PURDUE UNIVERSITY BELIEVES IN ITS STUDENTS – both on campus and as future leaders in society. To help make their college education more affordable, Purdue Research Foundation is offering a unique funding program called BACK A BOILER – ISA FUND.

It isn’t a loan. It isn’t a grant. It’s an income share agreement that offers a new alternative to Parent PLUS or private loans to help fund a Purdue education, which can be paid back with greater flexibility and freedom.

If you’re thinking of adding the Back a Boiler – ISA Fund to your education funding options, check your eligibility, get all the information you need, then make your decision.

ELIGIBILITY REQUIREMENTS:
• Students must be enrolled on a full-time basis.
• U.S. citizen or permanent resident.
• Students must be a rising Sophomore, Junior or Senior.
• Students must be 18 years or older when the ISA contract is executed.
• Students’ monthly payment obligations under all loan and income share agreements – past, present and anticipated – must not be too large a proportion of his/her anticipated future monthly income, as outlined in the Back a Boiler program.

Visit purdue.edu/BackaBoiler to learn more. Then, discuss the Back a Boiler – ISA Fund with your financial aid adviser and parents or guardians before deciding if an ISA is a possible funding solution for you. For more information, e-mail BackaBoilerInfo@prf.org, or call 765-494-5050.

Your individual education financing plan should include an assessment of all of the options available to you based on your individual financial situation. The Back a Boiler Comparison Tool found at purdue.edu/BackaBoiler can be used to compare an ISA to some of the other options that may be available to you.
Backed by the Purdue Research Foundation (PRF), the Back a Boiler – ISA Fund is an innovative new way to help make school more affordable for Purdue students. It’s not a grant or a traditional loan – though students do make payments after graduating and securing employment. It’s an opportunity to complete an education without worrying about interest rates.

**WHAT IS AN INCOME SHARE AGREEMENT?**

An Income Share Agreement (ISA) is a contract in which a student receives education funding in exchange for a commitment to pay an agreed upon percentage of his or her post-graduate income for a fixed number of years. One of the ways that an ISA differs from a traditional loan is that students aren’t paying interest on the total amount funded.

**TOTAL PAYMENTS**

For example, you’re a rising senior Economics major with an ISA of $10,000. Based on your anticipated salary in that field upon graduation, you pay 3.11% of your $49,000 salary for 100 months. At the end of the contract, you would have paid back $15,036, and fulfilled the terms of your ISA.

A traditional, private loan of $10,000 at 9.5% fixed interest to a student with no cosigner would cost you $17,126 at the end of a typical 10-year term.*

An ISA is not a loan or other debt instrument. An ISA represents a student’s obligation to make payments linked to a specific percentage of the student’s earned income and does not give the Back a Boiler program any rights regarding his/her educational or employment pursuits.

*Information based on Back a Boiler Comparison Tool

**HOW BACK A BOILER IS DIFFERENT.**

In the simplest terms, the Back a Boiler – ISA Fund is a potentially less expensive funding alternative to private and Parent PLUS loans for students who need additional funding to pay for their education. After securing employment, students pay back a percentage of their salary for a set number of years.

**HOW LONG DOES IT TAKE TO PAY BACK AN ISA?**

The standard payment period for the Back a Boiler – ISA Fund is about 10 years, making it competitive with most Federal PLUS and private loan terms. In addition, all students receive a 6-month grace period post-graduation before payments begin. Once a recipient makes successful payments for the prescribed term of the contract, no additional payments are required even if they have paid less than the amount of funding they received.

<table>
<thead>
<tr>
<th>LOAN</th>
<th>ISA</th>
<th>SCHOLARSHIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable, usually 10 - 20 years</td>
<td>~10 years</td>
<td>N/A</td>
</tr>
<tr>
<td>No academic/grade requirements</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>No full repayment requirement</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>No long-term obligation with principal balance</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>No interest accrued</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

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