

# Your loan offer **explainer**

**Thank you for choosing MPOWER and congratulations on your approved loan!**

We've created this **simple guide** to help you easily navigate your loan offer. We'll quickly walk you through the key details, ensuring your understanding so you can **join thousands of MPOWER customers in taking the best financial decision for your future.**



## The loan tenure explained

Here's an easy example:

For a 2 year (24 month) program, your loan term would look like this:

- A** **24 months** of interest-only payments while you're in school
- B** **6 months** of interest-only payments after graduation.
- C** **120 months** (10 years) of regular payments (principal + interest) 6 months after graduation. That's a total loan term of **150 months** in this example.

- D** Monthly payments are based on your approved loan amount + origination fee.
  - If your loan is disbursed in parts (tranches), payments adjust to the actual disbursed amount.
  - The origination fee is only applied to the actual amount sent to your school, keeping it accurate and fair.

### Example : Estimated Repayment Schedule & Terms

		MONTHLY PAYMENTS
<b>150 MONTH LOAN TERM</b>		<b>at 14.24%</b> the current interest rate of your loan
<b>A &amp; B</b>	Aug 31, 2025 - Jan 31, 2028 30 Monthly interest payment(s)	<b>D</b> \$631.90
<b>C</b>	Feb 29, 2028 - Dec 31, 2037 119 Monthly principal and interest payment(s)	\$834.50
	Jan 31, 2038 - Jan 31, 2038 1 Monthly principal and interest payment(s)	\$833.26

\* A & B can be a maximum of 30 months, then you transition to your principal + interest repayments. This may happen if your program is extended.

MPOWER offers a 10-year loan term. Make extra payments anytime to reduce overall interest or pay off your loan faster—**no prepayment penalties!**



## Understanding rates at MPOWER

Below are some key terms explained using an example on the right -

**A** The **Amount paid to others** is the loan amount you are approved to borrow from MPOWER

**B** The **Initial finance charges or the Origination Fee, is 6.5% of the disbursed amount.** But don't worry — instead of paying this fee upfront, we add it to your loan, so you won't have to pay anything out of pocket. You pay this off over the life of the loan. This makes the process easier and more convenient for you.

**C** The **Fixed Interest Rate** is the cost of borrowing money, shown as a percentage added to your loan each year. For example, **C** with a 14.24% interest rate on **A+B** \$53,250 loan, you'd pay approximately \$7,582.8 in interest annually. [including a ACH auto-pay discount]

**D** The **Finance Charge** is the cost of borrowing from MPOWER which includes all the monthly interest payments you will make over your full loan term and the Origination fee.

- Your monthly interest payments begin one month after your loan starts to the end of the loan term.
- Your payments are calculated on the approved amount. If funds are sent in parts (disbursements), payments adjust to match the actual disbursed amount.

**Example:** If approved for \$50,000 but only \$10,000 is disbursed first, your origination fee and interest are based on \$10,000. Each new disbursement updates your payments, and you only pay interest on what's disbursed.

**E** The APR (Annual Percentage Rate) is the annual rate charged for borrowing, expressed as a single percentage. It includes the interest rate plus any fees or additional costs associated with the loan. The **APR of 15.59%** in this example, reflects the total cost of borrowing, including both the loan amount and the origination fee (**A+B \$50,000 + \$3,250**). The APR helps you easily compare the full cost of different loan offers.

### Example : Loan rates & Estimated total costs

Total Loan Amount	<b>C</b> Interest Rate	<b>D</b> Finance Charge	Total of Payments
\$53,250.00	14.24%	\$69,095.76	\$119,095.76

The total amount you are borrowing.      Your current interest rate.      The estimated dollar amount the credit will cost you.      The estimated amount you will have paid when you have made all payments.

#### ITEMIZATION OF AMOUNT FINANCED AND COST OF BORROWING/TOTAL COST OF CREDIT

Amount paid to you	\$0.00
Amount paid to others on your behalf: University of Alberta	<b>A</b> + \$50,000.00
Amount financed (total amount provided)	\$50,000.00
Initial finance charges (total) Origination Fee	<b>B</b> + \$3,250.00
<b>Total Value Received</b>	= \$53,250.00

All amounts are denominated in U.S. dollars

#### ABOUT YOUR INTEREST RATE

Your rate is **fixed**. This means that your rate will never change during the life of your loan. For more information on this rate, see the reference notes.

Your Annual Percentage Rate (APR) is **15.59%** **E**  
The APR is typically different than the Interest Rate since it considers fees and reflects the cost of your loan as a yearly rate. For more information about the APR, see reference notes.

#### FEES

**Origination Fee:** One time fee corresponding to 6.50% of the Amount Financed.

**Returned Payment Fee:** \$5.00



## How disbursement works?

### When does disbursement start?

Your disbursement schedule is confirmed by your school, after you e-sign your loan offer and your loan is certified. MPOWER will follow your school's schedule for disbursements once your loan is certified and you've uploaded your immigration document (e.g., visa).

- MPOWER covers both tuition, fees and living expenses certified by the school. All funds are sent directly to your school.
- MPOWER funding cannot be used for flights, visa/SEVIS fees, or dependents' expenses.

## Need changes to your disbursement schedule?

You can request changes while waiting for your visa and loan certification. If you need to reduce the disbursement amount, contact your school to adjust the certified amount.

## How MPOWER's disbursement process helps you reduce costs?

MPOWER sends your loan funds directly to your school, helping you avoid foreign exchange fees (typically 1-3%). You'll make interest-only payments only on the amount disbursed, and interest starts accruing only when the funds are sent (typically at the start of your term) — keeping your costs lower.



## Request more, defer or cancel – Here's how

### Need more funds?

Of your approved amount, if you have remaining funds, we'll let you know — and you can request these extra funds whenever you need them in the future

Want to request more? It's easy:

1. Click on "Need More Money" on the MPOWER portal
2. Enter your new term and the amount you're requesting – our team will review your request on priority.

### Defer your loan:

If your visa or admission is delayed, you can defer your loan up to two times for any future semesters starting within 13 months — and keep your original approval and loan terms.

### Cancel your loan:

You can cancel your loan application before disbursement with no fees and no further obligations.

