



*Student financing for **international**  
and **DACA** students*



# ***GUIDE TO INTERNATIONAL STUDENT LOANS***

## **Empowering global citizens for global change**

We enable high-promise global citizens to further their academic and financial aspirations because we believe that socio-economic mobility should be borderless.



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***“An investment in  
knowledge pays the  
best interest.”***

- Benjamin Franklin

We help international students make  
an investment in knowledge and their  
future. After all, we are ALL  
global citizens.

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# INTRODUCTION FROM OUR FOUNDERS

01

## FROM MANU

**I am originally from France. I came to the U.S. for the first time when I attended the University of Virginia as an undergrad.**

As an international student in the U.S., I struggled to get financing myself. I did not have a U.S.-based credit score and my parents could not afford to pay for my education. Over a decade later, my sister came to the U.S. to complete her undergrad as well. While serving as my sister's legal guardian in the U.S., I realized that she was facing the same challenges that I had: she couldn't even get an apartment on her own because she was an international student without a credit history in the States. Then, a few years ago, one of the current brothers of my fraternity at UVA emailed the alumni group and said that he was about to drop out from college one semester short of graduation, because he could no longer afford his rent.

I thought it was so unfortunate that this young guy, who is a talented engineer, could not graduate on time—or at all—because of financial issues. It also occurred to me that he was not the only student who has had to compromise education and a bright future for lack of a few hundred dollars. I felt like all of this made no sense. At the time, I was travelling around the globe while working as an engagement manager at McKinsey & Company. I thought, “Here I am solving macro financial challenges, yet there is a student in my backyard who might drop out of school.” So I sent him the money, but the topic of student loans and personal financing kept coming back to my mind—that’s when I decided to leave McKinsey and start MPOWER.

**MANU SMADJA**  
CEO and co-founder

## FROM MIKE



**My family immigrated to the U.S. from Iran when I was six. My father was a college professor in Iran and education had always been a pillar of our household.**

I went on to study engineering at Purdue University and later attended business school at INSEAD, where I met my co-founder Manu.

When we founded MPOWER in April 2014, Manu and I agreed to never lose sight of our primary goal: to help high-potential international students gain access to financing to help them get to and through college. As former international students ourselves, we are familiar with the struggles they face. Four years later, MPOWER Financing is stronger than ever. We have offices in two countries, employ dozens of employees worldwide (many of whom are former international students themselves), and have helped thousands of borrowers gain access to funding necessary to complete their education.

We are proud of what we’ve achieved but know there is still more work to be done. We don’t want to stop at financing our customers’ education, but also want to help them be well-prepared for the global job market. That’s why we’ve developed our Path2Success program. In addition to free resume review, Path2Success offers our borrowers exclusive access to LinkedIn networking groups, potential volunteer opportunities, and internship announcements.

We publish a monthly newsletter that includes financial literacy guidance and career advice specifically tailored to international talent. In short: we are committed to helping international students fulfill their potential. As you review this guide, I encourage you to reach out to us at MPOWER to say hello. We look forward to hearing from you.

**MIKE DAVIS**  
Chief Investment Officer & Co-founder



## ABOUT MPOWER

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MPOWER Financing provides fixed-rate student loans to high-potential students from 190+ countries pursuing degrees in the United States in any academic field.

### OUR MISSION

We enable **high-promise global citizens** to further their academic and **financial aspirations** because we believe that socio-economic mobility should be borderless. To accomplish this mission, MPOWER works with investors and universities to **lend to students coming from all parts of the globe.**

MPOWER Financing was created as a Public Benefit Corporation which means we are committed to creating positive social change in the world to help promising students who struggle to complete their education as a result of being ignored by traditional lenders. Founded by, and comprised of, a dedicated group of global citizens, our team is passionate about helping international students access a quality education in the U.S., regardless of one's background or country of origin.

MPOWER cares about your future and thus (in addition to student loans) offers career support such as resume review, networking opportunities, and exposure to paid internships and full-time job openings.

**We work with over 200 of the top universities and colleges in the U.S. to support their international students.** We don't require borrowers to have a US-based co-signer, a U.S. credit history, or collateral. We approve loans primarily based on your academic success and career path, using our proprietary and innovative credit models.

Our loans can be as low as \$2,001 and as high as \$100,000 (over 2 academic terms). We allow you to borrow from multiple lenders and we allow you to repay your loan early - without penalties. We also offer a 6-month interest-only payment period after graduation before beginning your 10-year repayment term.

### MPOWER Financing by the numbers:

**200:** # of top colleges and universities where MPOWER customers are enrolled

**110:** # of countries where our student customers are from

**90:** % of MPOWER Financing customers who are in, or went to, graduate school

**1:** # of minutes it takes to determine whether you are eligible for a loan from MPOWER Financing





# WHY CHOOSE AN MPOWER LOAN

03

## MPOWER FINANCING OFFERS STUDENT LOANS TO:

- ✓ INTERNATIONAL STUDENTS FROM 190+ COUNTRIES\*
- ✓ DACA (DEFERRED ACTION FOR CHILDHOOD ARRIVALS) RECIPIENTS
- ✓ ASYLUM SEEKERS
- ✓ REFUGEES
- ✓ US CITIZENS

MPOWER Financing *supports both graduate and undergraduate studies* at **200+ universities and colleges** in the U.S. Students must be within 2 years of graduating. To determine whether your program is eligible for a loan from MPOWER Financing, please visit [www.mpowerfinancing.com](http://www.mpowerfinancing.com).

\*To comply with U.S. government regulations, we cannot offer loans to citizens of the following countries: Cuba, Iran, Syrian Arab Republic, and South Sudan.

## MPOWER WORKS WITH TOP UNIVERSITIES

We are an approved private lender at many universities and we offer loans to students in any degree program at over 200 top universities and colleges in the U.S. such as:

William&Mary      Purdue

Babson      **UCLA**

Auburn      Duke      USC      Wake Forest University

University of Miami      Berkeley      Illinois Institute of Technology

Brandeis      Boston University      Ohio State University

Yale      Wesleyan      Tufts      Howard University

University of Virginia      **Harvard University**      University of Texas, Austin

Southern Methodist University      UMass

**Cornell University**      UNC Chapel Hill



## FLEXIBLE LOAN AMOUNTS

Our loans can be **as low as \$2,001** and **as high as \$100,000** (over two academic terms).

Unlike other international lenders, we allow you to borrow from multiple lending sources. Finding additional sources of funding to supplement your MPOWER loan is an option for our students. We also allow you to take out multiple MPOWER loans throughout your academic career. This prevents you from initially borrowing more than you may need (which could result in unnecessary interest expenses). Instead we encourage you to borrow as little as you need, as you will always have an opportunity to apply for additional funds later. Our loans can be used for tuition, books, housing, healthcare, and much more.

We do not limit the percentage of tuition we cover. We work with your school to determine whether the loan amount is appropriate for your program and once the school certifies that you are enrolled, the loan proceeds are paid directly to your school. This ensures that the loan qualifies as a student loan rather than a personal loan, which could make your interest payments tax deductible in the U.S.

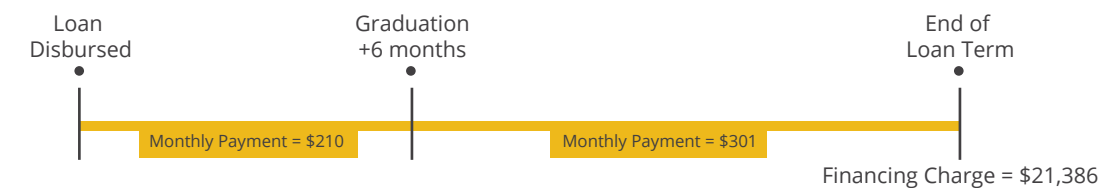


MPOWER loans have a **10-year term to minimize your interest costs. In addition, we allow you to repay your loan early without charging a prepayment penalty, thus enabling you to save even more on interest charges.**

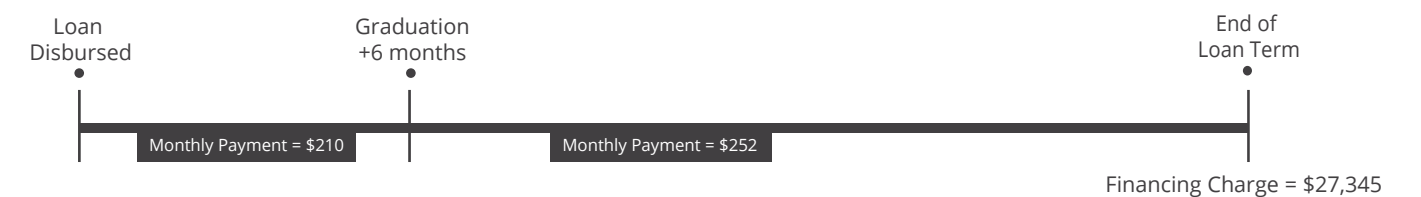
## A 10-year loan saves you money

All other terms being equal, a loan with a longer repayment period has lower payment amounts, but a higher total cost. For a \$21,000.00 loan with an interest rate of 11.99% (12.94% APR), the 15-year loan will cost you \$5,859 more:

### 10-year loan



### 15-year loan



## ENJOY FAVORABLE INTEREST RATE TERMS

### Fixed Interest Rates

With a fixed interest rate, your rate will never increase as a result of changes in global interest rates. Predictable loan payments make budgeting easy and simple.

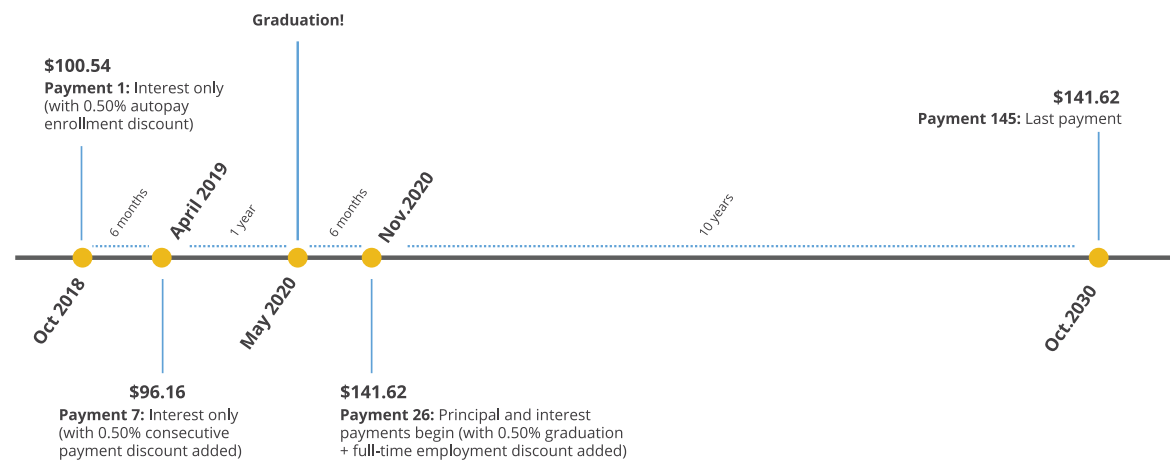
- **0.50%** for autopay enrollment (i.e. automatic deduction from a US bank account)
- **0.50%** for 6 consecutive autopay payments
- **0.50%** for graduation and proof of employment

### Interest Rate Discounts

MPOWER is the only lender offering the following three interest rate discounts totaling 1.50% - which can save you hundreds or even thousands of dollars.

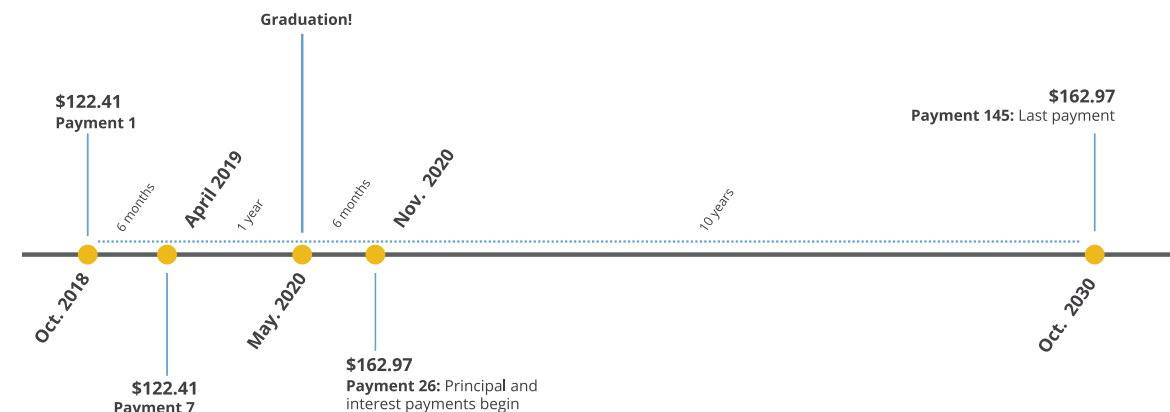
### International graduate student sample *with* discounts

Loan amount: \$10,000 | Origination fee: \$500 | Total loan amount: \$10,500  
 Interest rate: \$11,99% (12.94%APR) | Total discounts: 1.50% | Interest rate after three discounts: 10.49% (11.59% APR)  
 Total payments: \$19,424.68 | Savings from three discounts: \$1,268.19  
 Program start date: Sept. 2018 | Program end date: May 2020



### International graduate student sample *without* discounts

Loan amount: \$10,000 | Origination fee: \$500 | Total loan amount: \$10,500  
 Interest rate: 11.99% (12.94% APR)  
 Total payments: \$22,616.31  
 Start date: Sept. 2018 | End date: May 2020



## SAVE MONEY BY STARTING WITH EARLY INTEREST-ONLY PAYMENTS

This has multiple benefits:



1. It allows you to **get the first two interest rate discounts** while you are **still in school**.

2. You save money because the **interest is not capitalized** and **added to the loan amount** when you graduate. This means that the principal balance of your loan does not increase (and your interest costs do not increase, either).

3. Your payments are used to **build your U.S. credit history**, which will give you greater flexibility in financial matters when you graduate, such as applying for a credit card or renting an apartment.

**You can continue to make interest-only payments for 6 months after graduation before beginning your 10-year repayment term.**

# WHAT YOU NEED TO KNOW ABOUT INTEREST RATES

*We're passionate about helping students choose a student loan that is right for them - even if it's not an MPOWER loan. Here are a few facts about interest rates (i.e. the price of a loan) you need to consider as you choose a loan that works best for you.*

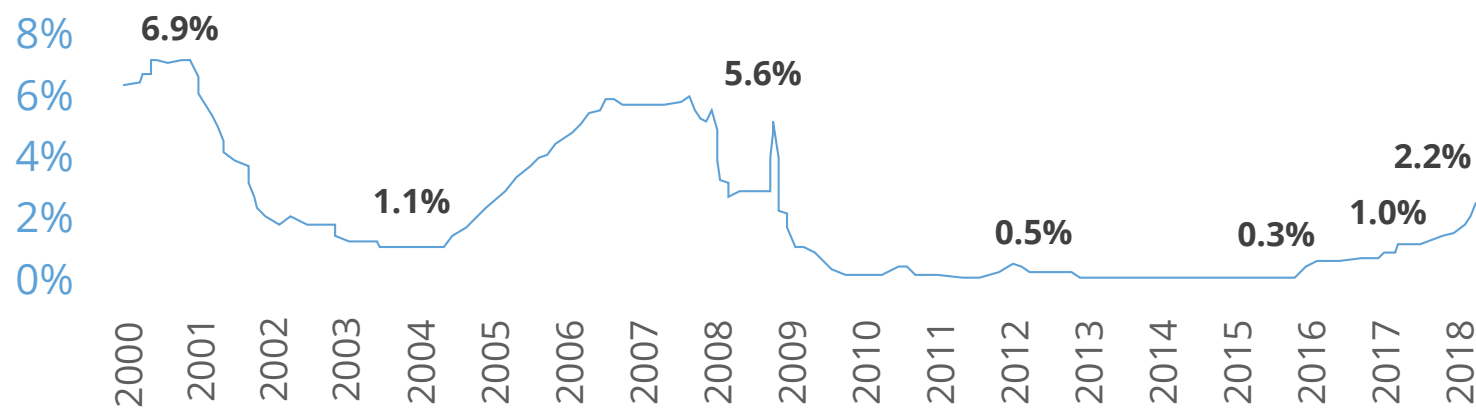
## Variable Rates vs. Fixed Rates

Fixed rates are easy: they never change and thus your repayment costs are predictable. Variable rates, on the other hand, can change, which means your monthly payments will also change. This can make budgeting difficult, as you can't forecast with certainty the amount you need to pay each month.

Variable rates can seem enticing because initially, they start lower than fixed rates. That's because the lender is shifting the interest rate risk (the chance that interest rates rise) onto the shoulders of the borrower. It's simple - when a lender is exposed to less risk, they can charge a lower price. However, that doesn't mean that the risk is gone - it simply has become your problem, not the lender's. If interest rates rise, the rate used to calculate your payments will also rise, as will your monthly payment. Since the lender's margin (the difference between the lender's borrowing costs and what they charge you) stays constant, you are, in effect, subsidizing the lender's business by assuming more risk yourself.

Interest rates were relatively low over the last 10 years, although they have been rising since 2017. Most economists and financial experts expect interest rates to rise (The US Federal Reserve Bank announced in March 2018 that it plans to raise rates at least 3 times in 2018), which increases the likelihood that your interest rate will also rise.

## Historical 3-month USD LIBOR RATES



Here is an example of a \$20,000 loan disbursed in September 2017, and how the variability of interest rates affects the total finance charge (with interest rate discounts applied over the term of the loan):

Period	LIBOR	Variable Rate (LIBOR + 8.5%)	Fixed Rate
Loan Disbursed (Sep '17)	1.3%	9.80%	11.49%
Current Rate (Apr '18)	2.3%	10.80%	10.99%
Repayment Start (Nov '19)	???	???	10.49%

LIBOR	Variable Rate Finance Charge	Fixed Rate Finance Charge	Fixed Rate Loan Savings
2.00%	\$18,606	\$18,850	-\$244
2.30%	\$19,031	\$18,850	\$181
2.50%	\$19,316	\$18,850	\$465
3.00%	\$20,033	\$18,850	\$1,182
3.50%	\$20,757	\$18,850	\$1,907
4.00%	\$21,489	\$18,850	\$2,639

The LIBOR benchmarked loan is more expensive if rates stay the same or go up

If you do choose a variable rate loan, be sure to ask whether the loan comes with an 'interest rate cap' (a cap, or ceiling, sets the maximum possible interest rate), and whether there is a maximum annual change in the interest rate to avoid sudden and drastic increases in interest rates (and the corresponding increase in your monthly payment).

## Why the timing of interest payments matters

Some lenders offer a grace period (a period when you don't need to make payments), allowing you to postpone the repayment of your loan until after graduation. However, postponing the payment of interest simply means that the interest you should have paid during that period gets added to your loan principal at the end of the grace period, and your subsequent payments are higher because interest is now calculated on a higher loan amount than what you had borrowed originally.

This example shows the impact of avoiding interest payments during school on the finance charge for a \$21,000 loan with a 11.99% (12.94% APR) interest rate:

	In-school payments	No in-school payments
Total Loan Amount	\$21,000	\$21,000
In-School + 6-month post-grad interest-only payment amount	\$209	\$0
Principal balance after graduation	\$21,000	\$26,246
Repayment after Grad	\$301	\$376

Graduate with more debt

Graduate with higher payments

## Why a low rate does not equal a low payment amount

While the interest rate partially determines the amount of your monthly payment, the term of your loan is a far greater factor in calculating your monthly payment. A longer term can lower your monthly payment by spreading out the repayment of principal across more payments, but your total borrowing costs are higher than for a shorter term loan because you are paying interest for a longer time.

For an example, see the chart on page 8.



## BENEFITS OF WORKING WITH A U.S.-BASED LENDER LIKE MPOWER FINANCING

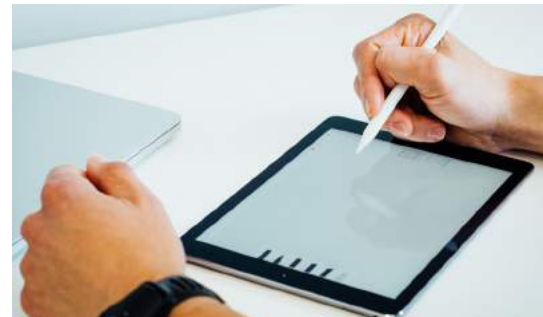
### Build U.S. Credit

When you make payments to MPOWER, your payment record is shared with U.S. credit bureaus, which allows you to build a U.S. credit history. This will give you greater flexibility in financial matters in the future, such as applying for a U.S. credit card or a car loan, or when seeking rental accommodations.



### Easy and Free Payments

You will be able to set up easy autopay payments from your U.S. bank account. These payments are free and easy to set up. U.S. banks often refer to these as 'ACH payments' (ACH = Automated Clearing House) and all banks will allow you to set up these automatic deductions. Once funds are disbursed you will have the opportunity to set up autopay through our customer portal, where you can provide your bank account details.



### No exchange rate risk if you stay in the U.S.

If you are working in the U.S. during school or afterwards and earn income in U.S. dollars, your monthly payments are not subject to exchange rate fluctuations (i.e. the currency of your earnings matches the currency of your loan repayments). This avoids costly wire transfers between your bank and MPOWER and ensures that your payments never increase.



### Your student loan interest may be tax deductible in the U.S.

If you have income as a result of U.S. employment, the interest you pay on an MPOWER Financing student loan may be tax-deductible, to the extent allowed by U.S. law.



## 3 TYPES OF STUDENT VISAS

International students need a visa to study in the US. Three types of student visas are issued by U.S. Citizenship and Immigration Services (USCIS):



### F-1 (Student Visa)

The F-1 visa is for full-time students enrolled in an academic or language program. F-1 students may stay in the U.S. for the full length of their academic program plus 60 days. F-1 students must maintain a full-time course load and complete their studies by the expiration date listed on the I-20 form.

### J-1 (Exchange Visitor Visa)

The J-1 visa is issued for students needing practical training that is not available in their home country to complete their academic program. The training must be directly related to the academic program. The J-1 visa obligates the student to return to their home country for a minimum of two years after the end of their studies in the US before being eligible to apply for an immigrant (permanent residence) visa.

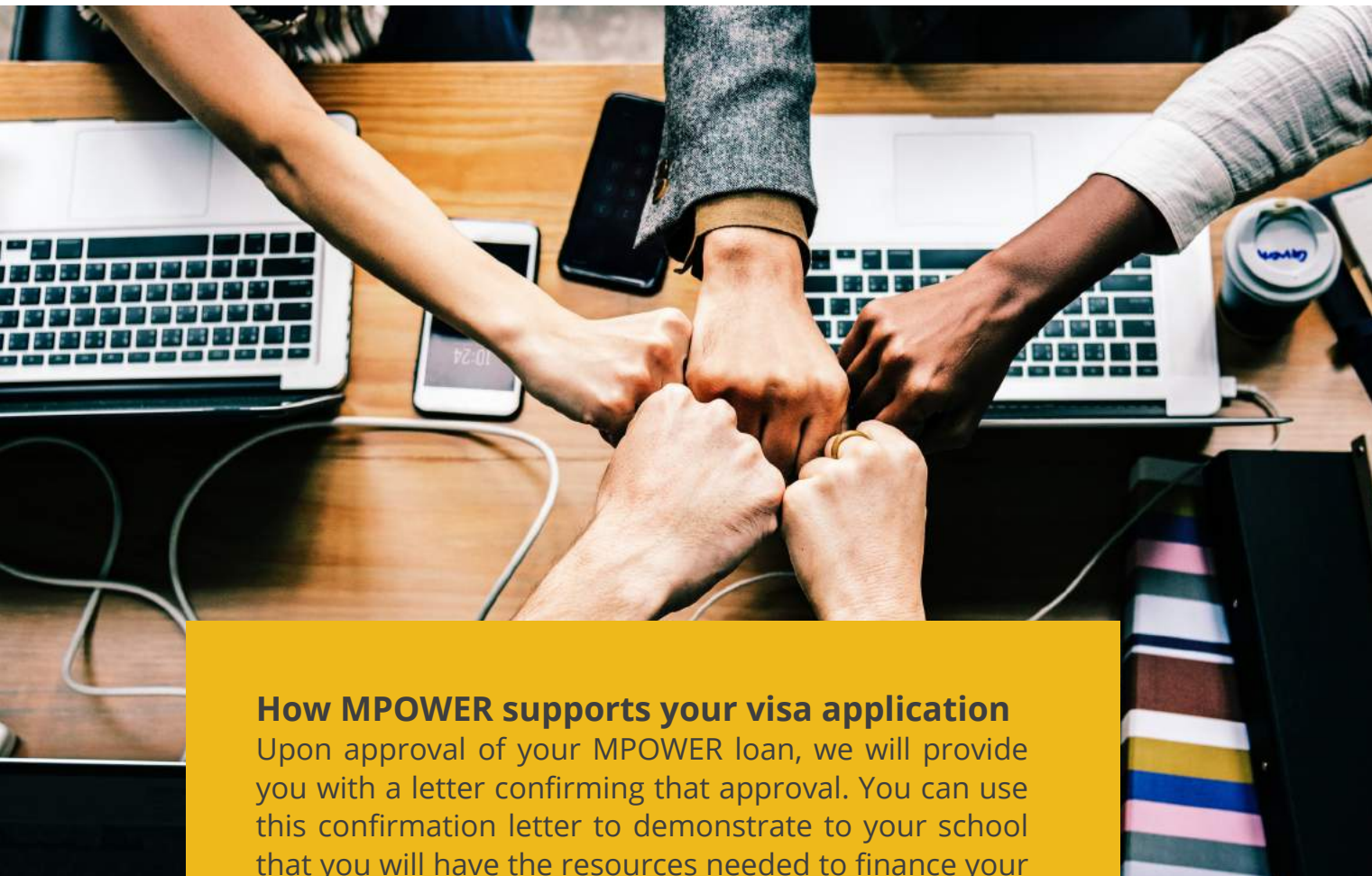
### M-1 (Vocational Student Visa)

The M-1 visa is issued for students attending non-academic trade and vocational schools. The M-1 visa is valid for at most one year. Recipients of an M-1 visa may not change fields of study. Switching from an M-1 visa to a F-1 visa is not permitted.

## THE VISA APPLICATION PROCESS

Your application for a student visa (submitted to the American embassy or consulate) needs to be accompanied by a Form I-20 (Certificate of Eligibility for Nonimmigrant [F-1] Student Status), which is issued by the foreign student advisor at your school.

An I-20 is only issued if the foreign student advisor at your intended school believes you have the resources necessary for study in the U.S.



### How MPOWER supports your visa application

Upon approval of your MPOWER loan, we will provide you with a letter confirming that approval. You can use this confirmation letter to demonstrate to your school that you will have the resources needed to finance your studies in the U.S.

You will also have to provide proof of proficiency in English (unless you are enrolling in a language program). You will also need Form OF-156 (Non-Immigrant Visa form available from U.S. consular offices), a valid passport, a 1.5 inch square photograph (37 mm x 37 mm) showing full face against a light background, and the visa processing fee.

## WE PROVIDE CAREER SUPPORT

Getting a job in the U.S. differs significantly from career searches in other countries. Many international students come from a culture of academic rigor where getting good grades is the only thing that matters. In the U.S., however, many other qualities besides academic excellence are desired by future employers. Volunteer work, leadership experience, networking skills, mentoring – even athletic participation – are highly valued because they are indicators of the kind of team member and employee you'll be.

MPOWER's team consists of former international students – we've been in your shoes! That's why we are dedicated to not only enabling your studies, but also to support your career. We created Path2Success, a comprehensive program designed to help our borrowers succeed in their chosen career.

### It consists of:

#### RESUME REVIEW AND INTERVIEW PREPARATION

We understand the importance of having a great resume and know what employers in the US look for. Our industry professionals have extensive and relevant experience, thus each resume review is customized based on a student's interests, goals, and experiences. These professionals also make themselves available for interview preparation calls or informational interviews). You can send us your resume and we'll give you feedback – for free!

#### INTERNSHIPS AND FULL-TIME POSITIONS

MPOWER Financing offers many internship opportunities, which we make available to our customers first. Some interns from previous years have decided to join us as full-time team members after graduation. In addition, we also make our customers aware of internships and full-time positions in other companies and industries that value talent with international experience.

#### NETWORKING

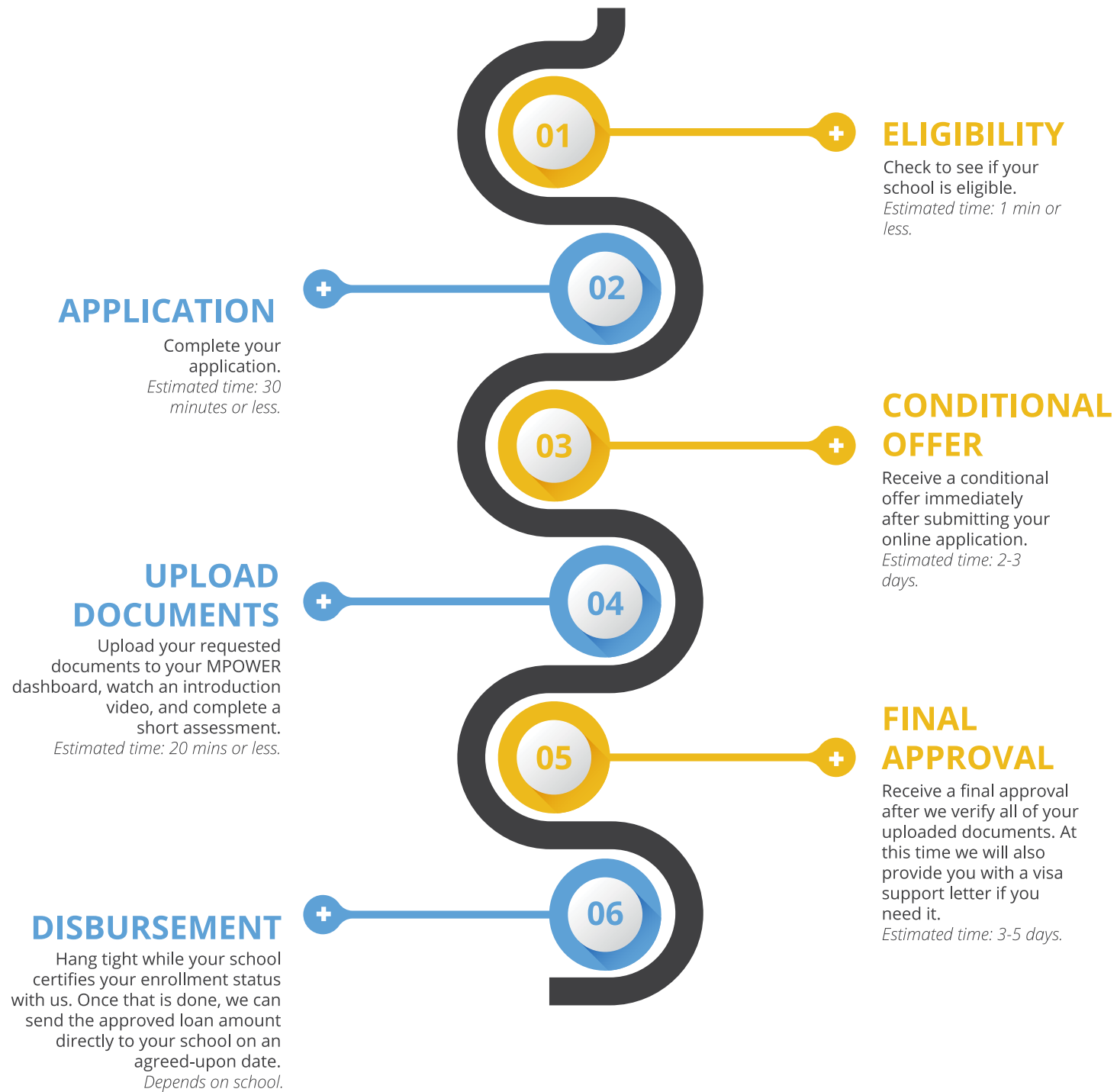
Our customers can join an exclusive LinkedIn group where they can share tips, get updates on the latest employment/salary/hiring trends, or hear about opportunities to make some extra money while in school.

#### MONTHLY NEWSLETTER

Our monthly newsletter covers trends in careers, networking advice, volunteer opportunities and gives you an opportunity to provide feedback to MPOWER so we can continue building a great career support program for you.

# THE APPLICATION PROCESS

## 04



### Our online application has four parts

Name, address, desired school/major, planned enrollment period

Previous schools attended, entrance exam scores, language exam scores

Prior employers, salary information, future employers, desired location of future employment

Requested loan amount, other sources of funding, other credit obligations



## YOU'VE RECEIVED A CONDITIONAL OFFER! NOW WHAT?

# 05

***Congratulations! Based on the information you provided in the online application, you've received a conditional offer for an MPOWER loan.***

The offer is 'conditional' because we still need to verify the information you provided. For that we ask that you upload the documents that are listed as required in your MPOWER Customer Dashboard. To visit the dashboard, go to [www.mpowerfinancing.com](http://www.mpowerfinancing.com) and click on 'Log In' in the top right corner. Use the username and password you created during the application process to see that status of your application. If you forgot your username or password, follow the 'forgot password' link you see after clicking on 'Log In'. Our Customer Success Team is available via phone, email, or chat to help you with any questions you might have, so don't hesitate to reach out to us!

## DOCUMENTS AND INFORMATION NEEDED

### Personal Information

- **U.S. Citizen:** valid U.S. passport or birth certificate AND your driver's license
- **Permanent Resident:** valid passport from country of origin AND proof of permanent residency
- **International Student:** valid passport from country of origin AND valid U.S. Visa AND National ID card from country of origin. If you do not have a National ID, please provide a second form of photo ID.
- **Verification of your U.S. address:** We accept a utility bill, a copy of your lease, a letter from your school, etc.

### Education Background

- **Current university transcripts** or **admission letter** from the school you'll be attending.
- **Standardized entrance exam scores or waiver note** – this includes the SAT and ACT for undergraduate applicants; GRE, GMAT, LSAT or MCAT for graduate applicants; TOEFL or IELTS for international applicants; submissions should include your name and the test score.
- **Most recent university invoice** or a **university financial summary** – the invoice should be dated within 30 days and must include your name and the name of the university. If you are just beginning your program, a list of fees from the university is acceptable.

### Work Experience

**EMPLOYMENT LETTER OR PAY STUB** – this document should include your name, your employer's name and salary information.

### Financial Information

- **I-20:** Certificate of Eligibility for Nonimmigrant (F-1) Student Status, issued by your school
- **Personal savings:** most recent bank statements
- **Family savings:** family member's most recent bank statements AND signed and dated intent letter confirming that they will be supporting you financially through the duration of your studies
- **Scholarship:** award letter
- **Income related:** pay stubs / tax return / job offer letter
- **Loan related:** detailed loan statement that includes balance, term, payments and interest rate

### Reference Request

We will ask for the contact details of a personal and a professional reference.

*Please ensure that your name is on all submitted documentation.*

## I'VE UPLOADED ALL DOCUMENTS. NOW WHAT?

### Loan Approval

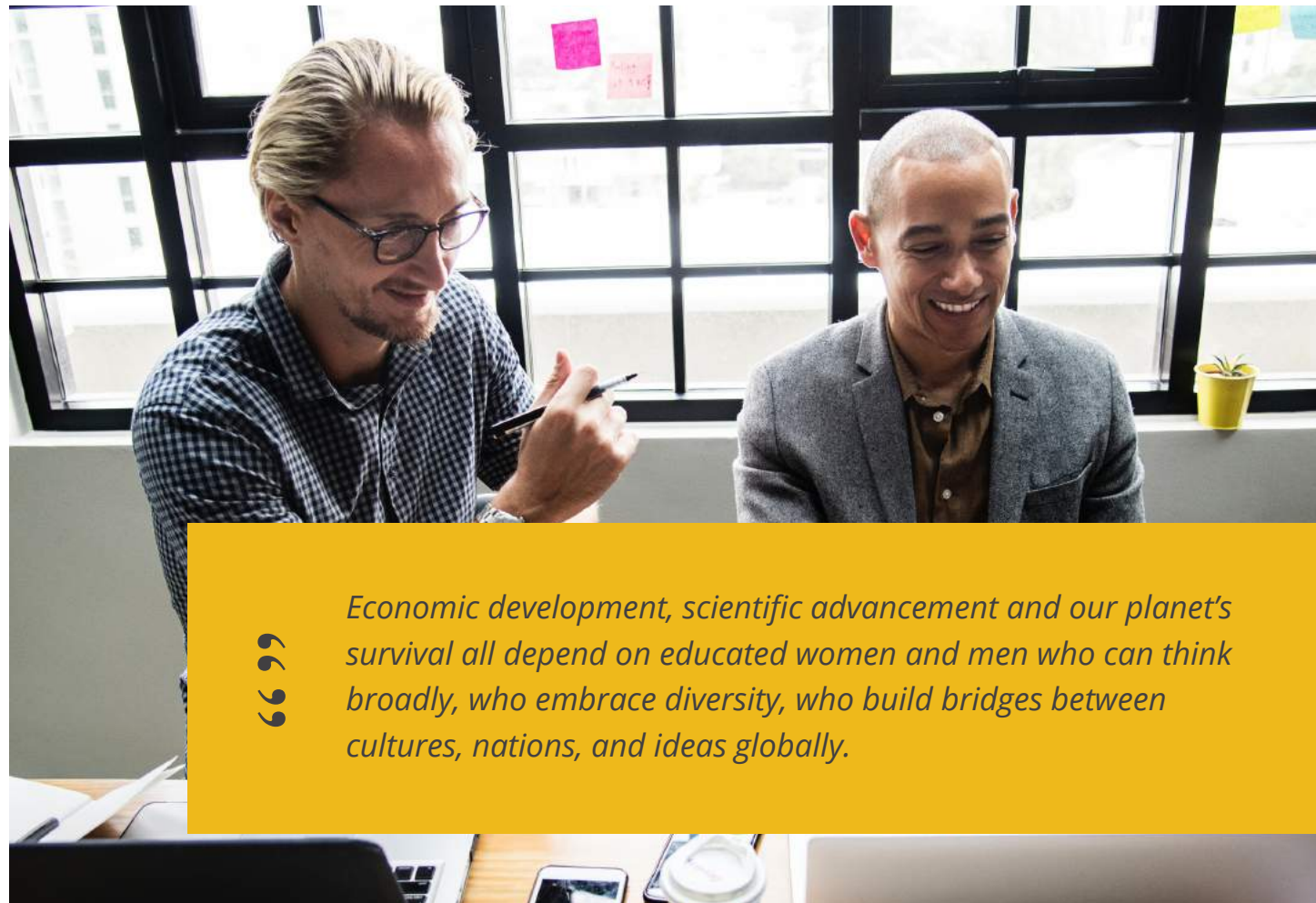
Once the requested documents are uploaded, our team reviews your application in detail and makes a final credit decision. If you are approved, you will receive a notification to sign your formal loan documents.

### Visa Support

If needed, we will also at this time provide you with a letter confirming your loan, which you can use to obtain the I-20 from your school, allowing you to proceed with your visa application.

### School Certification

Once you have accepted our loan offer, we contact your school to verify your enrollment status. Depending on how far in advance of your enrollment date you are approved for a loan, this period could be anywhere between 2-10 weeks. However, this does not impact your loan status. Once your school certifies your enrollment, we disburse the loan funds directly to the school, so you do not have to do anything further!



*Economic development, scientific advancement and our planet's survival all depend on educated women and men who can think broadly, who embrace diversity, who build bridges between cultures, nations, and ideas globally.*

### In School

While you are in school we only require that you make interest-only payments. This has multiple benefits:

- You **decrease your overall borrowing cost** (see page 12)
- You can **reduce your interest rate by another 0.50%** immediately if you sign up for autopay. You can do this by logging into the customer portal and following the instructions.
- You can **reduce your interest rate by another 0.50%** by making 6 consecutive, on-time autopay payments (this gets applied automatically in the month after the 6th payment).
- You can **build your US credit history**, which gives you greater flexibility in financial matters in the future, such as when applying for a credit card or auto loan, or when securing rental accommodations.

### After School

For 6 months following graduation, you can continue making interest-only payments. You can also reduce your interest rate by 0.50% by providing us with proof of graduation and full-time employment. Simply email us a copy of your transcript or diploma and a letter of employment to [mpower.me@mpowerfinancing.com](mailto:mpower.me@mpowerfinancing.com)

Because our loans have a fixed interest rate, your interest rate and monthly payment amount will not increase due to general interest rate changes, making it easier to manage your personal finances. (Your interest rate may change if you fail to make an on-time payment or otherwise default.)



*At MPOWER, we believe that education should be borderless. In a world where social mobility faces more and more obstacles, we offer financial products that allow international students to obtain or complete their degree in the US.*

## FREQUENTLY ASKED QUESTIONS

### 06

#### **How long does the application process take?**

The application process consists of several steps. You can complete our online application in about 30 minutes – just be sure to have your documents available so you can refer to them while filling out the application. You will receive an immediate decision. The timing of uploading the requested documents is up to you and depends on whether you have all documents available, but the actual upload time shouldn't take more than 20 minutes. You'll then be asked to watch a short (3-min) video and answer a few survey questions. Our credit team then reviews your application in detail and makes a final decision within 3-5 days.

#### **How long does the certification process take?**

After you sign the final loan offer document, we contact your school to verify your enrollment. At the same time, your school will also evaluate your financial need using their internal records and methods. Once your application is approved, they will provide MPOWER with a date when they want to receive the proceeds of your loan. This 'certification process' is entirely dependent on your school and the processing time varies from school to school. The average time for schools to return completed certifications is 2-4 weeks, but this time frame generally applies only to loans that are submitted within the current academic period. For example, if your loan is for the Fall semester and your certification is submitted to the school in July, the average 2-4 week wait time will apply. However, if you apply earlier in the year and the certification is submitted in March, it may take your school up to 10 weeks to certify because they will hold your certification until your enrollment date approaches.

#### **What is the APR of your loan?**

The APR depends on the interest rate you are quoted and will be disclosed when you receive your conditional offer. You can reduce your APR with the interest rate discounts we offer. Since we offer a fixed interest rate, you can be assured that your rate won't increase when publicly-quoted interest rates like LIBOR or the Federal Funds Rate increase.

#### **Why is a U.S. credit history beneficial?**

Your credit history and credit score are used by most U.S. lenders to judge your repayment reliability and trustworthiness. Not having a credit history makes it very difficult for them to evaluate your creditworthiness – which in turn usually means less credit available to you and at higher rates. Having a positive credit and payment history means that you will likely have greater access to credit at a lower cost. We report your monthly payments to the U.S. credit bureaus so that you can build a U.S. credit history that gives your greater financial flexibility in the future.

For more information, visit [www.mpowerfinancing.com/FAQ](http://www.mpowerfinancing.com/FAQ)

## PRIVACY AND SECURITY

07

MPOWER understands the importance of information in today's economy and appreciates the trust you have placed in MPOWER. Please be assured that we recognize our responsibility to protect the privacy of your nonpublic personal information and personally identifiable financial information ("Personal Information") and it is our commitment to you that we will protect and secure your Personal Information to the utmost of our ability and only use it to provide you with the best student loan product(s) and service(s) possible.

You should know that in the course of delivering products and services to you, MPOWER obtains Personal Information, either directly from you or from outside sources. This Personal Information is used to comply with all applicable laws and regulations, to provide effective service of your MPOWER student loan and to inform you of products, services and related items that you tell us may be of interest to you. MPOWER does not share your Personal Information with any subsidiary or affiliate (it has none) or third party for any purpose that is not directly related to the servicing of your MPOWER student loan.

MPOWER limits the use of your Personal Information to those uses that we tell you about. MPOWER employs state-of-the-art systems to store and secure the privacy and confidentiality of your Personal Information. MPOWER exercises care and caution in gathering and maintaining your Personal Information. If you tell us that our records contain inaccurate information about you or we discover such information ourselves, we will correct such inaccurate information as promptly as possible.

MPOWER will disclose your Personal Information to third party service providers when it is necessary to effect, administer, or enforce any purpose directly related to your MPOWER student loan. In accordance with federal laws & regulations, MPOWER requires confidentiality, security breach notice, and compliance with laws in contractual agreements with all third-party service providers. These clauses prohibit the third-party service provider from disclosing and reusing your Personal Information for any reason other than the intended purpose, as well as require the third-party service provider to notify MPOWER within appropriate timeframes of any security breaches.

MPOWER employees and certain third-party service providers are permitted access to your Personal Information only to the extent that they need to perform their jobs and to provide service to you, such as to conduct a transaction, or respond to your inquiries. No one except MPOWER employees and authorized third party service providers will have regular access to MPOWER computer systems and records storage. MPOWER has established internal security controls, including physical, electronic and procedural safeguards to protect your Personal Information.

## RESOURCES

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We've scoured the internet to find additional resources that you might find valuable as you prepare for your education in the U.S. We've carefully reviewed them and believe these are great sources of information for international students (but our lawyers say that we can't guarantee the accuracy).

### Student Loans

Estudentloan ([www.estudentloan.com](http://www.estudentloan.com)) offers a lot of information about the various student loan options that exist in the U.S.

International Education Financial Aid's website ([www.iefaf.org](http://www.iefaf.org)) offers tips on how and where to apply for student loans.

International Student Loans ([www.internationalstudentloans.com](http://www.internationalstudentloans.com)) allows you to search for student financing options based on what school you plan to attend.

### Scholarships

International Scholarships ([www.internationalscholarships.com](http://www.internationalscholarships.com)) offers a comprehensive search function for scholarships that are available to international students.

Unigo ([www.unigo.com](http://www.unigo.com)) offers a scholarship directory that is sorted by major, by type, by state, by college, and by student type.

### Other Financial Needs

International Student Insurance ([www.internationalstudentinsurance.com](http://www.internationalstudentinsurance.com)) offers multiple options for health and travel insurance, as well as a guide to educate you about your insurance options.

Nerdwallet.com is an independent site where you can learn more about banking products such as credit cards, checking accounts, auto loans, and yes, student loans.

### Coming to the U.S.

Edupass ([www.edupass.org](http://www.edupass.org)) has many articles and guides about the various issues facing students who come to the U.S., from housing to social etiquette.

The best option when researching the student visa process in the United States is to go straight to the source. The U.S. Department of State's Education USA program provides a comprehensive overview: at <https://educationusa.state.gov/your-5-steps-us-study/apply-your-student-visa>

## GLOSSARY

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- **Academic term:** The period for which the loan funds will be applied. The academic term can vary by school. For example, it can be either a semester (fall or spring) or the full academic year.
- **Accrued interest:** Accrued interest is the interest on a bond or loan that accumulates after a loan is taken out or a principal investment is made.
- **Automated Clearing House (ACH):** ACH is an electronic network used to process financial transactions automatically. An ACH transfer refers to any electronic movement of money between different banks that goes through the ACH network, one of the biggest U.S. payment systems.
- **Application fee:** The application fee is the cost to submit a loan application. MPOWER does not charge an application fee.
- **Annual Percentage Rate (APR):** The APR is the annual rate charged for borrowing, expressed as a percentage, that represents the yearly cost of funds over the term of the loan. The APR includes all fees and costs associated with servicing the loan. APR is not the rate at which interest accrues on your loan.
- **Capitalization:** Capitalization is the unpaid interest that is added to the principal balance of a loan. Future interest is charged on the increased balance and may increase monthly payment amounts and the total amount repaid over the life of the loan.
- **Certification process:** The certification process is a process by which a borrower's school verifies the borrower's enrollment status and financial need. Occurs after final approval and before fund disbursement. The length of time to complete the certification process varies from school to school.
- **Co-signer:** A co-signer is an individual (typically a parent, spouse, or other close friend or family member) who commits to paying back a loan if you do not or cannot.
- **Consolidating:** Consolidating is the process of combining multiple loans into one big loan. For example, if you have three student loans, you can combine them into one.
- **Credit score:** A credit score is a number between 300 and 850 that measures your credit risk. This score serves as an indicator to lenders on how likely you are to honor your financial commitments. The higher your credit score, the better.
- **Deferment period:** A deferment period is a designated amount of time a borrower does not have to pay either the interest or the principal on a loan. Student loan deferment is common while a borrower is still in school. Also called a deferral.
- **Federal Funds Rate or Fed Funds Rate:** The Fed Funds Rate is the rate at which depository institutions (banks) lend reserve balances to other banks on an overnight basis. Reserves are excess balances held at the U.S. Federal Reserve to maintain reserve requirements.
- **Fixed-rate loans:** Fixed-rate loans have interest rates that do not change over time. When you take out a fixed rate loan, you know exactly how much interest you'll be paying for the duration of the loan. All MPOWER loans are issued with fixed interest rates.

- **Forbearance:** Forbearance is a designated period of time in which you are not required to make payments on your loan due to economic hardships. Some examples that would allow you to qualify for forbearance are becoming unemployed, or in cases where you have fallen extremely ill.
- **Grace period:** The grace period is a designated amount of time that a lender gives a borrower before principal payments need to be made. After the grace period, you must repay both principal and interest.
- **Interest:** Interest is the price paid for borrowing money, usually given in percentages and as an annual rate.
- **Interest-only payments:** Interest-only payments are when a borrower only pays the interest on a loan. Generally, this type of payment is only allowed for a fixed amount of time, and then the borrower is required to pay back part of the principal of a loan, in addition to interest.
- **Interest rate cap:** The Interest rate cap is a ceiling that sets the maximum possible interest rate. At MPOWER, all rates are fixed at the time of application with no possibility of increases during the life of the loan.
- **London Interbank Offered Rate (LIBOR):** LIBOR is a benchmark rate that some of the world's leading banks charge each other for short-term loans.
- **Origination fee:** An origination fee is a fee that is charged by a lender in order to process a loan application. Typically an origination fee is a percentage of the total loan amount. MPOWER charges a 5% origination fee which is added to the principal at time of disbursement.
- **Public Benefit Corporation:** A Public benefit corporation is a for-profit corporation, but in addition to creating value for its shareholders, it has three additional legal attributes: 1) accountability, 2) transparency, and 3) purpose.
- **Principal:** The principal is the amount that is owed on a loan, not including interest.
- **Refinancing:** Refinancing is the act of replacing your current loan with a new loan that has better terms.
- **Repayment Term:** The maximum time period over which a loan must be repaid.
- **Variable-rate loans:** Variable-rate loans have interest rates that change over time, based on other current predominant interest rates.

All loans are made by Bank of Lake Mills, member FDIC. All loans are sold by Bank of Lake Mills to MPOWER Financing 35 days after origination. If you are approved for a loan, you will be notified when your loan is sold. The terms and conditions of your loan do not change when your loan is sold to MPOWER Financing. No action is required on the part of the borrower related to the loan sale.





***"MPOWER sees a human being with high potential, and not exclusively a potential customer."***

- Costa Rica

***"I highly believe education is the key to reduce poverty and inequality."***

- Colombia

***"Without a student loan, I would not be able to attend NYU Law as I am doing now, and maybe my career would take a different path."***

- Brazil

***"I believe that our country is full of talents and high skills, the only lack is the financial support."***

- Tunisia

***"MPOWER understands how hard it is for international students to provide a co-signer for a loan. MPOWER Financing is an invisible helping hand from a friend."***

- Uganda

***"Though I often ask myself if my study abroad was worth it, I believe no student should ask that question because we are on a journey not only to advance ourselves but to be individuals who will change the world."***

- India

***"I feel money should never come in the way of accessing quality education. Everyone should have a chance to pursue their dreams. If you have the guts to follow your dream, MPOWER is here to help you take that next step."***

- India



# MPOWER Financing



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