' experience as a preferred student lender, you can depend on Bank of America for knowledgeable, professional assistance.

2. Attractive benefits.

With a Bank of America Stafford Loan, you'll enjoy a 0% origination fee and 0% federal default fee.¹ Stafford and PLUS borrowers earn a 0.25% interest rate reduction with automatic loan payments from your checking or savings account, as well as up to a 3% reduction of your current outstanding principal balance during the first 36 months or repayment, simply for making your loan payments on time.²

3. Customer service.

Our student loan specialists are here to help you with every step of the loan process, from application through repayment, plus counseling materials. We'll even help you apply for a scholarship. For more information, visit bankofamerica.com/studentloans or call us at **1.800.344.8382**.

4. Selection.

We offer a large variety of loan options, including federal, private and specialized graduate student loans — and you can apply online.

5. Track record.

We are one of the largest and strongest commercial banks in the country. Our education loan portfolio ranks in the top five in the industry.

6. Commitment to education.

We were there when the education loan program began nearly 40 years ago, providing service and advice to parents and students, colleges and universities. And we'll continue to be there in the future.

7. Innovative counseling tools.

We pride ourselves on being the first to offer online entrance and exit counseling. We also offer brochures tailored to undergraduate, graduate, reentry students and parents. Visit our online library at bankofamerica.com/studentloans to view and print our brochures.

8. Everything you need.

Bank of America can help you and your family in so many ways. From checking and savings accounts to financing major purchases — and everything in between — we'll be sure to have whatever you're looking for.

9. Access.

No matter where you are, we'll be there. Whether on our Web site, on the phone or at one of over 5,800 banking centers and 16,000 ATMs coast to coast, you can count on Bank of America every day, whatever your financial need.

10. We'll be there in the future.

We know there are many banks to choose from. We'll work to provide you with all of the financial solutions you need now and after you graduate — like when you need to finance your home or send your own children to college.

Student loans are just one of the ways we can help you in school.

Bank of America has checking and saving solutions to match the needs of any student — no matter what age. We also offer a variety of credit cards⁴ to help you manage any expenses you'll have as a student. All of our account options come with the security, access and convenience that you need from a bank. Plus, you can have your student loan payments automatically deducted from your checking account — which also gives you a 0.25% interest rate discount on your student loan rate.

To apply for any of our checking, savings or credit card⁴ accounts, stop by your neighborhood Bank of America or visit bankofamerica.com.



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If This Isn't Enough Information, We're Here for You



If you need help or you just want some things clarified, give us a call at **1.800.344.8382** and talk directly with one of our student loan specialists. We'll be happy to answer your questions or send you additional information at no charge.

We'll also send you Free Student Aid Brochures.

We're dedicated to helping you understand the financial aid process and making it easier for you. Below are other Bank of America publications designed to help you make your financial aid decisions. All guides are free of charge.

Student Loan Guide. All the information you need on federal and private student loan options.

Managing Your Student Loan. Money tips, definitions of student loan terms, answers to many commonly asked questions, charts to give you an idea of your monthly payments and much more to help you manage your student loan.

Paying for Your College Education.

An overview of the financial aid process, including planning calendars for high school juniors and seniors.

To download or order, visit our online library at **bankofamerica.com/studentloans** or call us at **1.800.344.8382**. Our Web site is full of useful information, including a pre-loan test for a Federal Stafford Loan, detailed descriptions and applications for private student loans and much more.

Online Resources

U.S. Department of Education
www.ed.gov

Online Financial Aid Search
www.fastweb.com

FAFSA on the Web
www.fafsa.ed.gov

The Financial Aid Information Page
www.finaid.org



The following are definitions for some common financial aid terms:

Accrued Interest

Amount of interest that accumulates on the unpaid principal balance of your loan.

Cost of Attendance (COA)

Determined by your school, COA covers tuition, fees, meals, housing costs, books and supplies, transportation and personal expenses.

Credit History

Record of current and past credit transactions that potential lenders use to determine your ability to pay back debt.

Default

Failure to repay your student loan, which may result in serious long-term consequences.

Disclosure Statement

Important information from the lender stating the terms of a loan.

Education Expenses

Qualifying expenses to be covered by student aid, including tuition and school fees, books and supplies, room and board and “reasonable” living expenses as determined by the school.

Entrance/Exit Interviews

Counseling sessions about loans that you must attend when receiving your first Stafford Loan and when leaving college.

Expected Family Contribution (EFC)

Amount your family is expected to pay toward college costs, based on a federal formula. To calculate your EFC, the government assesses the detailed family financial information indicated on your financial aid application. (Refer to Free Application for Federal Student Aid.)

Forbearance

A temporary adjustment to the payment schedule for cases of financial hardship. Interest continues to accrue during this period.

Free Application for Federal Student Aid (FAFSA)

Application that you must complete to qualify for a government-guaranteed student loan. This application must be resubmitted for each year you wish to obtain a loan.

Grace Period

Set time period during which the borrower doesn't need to make payments of principal or interest on certain loans.

Independent Student

A person who is either 24 years or older, married, a graduate or professional student, on active military duty, a veteran, an orphan or a ward of the court or who has legal dependents other than a spouse. Based on federal guidelines.

Interest

Fee charged for borrowing money that the lender calculates as a percentage of the principal loan amount.

Principal

Amount borrowed or remaining unpaid. The principal balance may include capitalized interest.

Promissory Note

Legally binding contract between borrower and lender that includes the terms and conditions under which the borrower promises to repay the loan.

Servicers (Servicing Agencies)

Companies that administer loans for lenders and secondary markets.

Student Aid Report (SAR)

Notification about your EFC and eligibility for other federal financial aid.

Subsidized Interest

Interest paid by the federal government while you're in college or during grace and deferment periods.

Unsubsidized Interest

Interest paid by you, rather than the government.



8

Loan Comparison Chart

This brochure covers a lot of information. And remembering the ins and outs of every loan can be difficult. So to help, we've broken down each of the loans into one simple chart.

Making the decision easier.

The decision to go back to school is not always easy. But with this Loan Comparison Chart, deciding which loan is right for you can be.

¹For Federal Stafford Loans for the 2006–2007 school year, Bank of America pays the federal origination fee for the borrower. Bank of America will pay the 1% federal default fee on Stafford Loans in situations where the guarantor doesn't pay the fee. We reserve the right to modify or discontinue benefit programs at any time without notice. However, any such change would not affect the terms of loans previously made.

²Each set of 12 payments during the first 36 months of repayment is treated independently for the purposes of awarding benefits. If you fail to make the first 12 payments or the second 12 payments on time, you can still qualify for the next 1% outstanding principal reduction if you make the next 12 payments on time.

³REPAYMENT EXAMPLE: Principal loan amount — \$10,000. Origination fee — 0%. In-school rate, In-repayment rate — 7.74%. 240 monthly payments — \$102.14*. Annual Percentage Rate (APR) — 8.356%. *Note that the APR and payment amounts will change if the interest rate changes. The interest rate example is based on the LIBOR rate of 4.99% plus a margin of 2.75% for the in-school rate and 3.55% for the repayment rate. This example also assumes no origination fee. This example is for comparison purposes only.

⁴Credit subject to approval. Normal credit standards apply. Credit cards issued by Bank of America, N.A. (USA)



NOTES:

The information in this guide is based on various documents provided by the U.S. government, guaranty agencies and financial aid organization. This information, as well as information about our products and services, is current as of June 2006 and may change at any time.