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**Joint Release**

**Office of the Comptroller of the Currency  
Board of Governors of the Federal Reserve System  
Federal Deposit Insurance Corporation  
National Credit Union Administration  
Consumer Financial Protection Bureau  
State Liaison Committee**

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For Immediate Release

January 29, 2015

## **Regulators Release Guidance on Private Student Loans With Graduated Repayment Terms at Origination**

Federal financial regulatory agencies, in partnership with the State Liaison Committee (SLC) of the Federal Financial Institutions Examination Council, today issued guidance for financial institutions on private student loans with graduated repayment terms at origination.

This guidance provides principles that financial institutions should consider in their policies and procedures for originating private student loans with graduated repayment terms.

The agencies—the Board of Governors of the Federal Reserve System, the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Office of the Comptroller of the Currency—and the SLC recognize that the competitive job market, traditionally low entry-level salaries, and higher student debt loads can contribute to some borrowers preferring greater flexibility with their payments as they transition into the labor market. Graduated repayment terms are structured to provide for lower initial monthly payments that gradually increase.

Financial institutions that originate private student loans with graduated repayment terms should prudently underwrite the loans in a manner consistent with safe and sound lending practices. Additionally, financial institutions should provide disclosures that clearly communicate the timing and the amount of payments to facilitate a borrower's understanding of the loan's terms and features.

### Related Links:

- [Guidance on Private Student Loans with Graduated Repayment Terms at Origination](#)

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