



Advantage Education Loan Credit Agreement

Credit Agreement with Kentucky Higher Education Student Loan Corporation in Louisville, KY

In this Credit Agreement ("Agreement") the words "I," "me," "my," and "we" mean the borrower and cosigner(s) who have signed the accompanying Advantage Education Loan Application and Agreement (or Cosigner Application and Agreement as applicable), unless the language specifically refers to only one or the other. I am aware that by signing said Application and Agreement that I am agreeing to all the terms and conditions contained within this Agreement. The term "Lender" means the Kentucky Higher Education Student Loan Corporation or its agents or assigns ("Lender") in Louisville, KY, P.O. Box 24328, Louisville, KY 40224-0328 and any subsequent holder of this Agreement.

A. PROMISE TO PAY

I promise to pay to the Lender or to the Lender's order according to the terms below the sum of: the Loan Amount Requested, to the extent it is advanced to me, or on my behalf; other interest, fees and charges accrued or capitalized on the Loan Amount Requested, to the extent it is advanced to me, as described in this Agreement; and, in the event of default (see Section G of this Agreement), reasonable attorney fees, court costs and collection costs to the extent permitted by law.

B. DEFINITIONS

1. Approval Disclosure — Truth in Lending disclosure sent at the time my loan is approved.
2. Capitalized Interest and Other Amounts — From time to time, any interest, fees, charges and costs due and not yet paid may be added, without notice, to the principal amount of the loan. This addition is called capitalizing. Since interest accrues on the outstanding principal balance, capitalizing increases the total cost of the loan.
3. Disbursement Date — The date on which the Lender transmits the Loan Amount Requested, to the extent it is advanced, to the servicer either electronically or by check.
4. Final Disclosure — The Truth in Lending disclosure that will be sent after Approval Disclosure and prior to my first disbursement.
5. Fixed Rate — Interest rate that remains the same through the loan term as disclosed on the Final Disclosure.
6. Loan Amount Requested — The amount of credit requested by me on the Loan Application.
7. Loan Application — The application that I submitted to the Lender to request this loan.
8. Repayment Period — The loan term will begin on the date of my final disbursement. The standard loan term is ten (10) years.
9. The term Interest is defined in Section C. The terms Attorney Fees and Collection Costs are defined in Section I.

C. INTEREST

Interest on this Agreement accrues at a Fixed Rate. Interest begins to accrue on the Disbursement Date and continues to accrue until the loan is paid in full. Interest accrues

on the unpaid principal sum to the extent it is disbursed, and on any Capitalized Interest and Other Amounts. The actual interest rate applicable to my loan will be disclosed to me on my Final Disclosure statement.

D. TERMS OF REPAYMENT

1. Repayment Period — I will make required monthly payments during the Repayment Period in the amounts and on or before the payment due dates shown on my statements until I have paid all of the principal and interest and any other charges I may owe under this Agreement. My failure to receive or retrieve a statement does not relieve me of my obligation to make my required loan payments in accordance with the terms and conditions of this Agreement.

2. Standard Repayment Terms — Lender will establish a schedule whereby I will repay my loan in monthly payments calculated to equal the amount necessary to amortize the unpaid principal and interest in effect over the number of months remaining in the Repayment Period; *provided, however*, that my monthly payment will never be less than \$50 each month (principal and interest) or the unpaid balance, whichever is less. I understand that this may result in my loan being paid off in less than the number of months in the Repayment Period.

3. Amounts Owed at the End of the Repayment Period — Since interest accrues daily upon the unpaid principal balance of my loan, if I make payments after my payment due dates, I may owe additional principal and interest, fees and charges at the end of the Repayment Period. In such case, I shall pay the additional amounts.

4. Payments — Payments will be applied first to Fees, then applied to accrued interest and then the remainder to principal. Payments in excess of the amount due may advance the due date.

5. Forbearance — If I am unable to make my scheduled payments, the Lender may allow me to reduce the amount of my payments or to temporarily stop making payments as long as I intend to repay my loan. This action is called forbearance. During a period of forbearance, interest charges continue to accrue, and the Lender will capitalize such interest at the end of the forbearance period. If I am allowed multiple, successive forbearance periods, without entering into a repayment status, the Lender will only capitalize interest at the end of the last successive forbearance period.

6. Grace Period — If the loan product and repayment plan allow, Lender will postpone principal payments on my outstanding loan for 6 months starting the day after I leave school or drop below half-time enrollment status at my school if permitted by law. I do not have to make principal payments during my grace period. I must make payments after my grace period ends according to the schedule provided by my lender.

7. **If I wish to make a payment in satisfaction of a disputed amount or balance or a "paid in full payment," I must send it to Kentucky Higher Education Student Loan Corporation, P.O. Box 24328, Louisville, KY 40224-0328 with a letter of**



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explanation. To the extent permitted by law, the Lender may accept late payments, partial payments, or payments marked “payment in full,” or having similar language, without waiving the Lender’s rights under this Agreement.

E. ELECTRONIC STATEMENTS AND CORRESPONDENCE

I will automatically be set up to retrieve statements and select correspondence from a secure website in addition to paper documents I may receive. I may opt out of the automatic enrollment to receive only paper documents regarding my loan.

F. RIGHT TO PREPAY

I have the right to prepay all or any part of my loan at any time without penalty.

G. DEFAULT

I understand that the following events constitute default, to the extent permitted by law: (a) I fail to make payments on this loan when due for a period of 180 days or more; (b) I fail to provide a notice required in Section J.1 on time; (c) I break any of my other promises in this Agreement; (d) I make any false written statement in applying for this loan, or at any time during the Repayment Period; or (e) I am in default on any private loans I may already have with the Lender, or on any loans I may have with the Lender in the future. If I live in Idaho, Kansas, Maine, Missouri, Nebraska, or South Carolina, I understand that I will be in default if I fail to make a payment when due or the prospect of my payment or performance is significantly or materially impaired. If I live in Iowa, I will be in default if I fail to make a payment within ten (10) days of its due date or if the prospect of my payment or performance is significantly or materially impaired. If I live in West Virginia, I will be in default if I fail to make a payment within five (5) days of its due date or if I otherwise fail to perform pursuant to this Agreement. If I live in Wisconsin, I will be in default if: (a) I permit to be outstanding an amount exceeding one (1) full payment which has remained unpaid for more than ten (10) days after its due date, or if I fail to pay the first payment or the last payment within forty (40) days of its scheduled due date or deferred due date; or (b) I fail to observe any other provision in this Agreement, the breach of which materially impairs my ability to pay the amounts due under this Agreement. In the event of default, repayment on this loan may be accelerated as provided in Section H of this Agreement. If any of these events of default occur, I will be required to pay interest on this loan accruing afterwards at the Fixed Rate applicable to this loan prior to such event.

H. ACCELERATION

Subject to applicable law, the Lender has the right to give me notice that the whole outstanding principal balance, accrued interest, and all other amounts payable to the Lender under the terms of this Agreement are due and payable at once if I am in default as described in Section G of this Agreement. However,

Lender will accelerate no sooner than ten (10) days after the payment due date if my permanent residence is in Virginia or thirty (30) days after the payment due date if my permanent address is in the District of Columbia. If the Lender accelerates this loan, I will be required to pay interest on this loan accruing afterwards at the Fixed Rate applicable to this loan prior to such event.

I. ATTORNEYS FEES AND COLLECTION COSTS

1. **Attorney Fees** — To the extent permitted by law, if I am in default as described in Section G of this Agreement I agree to pay to the Lender or any subsequent holder the reasonable attorney fees that are incurred in enforcing this Agreement and any other agreement related to this loan after referring the Agreement to an attorney who is not a salaried employee. To the extent permitted by bankruptcy law, I also agree to pay the reasonable attorney fees awarded by a bankruptcy or appellate court.

2. **Collection Costs** — If I am in default as described in Section G of this Agreement, I agree to pay the Lender or any subsequent holder the reasonable fees and costs (other than attorney fees as otherwise provided in this Agreement) permitted by law incurred in connection with collecting loan, including court costs.

J. NOTICES

1. I will send written or electronic notice to the Lender, or any subsequent holder of this Agreement, within 10 days after any change in my name, address, or telephone number.

2. Any notice required to be given to me by the Lender will be effective when mailed to the latest address the Lender has for me.

3. The Lender may report the status of this loan to any consumer credit reporting agency. **Late payments, missed payments, or other defaults on my account may be reflected in my consumer credit report.** If I believe that Lender has information about me that is inaccurate or that Lender has reported or may report to a credit reporting agency information about me that is inaccurate, I understand that I should notify Lender of the specific information that I believe is inaccurate by writing to Lender at Kentucky Higher Education Student Loan Corporation, P.O. Box 24328, Louisville, KY 40224-0328.

4. **CALIFORNIA RESIDENTS ONLY:** A married applicant may apply for a separate account. If the Lender takes any adverse action as defined by § 1785.3 of the California Civil Code and the adverse action is based, in whole or in part, on any information contained in a consumer credit report, I have the right to obtain within 60 days a free copy of my consumer credit report from the consumer reporting agency who furnished the Lender my consumer credit report and from any other consumer credit reporting agency which compiles and maintains files on consumers on a nationwide basis.

5. **CALIFORNIA and UTAH RESIDENTS:** As required by California and Utah law, I am hereby notified that a negative credit report reflecting on my credit record may be submitted



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to a credit reporting agency if I fail to fulfill the terms of my credit obligations.

6. FLORIDA RESIDENTS ONLY: Florida documentary stamp tax required by law is thirty-five (35) cents per \$100 borrowed and has been paid or will be paid directly to the Department of Revenue. Certificate of Registration # 78-8017389283-0.

7. IOWA and KANSAS RESIDENTS ONLY: (For purposes of the following notice to Iowa and Kansas residents, "you" means the borrower and cosigner, not the lender.) **NOTICE TO CONSUMER. This is a consumer credit transaction. 1. Do not sign this paper before you read it. 2. You are entitled to a copy of this paper. 3. You may prepay the unpaid balance at any time without penalty and may be entitled to receive a refund of unearned charges in accordance with law.**

8. IOWA RESIDENTS ONLY: IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT.

9. MARYLAND RESIDENTS ONLY: Lender and I have agreed that this Agreement is governed by federal law and the laws of Kentucky without regard to conflict of laws rules; if any court should nevertheless determine that this Agreement is subject to Maryland laws concerning credit, then only to the extent that Maryland law applies, Lender and I agree and elect that this Loan is made under and governed by Subtitle 10, Credit Grantor Closed End Credit Provisions, of Title 12 of the Commercial Law Article of the Annotated Code of Maryland, except as preempted by federal law.

10. MASSACHUSETTS RESIDENTS ONLY: Massachusetts law prohibits discrimination based upon marital status or sexual orientation.

11. MISSOURI RESIDENTS ONLY: ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT YOU (BORROWER(S)) AND US (CREDITOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT. THIS APPLICATION SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MISSOURI (EXCLUDING SUCH LAWS THAT MIGHT DIRECT THE APPLICATION OF LAWS OF ANOTHER JURISDICTION) AND FEDERAL LAW AND THE HIGHER EDUCATION ACT OF 1965, AS AMENDED.

12. MONTANA RESIDENTS ONLY: Lender and I have agreed that this Agreement is governed by federal law and the laws of Kentucky unless they conflict with the laws or rules of Montana; if there is a conflict this Agreement is subject to Montana laws concerning credit, then only to the extent that Montana law applies, Lender and I agree and elect that this Loan is made under and governed by the laws in the State of Montana.

13. NEBRASKA RESIDENTS ONLY: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forbear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

14. NEW JERSEY RESIDENTS ONLY: The section headings of this Agreement are a table of contents and not contract terms. Portions of this Agreement with references to actions taken to the extent of applicable law apply to acts or practices that New Jersey law permits or requires. In this Agreement, acts or practices (i) by you which are or may be permitted by "applicable law" are permitted by New Jersey law, and (ii) that may or will be taken by you unless prohibited by "applicable law" are permitted by New Jersey law.

15. NEVADA RESIDENTS ONLY: This is a loan for study.

16. NEW YORK, RHODE ISLAND and VERMONT RESIDENTS: I understand and agree that the Lender may obtain a consumer credit report in connection with this application and in connection with any updates, renewals or extensions of any credit as a result of this application. If I ask, I will be informed whether or not such a report was obtained and, if so, the name and address of the agency that furnished the report. I also understand and agree that the Lender may obtain a consumer credit report in connection with the review or collection of any loan made to me as a result of this application or for other legitimate purposes related to such loans.

17. OHIO RESIDENTS ONLY: The Ohio laws against discrimination require that all creditors make credit equally available to all credit worthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio civil rights commission administers compliance with this law.

18. OREGON RESIDENTS ONLY: This loan is made subject to the Oregon Unlawful Trade Practices Act as set forth in Oregon Revised Statutes (ORS) 646.605-646.656.

19. SOUTH DAKOTA RESIDENTS ONLY: Pursuant to SDCL 54-4-58, all the applicable terms are contained within the



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credit agreement. If there are any concerns with improprieties in making this loan or in loan practices, please contact the SD Division of Banking: South Dakota Division of Banking, 1714 Lincoln Ave., Suite 2, Pierre, SD 57501, (605) 773-3421.

20. TEXAS RESIDENTS ONLY: Lender does not have to give you notice that Lender is demanding or intends to demand immediate payment of all that you owe. **This written loan agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.**

21. UTAH RESIDENTS ONLY: This Agreement is the final expression of the agreement between me and you and it may not be contradicted by evidence of an alleged oral agreement.

22. MARRIED WISCONSIN RESIDENTS ONLY: For married Wisconsin residents, my signature to this Agreement confirms that this loan obligation is being incurred in the interest of my marriage or family. No provision of any marital property agreement (pre-marital agreement), unilateral statement under § 766.59 of the Wisconsin Statutes or court decree under § 766.70 adversely affects the Lender's interest unless, prior to the time that the loan is approved, the Lender is furnished with a copy of the marital property agreement, statement, or decree or has actual knowledge of the adverse provision. If the loan for which I am applying is granted, I will notify the Lender if I have a spouse who needs to receive notification that credit has been extended to me.

K. COSIGNERS ONLY

1. **GENERAL NOTICE:** When you agree to be a cosigner for someone else's debt, you are guaranteeing to pay if that person fails to pay the debt.

2. You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

3. You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay collection costs which will increase this amount.

4. Depending on your state, the Lender or its agents may collect this debt from you without first trying to collect from the borrower. The Lender can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default as described in Section G of this Agreement, that fact may become a part of your credit record.

5. This notice is not the contract that makes you liable for the debt.

6. I agree that, in the event any cosigner applicant is released from liability for this loan, this Agreement will still bind me and any remaining cosigner. As cosigner, I agree that if the borrower is released from liability on this loan for any reason, including infancy, I hereby consent to such release and to my continued liability for this loan after such release.

L. ADDITIONAL AGREEMENTS

1. **I understand that when the Lender accepts the Loan Application, the Lender is not agreeing to lend me money and that there will be no such agreement until the time the first disbursement of the loan is made.**

The Lender has the right to lend an amount less than the Loan Amount Requested if a lower cost or an increase in other financial aid is certified by the school for each school year included in the loan application. The Lender also has the right to cancel any undisbursed amount if an event occurs as described in Section G of this Agreement.

2. If this Agreement is assigned, the assignee will become the owner of this Agreement and will have all the Lender's rights to enforce this Agreement against me.

3. **I understand that the Lender is located in the Commonwealth of Kentucky and this Agreement will be entered into in the Commonwealth of Kentucky. Consequently, the provisions of the Agreement will be governed by federal laws and the laws of the Commonwealth of Kentucky to the extent not preempted, without regard to conflict of law rules. I further acknowledge and agree that any action arising out of or relating to this transaction shall be brought in the state courts located in Franklin County, Kentucky, and consent to the jurisdiction and venue of such courts.**

4. Upon receipt of the Final Disclosure, I will review it and if I am not satisfied with the terms of my loan as approved, I may cancel this Agreement and all disbursements. To cancel this Agreement, I will contact the Lender within 3 days of receipt by me of the Final Disclosure and I will not cash any loan checks. If funds are transmitted electronically, I will authorize return of the funds to the Lender within 3 days of receipt by me of the Final Disclosure.

5. **Interest Rate Reduction.** I may qualify for a 0.25% interest rate discount during repayment if I set up automatically withdrawn payments from a qualifying personal deposit account. The 0.25% interest rate reduction is effective the day EFT application is successfully processed during the Repayment Period. The discount may reduce my monthly payment and the amount of interest I will pay over the life of the loan. I also agree that, if I cancel the automatic debits, or if any automatic withdrawals that I authorized are returned or declined, Lender will increase my interest rate by 0.25 percentage points back to the original Fixed Rate. I understand that if Lender cancels my automatic payment discount due to withdrawals that are declined or returned, I may apply again for the automatic payment discount by re-submitting my bank account information to Lender or the servicer.

6. **Death Benefit.** Subject to the additional limitation in the following sentence, the Loan Amount Requested, to the extent it is advanced to me, will be cancelled if all of the following circumstances apply: (1) the loan's benefitting student dies during the Repayment Period, (2) the Lender is notified of the benefitting student's death and provided a copy of the death certificate as soon as possible, (3) the Lender receives any



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other documentation reasonably requested by Lender and the Cosigner or the benefitting student's representative otherwise cooperates with Lender while the request for debt cancellation is processed, and (4) this debt cancellation benefit has not been modified, cancelled, or terminated by the Lender.

7. By accepting past due payments, the Lender does not waive or affect any right to accelerate this Agreement. I waive any notice of dishonor, notice of protest, presentment, demand for payment, and all other notices or demands in connection with this Agreement and consent to the addition of a party who will be liable upon this loan, to any and all extensions, renewals, or releases of any party liable upon this loan, or waiver or modification that may be granted by the Lender, all without affecting or releasing any borrower or cosigner from such loans. My responsibility for repaying this loan is not affected by the liability of any other person to the Lender or by the Lender's failure to notify me that a payment has not been made.

8. If any provision of this Agreement is held invalid or unenforceable, that provision shall be considered omitted from this Agreement without affecting the validity or enforceability of the remainder of this Agreement.

9. This Agreement may be modified only if the Lender puts the modification in writing and the modification is agreed to by any borrower or cosigner. Any such modification does not require the consent of any other borrower or cosigner and will not affect the validity or enforceability of the remainder of this Agreement.

10. I understand that this loan is an educational loan and is not dischargeable in bankruptcy, except pursuant to 11 U.S. Code § 523(a) 8.

11. I acknowledge that I have received a true and exact copy of this Agreement.

12. I may not assign this Agreement or any of its benefits or obligations. The Lender may assign this Agreement at any time. The obligations of this Agreement shall be binding on my estate.

13. The Lender's failure to exercise any right hereunder does not constitute a waiver thereof. All waivers must be in writing.

14. I authorize the Lender to use automated telephone dialing equipment, or an artificial or pre-recorded voice message to contact me in connection with this loan, including on my cellular telephone number.

15. The Lender may contact me at any telephone number I provide in the Loan Application or I provide in the future, even if that number is a cellular telephone number.

M. IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for me: When I apply for a student loan, the Lender will ask for my name, address, date of birth, and other information that

will allow the Lender to identify me. The Lender may also ask to see my driver's license or other identifying documents. I agree to provide the information the Lender requests for these purposes.

N. CONSENT TO INFORMATION SHARING AND OTHER CERTIFICATIONS

1. I certify that the information contained in the Loan Application as well as any supporting documents provided by me in connection with this loan transaction are true, complete and correct to the best of my knowledge and all assertions are made in good faith. I attest that I am eligible for this loan and that I will repay it according to the terms of this Agreement. I understand and agree that my lender will be as listed on the front of the attached Loan Application. **I authorize the Lender, the Lender's agents or its assigns to check my credit and employment history for this loan and to answer questions about their credit experience with me. I consent to the sharing of any information about this loan with my parent, guardian, child, spouse, sibling or school who complies with the Lender's procedures unless I revoke this consent or unless prohibited by law.** I understand that I may revoke consent by contacting the Lender at 1-800-693-8220 or P.O. Box 24328, Louisville, KY 40224-0328.

2. I certify that all of the loan proceeds are solely to pay for qualified higher education expenses.

3. I also certify that: I have read the materials explaining the loan program that have been provided to me; I have read, understand and agree to the provisions of the program, my responsibilities and my rights under this program, the terms of this Agreement and this "Certification and Consent to Information Sharing".

O. CORRECTION OF ERRORS

All parties to this Agreement agree to fully cooperate and adjust all typographical, computer, calculation or clerical errors discovered in any or all of the loan documents including the Loan Application, Agreement and Final Disclosure. In the event this procedure is used, all parties involved will be notified and receive a corrected copy of the changed document.

P. COSIGNER RELEASE

A cosigner release is available after 12 on-time, consecutive, regularly-scheduled monthly payments have been paid as part of a fully amortizing repayment schedule, and provided the primary borrower meets the loan underwriting requirements based on their own creditworthiness. It is the responsibility of the borrower to contact the Lender or loan servicer and request the cosigner be released from obligation on the loan.



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Q. BORROWER REQUEST FOR LOAN, PROMISE TO PAY, AND SIGNATURE

PLEASE READ YOUR IMPORTANT NOTICES AND CREDIT AGREEMENT IN THEIR ENTIRETY BEFORE SIGNING.

I request a private education loan from the Lender in the amount of the Loan Amount Requested based on the information I have provided (enrollment status and citizenship status) in the Loan Application and t h i s Agreement. I have read and understand this Agreement which accompanies (and is incorporated by this reference into) the Application. I declare under penalty of perjury that the information I have provided in the Application and in this Agreement, together with any supporting documentation provided by me in connection with this loan transaction, is true, correct and complete. I agree to be bound by this Agreement. I understand that the amount and certain other terms of my loan will be described to me in separate Approval and Final Disclosure Statements. I promise to pay, to the order of the Lender, the principal sum advanced to me or paid on my behalf, together with interest thereon and all other amounts provided for in this Agreement.

NOTICE TO CUSTOMERS: (A) DO NOT SIGN THIS BEFORE YOU READ THE IMPORTANT NOTICES, CERTIFICATION AND THE STATEMENT OF LOAN TERMS AND CONDITIONS, EVEN IF OTHERWISE ADVISED. (B) DO NOT SIGN THIS IF IT CONTAINS ANY BLANK SPACES. (C) YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN. (D) YOU HAVE THE RIGHT AT ANY TIME TO PAY IN ADVANCE THE UNPAID BALANCE DUE UNDER THIS AGREEMENT AND YOU MAY BE ENTITLED TO A PARTIAL REFUND OF THE FINANCE CHARGE.

CAUTION — IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT.

Printed Name

Last 4 Digits of Borrower's Social Security Number

Signature

Date

For Internal Use Only



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NOTICES TO COSIGNER

For IOWA, NEW YORK, AND SOUTH CAROLINA RESIDENTS

You agree to pay the debt identified above although you may not personally receive the education or money. You may be sued for payment although the person who receives the education or money is able to pay. You should know that the Total of Payments described in the Final Disclosure Statement does not include finance charges resulting from delinquency, late charges, repossession or foreclosure costs, court costs or attorney's fees, or other charges that may be stated in this Agreement. You will also have to pay some or all of these costs and charges if this Agreement or contract, the payment of which you are guaranteeing, requires the Borrower to pay such costs and charges. This notice is not the note that obligates you to pay the debt. Read this Agreement for the exact terms of your obligation.

ARIZONA RESIDENTS ONLY: For purposes of this notice, the words "you" and "your" refer to the cosigner: **Marital Community Property Joinder: If you are a married Arizona resident your signature confirms that this loan obligation is being incurred in the interest of your marriage or family and that you will properly notify your spouse and join him or her to this loan obligation in accordance with Ariz. Rev. Stat. § 25-214 or other applicable law. You further affirm that no provision of any marital property agreement or court decree adversely affects your interest in this loan obligation.**

VERMONT RESIDENTS: For the purposes of the following notices only, the words "you" and "your" refer to the cosigner, where applicable, not to the Lender.

NOTICE TO COSIGNER

YOUR SIGNATURE ON THIS CREDIT AGREEMENT MEANS THAT YOU ARE EQUALLY LIABLE FOR REPAYMENT OF THIS LOAN. IF THE BORROWER DOES NOT PAY, THE LENDER HAS A LEGAL RIGHT TO COLLECT FROM YOU.

SPECIAL NOTICE FOR RESIDENTS OF GEORGIA

By signing as cosigner, you waive any right to require the Lender to commence an action against the borrower as provided in the Official Code of Georgia Annotated § 10-7-24.

SPECIAL NOTICE FOR RESIDENTS OF NORTH CAROLINA

By signing as cosigner, I waive any right I have to require the Lender to proceed in accordance with the provisions of North Carolina General Statutes § 26-7 through § 26-9 and acknowledge that the Lender may proceed against me without first proceeding against the borrower or any collateral for the loan.

For WEST VIRGINIA RESIDENTS NOTICE TO COSIGNER

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay it if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default,



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that fact may become a part of your credit record.

This notice is not the contract that makes you liable for the debt.

I have kept a complete copy of this notice and this Agreement that obligates me and the borrower on this debt.

(Date)

(Signature of Cosigner)

Cosigner: By signing this notice you acknowledge receipt of any cosigner state notice applicable to you.

FOR OBLIGORS COSIGNING IN CALIFORNIA: NOTICE TO COSIGNER (Traducción en Ingles Se Requiere Por La Ley):

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility. You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount. The holder of the loan can collect this debt from you without first trying to collect from the borrower. The holder of the loan can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become part of your credit record. This notice is not the contract that makes you liable for the debt.

AVISO PARA EL FIADOR (Spanish Translation Required by Law):

Se le está pidiendo que garantice esta deuda. Piénselo con cuidado antes de ponerse de acuerdo. Si la persona que ha pedido este préstamo no paga la deuda, usted tendrá que pagarla. Esté seguro de que usted podrá pagar si sea obligado a pagarla y de que usted desea aceptar la responsabilidad.

Si la persona que ha pedido el préstamo no paga la deuda, es posible que usted tenga que pagar la suma total de la deuda, mas los cargos por tardarse en el pago o el costo de cobranza, lo cual aumenta el total de esta suma.

El acreedor (financiero) puede cobrarle a usted sin, primeramente, tratar de cobrarle al deudor. Los mismos metodos de cobranza que pueden usarse contra el deudor, podran usarse contra usted, tales como presentar una demanda en corte, quitar parte de su sueldo, etc. Si alguna vez no se cumpla con la obligación de pagar esta deuda, se puede incluir esa información en la historia de credito de usted. Este aviso no es el contrato mismo en que se le echa a usted la responsabilidad de la deuda.

**CAUTION - IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT.
COSIGNER SIGNATURE & DATE**

CosignerName

Date (mm/dd/yyyy)

DISCLOSURE OF 36% RATE CAP

A Lender shall not contract for or receive charges exceeding a 36% annual percentage rate on the unpaid balance of the amount financed for a loan, as calculated under the Illinois Predatory Loan Prevention Act (PLPA APR).

Any loan with PLPA APR over 36% is null and void, such that no person or entity shall have any right to collect, attempt to collect, receive, or retain any principal, fee, interest, or charges related to the loan.

The annual percentage rate disclosed in any loan contract may be lower than the PLPA APR.

Borrower Signature

Cosigner Signature (If Applicable)



Advantage Parent Loan Credit Agreement

Credit Agreement with Kentucky Higher Education Student Loan Corporation in Louisville, KY

In this Credit Agreement ("Agreement") the words "I," "me," "my," and "we" mean the borrower and cosigner(s) who have signed the accompanying Advantage Education Loan Application and Agreement (or Cosigner Application and Agreement as applicable), unless the language specifically refers to only one or the other. I am aware that by signing said Application and Agreement that I am agreeing to all the terms and conditions contained within this Agreement. The term "Lender" means the Kentucky Higher Education Student Loan Corporation or its agents or assigns ("Lender") in Louisville, KY, P.O. Box 24328, Louisville, KY 40224-0328 and any subsequent holder of this Agreement.

A. PROMISE TO PAY

I promise to pay to the Lender or to the Lender's order according to the terms below the sum of: the Loan Amount Requested, to the extent it is advanced to me, or on my behalf; other interest, fees and charges accrued or capitalized on the Loan Amount Requested, to the extent it is advanced to me, as described in this Agreement; and, in the event of default (see Section G of this Agreement), reasonable attorney fees, court costs and collection costs to the extent permitted by law.

B. DEFINITIONS

1. Approval Disclosure — Truth in Lending disclosure sent at the time my loan is approved.
2. Capitalized Interest and Other Amounts — From time to time, any interest, fees, charges and costs due and not yet paid may be added, without notice, to the principal amount of the loan. This addition is called capitalizing. Since interest accrues on the outstanding principal balance, capitalizing increases the total cost of the loan.
3. Disbursement Date — The date on which the Lender transmits the Loan Amount Requested, to the extent it is advanced, to the servicer either electronically or by check.
4. Final Disclosure — The Truth in Lending disclosure that will be sent after Approval Disclosure and prior to my first disbursement.
5. Fixed Rate — Interest rate that remains the same through the loan term as disclosed on the Final Disclosure.
6. Loan Amount Requested — The amount of credit requested by me on the Loan Application.
7. Loan Application — The application that I submitted to the Lender to request this loan.
8. Repayment Period — The loan term will begin on the date of my final disbursement. The standard loan term is ten (10) years.
9. The term Interest is defined in Section C. The terms Attorney Fees and Collection Costs are defined in Section I.

C. INTEREST

Interest on this Agreement accrues at a Fixed Rate. Interest begins to accrue on the Disbursement Date and continues to accrue until the loan is paid in full. Interest accrues

on the unpaid principal sum to the extent it is disbursed, and on any Capitalized Interest and Other Amounts. The actual interest rate applicable to my loan will be disclosed to me on my Final Disclosure statement.

D. TERMS OF REPAYMENT

1. Repayment Period — I will make required monthly payments during the Repayment Period in the amounts and on or before the payment due dates shown on my statements until I have paid all of the principal and interest and any other charges I may owe under this Agreement. My failure to receive or retrieve a statement does not relieve me of my obligation to make my required loan payments in accordance with the terms and conditions of this Agreement.
2. Standard Repayment Terms — Lender will establish a schedule whereby I will repay my loan in monthly payments calculated to equal the amount necessary to amortize the unpaid principal and interest in effect over the number of months remaining in the Repayment Period; *provided, however*, that my monthly payment will never be less than \$50 each month (principal and interest) or the unpaid balance, whichever is less. I understand that this may result in my loan being paid off in less than the number of months in the Repayment Period.
3. Amounts Owed at the End of the Repayment Period — Since interest accrues daily upon the unpaid principal balance of my loan, if I make payments after my payment due dates, I may owe additional principal and interest, fees and charges at the end of the Repayment Period. In such case, I shall pay the additional amounts.
4. Payments — Payments will be applied first to Fees, then applied to accrued interest and then the remainder to principal. Payments in excess of the amount due may advance the due date.
5. Forbearance — If I am unable to make my scheduled payments, the Lender may allow me to reduce the amount of my payments or to temporarily stop making payments as long as I intend to repay my loan. This action is called forbearance. During a period of forbearance, interest charges continue to accrue, and the Lender will capitalize such interest at the end of the forbearance period. If I am allowed multiple, successive forbearance periods, without entering into a repayment status, the Lender will only capitalize interest at the end of the last successive forbearance period.
6. Grace Period — If the loan product and repayment plan allow, Lender will postpone principal payments on my outstanding loan for 6 months starting the day after I leave school or drop below half-time enrollment status at my school if permitted by law. I do not have to make principal payments during my grace period. I must make payments after my grace period ends according to the schedule provided by my lender.
7. **If I wish to make a payment in satisfaction of a disputed amount or balance or a "paid in full payment," I must send it to Kentucky Higher Education Student Loan Corporation, P.O. Box 24328, Louisville, KY 40224-0328 with a letter of**



Advantage Parent Loan Credit Agreement

explanation. To the extent permitted by law, the Lender may accept late payments, partial payments, or payments marked “payment in full,” or having similar language, without waiving the Lender’s rights under this Agreement.

E. ELECTRONIC STATEMENTS AND CORRESPONDENCE

I will automatically be set up to retrieve statements and select correspondence from a secure website in addition to paper documents I may receive. I may opt out of the automatic enrollment to receive only paper documents regarding my loan.

F. RIGHT TO PREPAY

I have the right to prepay all or any part of my loan at any time without penalty.

G. DEFAULT

I understand that the following events constitute default, to the extent permitted by law: (a) I fail to make payments on this loan when due for a period of 180 days or more; (b) I fail to provide a notice required in Section J.1 on time; (c) I break any of my other promises in this Agreement; (d) I make any false written statement in applying for this loan, or at any time during the Repayment Period; or (e) I am in default on any private loans I may already have with the Lender, or on any loans I may have with the Lender in the future. If I live in Idaho, Kansas, Maine, Missouri, Nebraska, or South Carolina, I understand that I will be in default if I fail to make a payment when due or the prospect of my payment or performance is significantly or materially impaired. If I live in Iowa, I will be in default if I fail to make a payment within ten (10) days of its due date or if the prospect of my payment or performance is significantly or materially impaired. If I live in West Virginia, I will be in default if I fail to make a payment within five (5) days of its due date or if I otherwise fail to perform pursuant to this Agreement. If I live in Wisconsin, I will be in default if: (a) I permit to be outstanding an amount exceeding one (1) full payment which has remained unpaid for more than ten (10) days after its due date, or if I fail to pay the first payment or the last payment within forty (40) days of its scheduled due date or deferred due date; or (b) I fail to observe any other provision in this Agreement, the breach of which materially impairs my ability to pay the amounts due under this Agreement. In the event of default, repayment on this loan may be accelerated as provided in Section H of this Agreement. If any of these events of default occur, I will be required to pay interest on this loan accruing afterwards at the Fixed Rate applicable to this loan prior to such event.

H. ACCELERATION

Subject to applicable law, the Lender has the right to give me notice that the whole outstanding principal balance, accrued interest, and all other amounts payable to the Lender under the terms of this Agreement are due and payable at once if I am in default as described in Section G of this Agreement. However,

Lender will accelerate no sooner than ten (10) days after the payment due date if my permanent residence is in Virginia or thirty (30) days after the payment due date if my permanent address is in the District of Columbia. If the Lender accelerates this loan, I will be required to pay interest on this loan accruing afterwards at the Fixed Rate applicable to this loan prior to such event.

I. ATTORNEYS FEES AND COLLECTION COSTS

1. **Attorney Fees** — To the extent permitted by law, if I am in default as described in Section G of this Agreement I agree to pay to the Lender or any subsequent holder the reasonable attorney fees that are incurred in enforcing this Agreement and any other agreement related to this loan after referring the Agreement to an attorney who is not a salaried employee. To the extent permitted by bankruptcy law, I also agree to pay the reasonable attorney fees awarded by a bankruptcy or appellate court.

2. **Collection Costs** — If I am in default as described in Section G of this Agreement, I agree to pay the Lender or any subsequent holder the reasonable fees and costs (other than attorney fees as otherwise provided in this Agreement) permitted by law incurred in connection with collecting loan, including court costs.

J. NOTICES

1. I will send written or electronic notice to the Lender, or any subsequent holder of this Agreement, within 10 days after any change in my name, address, or telephone number.

2. Any notice required to be given to me by the Lender will be effective when mailed to the latest address the Lender has for me.

3. The Lender may report the status of this loan to any consumer credit reporting agency. **Late payments, missed payments, or other defaults on my account may be reflected in my consumer credit report.** If I believe that Lender has information about me that is inaccurate or that Lender has reported or may report to a credit reporting agency information about me that is inaccurate, I understand that I should notify Lender of the specific information that I believe is inaccurate by writing to Lender at Kentucky Higher Education Student Loan Corporation, P.O. Box 24328, Louisville, KY 40224-0328.

4. **CALIFORNIA RESIDENTS ONLY:** A married applicant may apply for a separate account. If the Lender takes any adverse action as defined by § 1785.3 of the California Civil Code and the adverse action is based, in whole or in part, on any information contained in a consumer credit report, I have the right to obtain within 60 days a free copy of my consumer credit report from the consumer reporting agency who furnished the Lender my consumer credit report and from any other consumer credit reporting agency which compiles and maintains files on consumers on a nationwide basis.

5. **CALIFORNIA and UTAH RESIDENTS:** As required by California and Utah law, I am hereby notified that a negative credit report reflecting on my credit record may be submitted



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to a credit reporting agency if I fail to fulfill the terms of my credit obligations.

6. FLORIDA RESIDENTS ONLY: Florida documentary stamp tax required by law is thirty-five (35) cents per \$100 borrowed and has been paid or will be paid directly to the Department of Revenue. Certificate of Registration # 78-8017389283-0.

7. IOWA and KANSAS RESIDENTS ONLY: (For purposes of the following notice to Iowa and Kansas residents, "you" means the borrower and cosigner, not the lender.) **NOTICE TO CONSUMER. This is a consumer credit transaction. 1. Do not sign this paper before you read it. 2. You are entitled to a copy of this paper. 3. You may prepay the unpaid balance at any time without penalty and may be entitled to receive a refund of unearned charges in accordance with law.**

8. IOWA RESIDENTS ONLY: IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT.

9. MARYLAND RESIDENTS ONLY: Lender and I have agreed that this Agreement is governed by federal law and the laws of Kentucky without regard to conflict of laws rules; if any court should nevertheless determine that this Agreement is subject to Maryland laws concerning credit, then only to the extent that Maryland law applies, Lender and I agree and elect that this Loan is made under and governed by Subtitle 10, Credit Grantor Closed End Credit Provisions, of Title 12 of the Commercial Law Article of the Annotated Code of Maryland, except as preempted by federal law.

10. MASSACHUSETTS RESIDENTS ONLY: Massachusetts law prohibits discrimination based upon marital status or sexual orientation.

11. MISSOURI RESIDENTS ONLY: ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT YOU (BORROWER(S)) AND US (CREDITOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT. THIS APPLICATION SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MISSOURI (EXCLUDING SUCH LAWS THAT MIGHT DIRECT THE APPLICATION OF LAWS OF ANOTHER JURISDICTION) AND FEDERAL LAW AND THE HIGHER EDUCATION ACT OF 1965, AS AMENDED.

12. MONTANA RESIDENTS ONLY: Lender and I have agreed that this Agreement is governed by federal law and the laws of Kentucky unless they conflict with the laws or rules of Montana; if there is a conflict this Agreement is subject to Montana laws concerning credit, then only to the extent that Montana law applies, Lender and I agree and elect that this Loan is made under and governed by the laws in the State of Montana.

13. NEBRASKA RESIDENTS ONLY: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forbear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

14. NEW JERSEY RESIDENTS ONLY: The section headings of this Agreement are a table of contents and not contract terms. Portions of this Agreement with references to actions taken to the extent of applicable law apply to acts or practices that New Jersey law permits or requires. In this Agreement, acts or practices (i) by you which are or may be permitted by "applicable law" are permitted by New Jersey law, and (ii) that may or will be taken by you unless prohibited by "applicable law" are permitted by New Jersey law.

15. NEVADA RESIDENTS ONLY: This is a loan for study.

16. NEW YORK, RHODE ISLAND and VERMONT RESIDENTS: I understand and agree that the Lender may obtain a consumer credit report in connection with this application and in connection with any updates, renewals or extensions of any credit as a result of this application. If I ask, I will be informed whether or not such a report was obtained and, if so, the name and address of the agency that furnished the report. I also understand and agree that the Lender may obtain a consumer credit report in connection with the review or collection of any loan made to me as a result of this application or for other legitimate purposes related to such loans.

17. OHIO RESIDENTS ONLY: The Ohio laws against discrimination require that all creditors make credit equally available to all credit worthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio civil rights commission administers compliance with this law.

18. OREGON RESIDENTS ONLY: This loan is made subject to the Oregon Unlawful Trade Practices Act as set forth in Oregon Revised Statutes (ORS) 646.605-646.656.

19. SOUTH DAKOTA RESIDENTS ONLY: Pursuant to SDCL 54-4-58, all the applicable terms are contained within the



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credit agreement. If there are any concerns with improprieties in making this loan or in loan practices, please contact the SD Division of Banking: South Dakota Division of Banking, 1714 Lincoln Ave., Suite 2, Pierre, SD 57501, (605) 773-3421.

20. TEXAS RESIDENTS ONLY: Lender does not have to give you notice that Lender is demanding or intends to demand immediate payment of all that you owe. **This written loan agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.**

21. UTAH RESIDENTS ONLY: This Agreement is the final expression of the agreement between me and you and it may not be contradicted by evidence of an alleged oral agreement.

22. MARRIED WISCONSIN RESIDENTS ONLY: For married Wisconsin residents, my signature to this Agreement confirms that this loan obligation is being incurred in the interest of my marriage or family. No provision of any marital property agreement (pre-marital agreement), unilateral statement under § 766.59 of the Wisconsin Statutes or court decree under § 766.70 adversely affects the Lender's interest unless, prior to the time that the loan is approved, the Lender is furnished with a copy of the marital property agreement, statement, or decree or has actual knowledge of the adverse provision. If the loan for which I am applying is granted, I will notify the Lender if I have a spouse who needs to receive notification that credit has been extended to me.

K. COSIGNERS ONLY

1. **GENERAL NOTICE:** When you agree to be a cosigner for someone else's debt, you are guaranteeing to pay if that person fails to pay the debt.

2. You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

3. You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay collection costs which will increase this amount.

4. Depending on your state, the Lender or its agents may collect this debt from you without first trying to collect from the borrower. The Lender can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default as described in Section G of this Agreement, that fact may become a part of your credit record.

5. This notice is not the contract that makes you liable for the debt.

6. I agree that, in the event any cosigner applicant is released from liability for this loan, this Agreement will still bind me and any remaining cosigner. As cosigner, I agree that if the borrower is released from liability on this loan for any reason, including infancy, I hereby consent to such release and to my continued liability for this loan after such release.

L. ADDITIONAL AGREEMENTS

1. **I understand that when the Lender accepts the Loan Application, the Lender is not agreeing to lend me money and that there will be no such agreement until the time the first disbursement of the loan is made.**

The Lender has the right to lend an amount less than the Loan Amount Requested if a lower cost or an increase in other financial aid is certified by the school for each school year included in the loan application. The Lender also has the right to cancel any undisbursed amount if an event occurs as described in Section G of this Agreement.

2. If this Agreement is assigned, the assignee will become the owner of this Agreement and will have all the Lender's rights to enforce this Agreement against me.

3. **I understand that the Lender is located in the Commonwealth of Kentucky and this Agreement will be entered into in the Commonwealth of Kentucky. Consequently, the provisions of the Agreement will be governed by federal laws and the laws of the Commonwealth of Kentucky to the extent not preempted, without regard to conflict of law rules. I further acknowledge and agree that any action arising out of or relating to this transaction shall be brought in the state courts located in Franklin County, Kentucky, and consent to the jurisdiction and venue of such courts.**

4. Upon receipt of the Final Disclosure, I will review it and if I am not satisfied with the terms of my loan as approved, I may cancel this Agreement and all disbursements. To cancel this Agreement, I will contact the Lender within 3 days of receipt by me of the Final Disclosure and I will not cash any loan checks. If funds are transmitted electronically, I will authorize return of the funds to the Lender within 3 days of receipt by me of the Final Disclosure.

5. **Interest Rate Reduction.** I may qualify for a 0.25% interest rate discount during repayment if I set up automatically withdrawn payments from a qualifying personal deposit account. The 0.25% interest rate reduction is effective the day EFT application is successfully processed during the Repayment Period. The discount may reduce my monthly payment and the amount of interest I will pay over the life of the loan. I also agree that, if I cancel the automatic debits, or if any automatic withdrawals that I authorized are returned or declined, Lender will increase my interest rate by 0.25 percentage points back to the original Fixed Rate. I understand that if Lender cancels my automatic payment discount due to withdrawals that are declined or returned, I may apply again for the automatic payment discount by resubmitting my bank account information to Lender or the servicer.

6. **Death Benefit.** Subject to the additional limitation in the following sentence, the Loan Amount Requested, to the extent it is advanced to me, will be cancelled if all of the following circumstances apply: (1) the loan's benefitting student dies during the Repayment Period, (2) the Lender is notified of the benefitting student's death and provided a copy of the death certificate as soon as possible, (3) the Lender receives any



Advantage Parent Loan Credit Agreement

other documentation reasonably requested by Lender and the Cosigner or the benefitting student's representative otherwise cooperates with Lender while the request for debt cancellation is processed, and (4) this debt cancellation benefit has not been modified, cancelled, or terminated by the Lender.

7. By accepting past due payments, the Lender does not waive or affect any right to accelerate this Agreement. I waive any notice of dishonor, notice of protest, presentment, demand for payment, and all other notices or demands in connection with this Agreement and consent to the addition of a party who will be liable upon this loan, to any and all extensions, renewals, or releases of any party liable upon this loan, or waiver or modification that may be granted by the Lender, all without affecting or releasing any borrower or cosigner from such loans. My responsibility for repaying this loan is not affected by the liability of any other person to the Lender or by the Lender's failure to notify me that a payment has not been made.

8. If any provision of this Agreement is held invalid or unenforceable, that provision shall be considered omitted from this Agreement without affecting the validity or enforceability of the remainder of this Agreement.

9. This Agreement may be modified only if the Lender puts the modification in writing and the modification is agreed to by any borrower or cosigner. Any such modification does not require the consent of any other borrower or cosigner and will not affect the validity or enforceability of the remainder of this Agreement.

10. I understand that this loan is an educational loan and is not dischargeable in bankruptcy, except pursuant to 11 U.S. Code § 523(a) 8.

11. I acknowledge that I have received a true and exact copy of this Agreement.

12. I may not assign this Agreement or any of its benefits or obligations. The Lender may assign this Agreement at any time. The obligations of this Agreement shall be binding on my estate.

13. The Lender's failure to exercise any right hereunder does not constitute a waiver thereof. All waivers must be in writing.

14. I authorize the Lender to use automated telephone dialing equipment, or an artificial or pre-recorded voice message to contact me in connection with this loan, including on my cellular telephone number.

15. The Lender may contact me at any telephone number I provide in the Loan Application or I provide in the future, even if that number is a cellular telephone number.

M. IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for me: When I apply for a student loan, the Lender will ask for my name, address, date of birth, and other information that

will allow the Lender to identify me. The Lender may also ask to see my driver's license or other identifying documents. I agree to provide the information the Lender requests for these purposes.

N. CONSENT TO INFORMATION SHARING AND OTHER CERTIFICATIONS

1. I certify that the information contained in the Loan Application as well as any supporting documents provided by me in connection with this loan transaction are true, complete and correct to the best of my knowledge and all assertions are made in good faith. I attest that I am eligible for this loan and that I will repay it according to the terms of this Agreement. I understand and agree that my lender will be as listed on the front of the attached Loan Application. **I authorize the Lender, the Lender's agents or its assigns to check my credit and employment history for this loan and to answer questions about their credit experience with me. I consent to the sharing of any information about this loan with my parent, guardian, child, spouse, sibling or school who complies with the Lender's procedures unless I revoke this consent or unless prohibited by law.** I understand that I may revoke consent by contacting the Lender at 1-800-693-8220 or P.O. Box 24328, Louisville, KY 40224-0328.

2. I certify that all of the loan proceeds are solely to pay for qualified higher education expenses.

3. I also certify that: I have read the materials explaining the loan program that have been provided to me; I have read, understand and agree to the provisions of the program, my responsibilities and my rights under this program, the terms of this Agreement and this "Certification and Consent to Information Sharing".

O. CORRECTION OF ERRORS

All parties to this Agreement agree to fully cooperate and adjust all typographical, computer, calculation or clerical errors discovered in any or all of the loan documents including the Loan Application, Agreement and Final Disclosure. In the event this procedure is used, all parties involved will be notified and receive a corrected copy of the changed document.

P. COSIGNER RELEASE

A cosigner release is available after 12 on-time, consecutive, regularly-scheduled monthly payments have been paid as part of a fully amortizing repayment schedule, and provided the primary borrower meets the loan underwriting requirements based on their own creditworthiness. It is the responsibility of the borrower to contact the Lender or loan servicer and request the cosigner be released from obligation on the loan.



Advantage Parent Loan Credit Agreement

Q. BORROWER REQUEST FOR LOAN, PROMISE TO PAY, AND SIGNATURE

PLEASE READ YOUR IMPORTANT NOTICES AND CREDIT AGREEMENT IN THEIR ENTIRETY BEFORE SIGNING.

I request a private education loan from the Lender in the amount of the Loan Amount Requested based on the information I have provided (enrollment status and citizenship status) in the Loan Application and t h i s Agreement. I have read and understand this Agreement which accompanies (and is incorporated by this reference into) the Application. I declare under penalty of perjury that the information I have provided in the Application and in this Agreement, together with any supporting documentation provided by me in connection with this loan transaction, is true, correct and complete. I agree to be bound by this Agreement. I understand that the amount and certain other terms of my loan will be described to me in separate Approval and Final Disclosure Statements. I promise to pay, to the order of the Lender, the principal sum advanced to me or paid on my behalf, together with interest thereon and all other amounts provided for in this Agreement.

NOTICE TO CUSTOMERS: (A) DO NOT SIGN THIS BEFORE YOU READ THE IMPORTANT NOTICES, CERTIFICATION AND THE STATEMENT OF LOAN TERMS AND CONDITIONS, EVEN IF OTHERWISE ADVISED. (B) DO NOT SIGN THIS IF IT CONTAINS ANY BLANK SPACES. (C) YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN. (D) YOU HAVE THE RIGHT AT ANY TIME TO PAY IN ADVANCE THE UNPAID BALANCE DUE UNDER THIS AGREEMENT AND YOU MAY BE ENTITLED TO A PARTIAL REFUND OF THE FINANCE CHARGE.

CAUTION — IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT.

Printed Name

Last 4 Digits of Borrower's Social Security Number

Signature

Date

For Internal Use Only



Advantage Parent Loan Credit Agreement

NOTICES TO COSIGNER

For IOWA, NEW YORK, AND SOUTH CAROLINA RESIDENTS

You agree to pay the debt identified above although you may not personally receive the education or money. You may be sued for payment although the person who receives the education or money is able to pay. You should know that the Total of Payments described in the Final Disclosure Statement does not include finance charges resulting from delinquency, late charges, repossession or foreclosure costs, court costs or attorney's fees, or other charges that may be stated in this Agreement. You will also have to pay some or all of these costs and charges if this Agreement or contract, the payment of which you are guaranteeing, requires the Borrower to pay such costs and charges. This notice is not the note that obligates you to pay the debt. Read this Agreement for the exact terms of your obligation.

ARIZONA RESIDENTS ONLY: For purposes of this notice, the words "you" and "your" refer to the cosigner: **Marital Community Property Joinder: If you are a married Arizona resident your signature confirms that this loan obligation is being incurred in the interest of your marriage or family and that you will properly notify your spouse and join him or her to this loan obligation in accordance with Ariz. Rev. Stat. § 25-214 or other applicable law. You further affirm that no provision of any marital property agreement or court decree adversely affects your interest in this loan obligation.**

VERMONT RESIDENTS: For the purposes of the following notices only, the words "you" and "your" refer to the cosigner, where applicable, not to the Lender.

NOTICE TO COSIGNER

YOUR SIGNATURE ON THIS CREDIT AGREEMENT MEANS THAT YOU ARE EQUALLY LIABLE FOR REPAYMENT OF THIS LOAN. IF THE BORROWER DOES NOT PAY, THE LENDER HAS A LEGAL RIGHT TO COLLECT FROM YOU.

SPECIAL NOTICE FOR RESIDENTS OF GEORGIA

By signing as cosigner, you waive any right to require the Lender to commence an action against the borrower as provided in the Official Code of Georgia Annotated § 10-7-24.

SPECIAL NOTICE FOR RESIDENTS OF NORTH CAROLINA

By signing as cosigner, I waive any right I have to require the Lender to proceed in accordance with the provisions of North Carolina General Statutes § 26-7 through § 26-9 and acknowledge that the Lender may proceed against me without first proceeding against the borrower or any collateral for the loan.

For WEST VIRGINIA RESIDENTS NOTICE TO COSIGNER

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay it if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default,



Advantage Parent Loan Credit Agreement

that fact may become a part of your credit record.

This notice is not the contract that makes you liable for the debt.

I have kept a complete copy of this notice and this Agreement that obligates me and the borrower on this debt.

(Date)

(Signature of Cosigner)

Cosigner: By signing this notice you acknowledge receipt of any cosigner state notice applicable to you.

FOR OBLIGORS COSIGNING IN CALIFORNIA: NOTICE TO COSIGNER (Traducción en Ingles Se Requiere Por La Ley):

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility. You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount. The holder of the loan can collect this debt from you without first trying to collect from the borrower. The holder of the loan can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become part of your credit record. This notice is not the contract that makes you liable for the debt.

AVISO PARA EL FIADOR (Spanish Translation Required by Law):

Se le está pidiendo que garantice esta deuda. Piénselo con cuidado antes de ponerse de acuerdo. Si la persona que ha pedido este préstamo no paga la deuda, usted tendrá que pagarla. Esté seguro de que usted podrá pagar si sea obligado a pagarla y de que usted desea aceptar la responsabilidad.

Si la persona que ha pedido el préstamo no paga la deuda, es posible que usted tenga que pagar la suma total de la deuda, mas los cargos por tardarse en el pago o el costo de cobranza, lo cual aumenta el total de esta suma.

El acreedor (financiero) puede cobrarle a usted sin, primeramente, tratar de cobrarle al deudor. Los mismos metodos de cobranza que pueden usarse contra el deudor, podran usarse contra usted, tales como presentar una demanda en corte, quitar parte de su sueldo, etc. Si alguna vez no se cumpla con la obligación de pagar esta deuda, se puede incluir esa información en la historia de credito de usted. Este aviso no es el contrato mismo en que se le echa a usted la responsabilidad de la deuda.

**CAUTION - IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT.
COSIGNER SIGNATURE & DATE**

CosignerName

Date (mm/dd/yyyy)

DISCLOSURE OF 36% RATE CAP

A Lender shall not contract for or receive charges exceeding a 36% annual percentage rate on the unpaid balance of the amount financed for a loan, as calculated under the Illinois Predatory Loan Prevention Act (PLPA APR).

Any loan with PLPA APR over 36% is null and void, such that no person or entity shall have any right to collect, attempt to collect, receive, or retain any principal, fee, interest, or charges related to the loan.

The annual percentage rate disclosed in any loan contract may be lower than the PLPA APR.

Borrower Signature

Cosigner Signature (If Applicable)



Advantage Refinance Loan Credit Agreement

Credit Agreement with Kentucky Higher Education Student Loan Corporation in Louisville, KY

In this Credit Agreement ("Agreement") the words "I," "me," "my," and "we" mean the borrower and cosigner(s) who have signed the accompanying Advantage Education Loan Application and Agreement (or Cosigner Application and Agreement as applicable), unless the language specifically refers to only one or the other. I am aware that by signing said Application and Agreement that I am agreeing to all the terms and conditions contained within this Agreement. The term "Lender" means the Kentucky Higher Education Student Loan Corporation or its agents or assigns ("Lender") in Louisville, KY, P.O. Box 24328, Louisville, KY 40224-0328 and any subsequent holder of this Agreement.

A. PROMISE TO PAY

I promise to pay to the Lender or to the Lender's order according to the terms below the sum of: the Loan Amount Requested, to the extent it is advanced to me, or on my behalf; other interest, fees and charges accrued or capitalized on the Loan Amount Requested, to the extent it is advanced to me, as described in this Agreement; and, in the event of default (see Section G of this Agreement), reasonable attorney fees, court costs and collection costs to the extent permitted by law.

B. DEFINITIONS

1. Approval Disclosure — Truth in Lending disclosure sent at the time my loan is approved.
2. Capitalized Interest and Other Amounts — From time to time, any interest, fees, charges and costs due and not yet paid may be added, without notice, to the principal amount of the loan. This addition is called capitalizing. Since interest accrues on the outstanding principal balance, capitalizing increases the total cost of the loan.
3. Disbursement Date — The date on which the Lender transmits the Loan Amount Requested, to the extent it is advanced, to the servicer either electronically or by check.
4. Final Disclosure — The Truth in Lending disclosure that will be sent after Approval Disclosure and prior to my first disbursement.
5. Fixed Rate — Interest rate that remains the same through the loan term as disclosed on the Final Disclosure.
6. Loan Amount Requested — The amount of credit requested by me on the Loan Application.
7. Loan Application — The application that I submitted to the Lender to request this loan.
8. Repayment Period — The loan term will begin on the date of my final disbursement and extends for the amount of time I have selected as my loan term, as described in my Final Disclosure, not to exceed 240 months.
9. The term Interest is defined in Section C. The terms Attorney Fees and Collection Costs are defined in Section I.

C. INTEREST

Interest on this Agreement accrues at a Fixed Rate. Interest begins to accrue on the Disbursement Date and continues to

accrue until the loan is paid in full. Interest accrues on the unpaid principal sum to the extent it is disbursed, and on any Capitalized Interest and Other Amounts. The actual interest rate applicable to my loan will be disclosed to me on my Final Disclosure statement.

D. TERMS OF REPAYMENT

1. Repayment Period — I will make required monthly payments during the Repayment Period in the amounts and on or before the payment due dates shown on my statements until I have paid all of the principal and interest and any other charges I may owe under this Agreement. My failure to receive or retrieve a statement does not relieve me of my obligation to make my required loan payments in accordance with the terms and conditions of this Agreement.
2. Standard Repayment Terms — Lender will establish a schedule whereby I will repay my loan in monthly payments calculated to equal the amount necessary to amortize the unpaid principal and interest in effect over the number of months remaining in the Repayment Period; *provided, however*, that my monthly payment will never be less than \$50 each month (principal and interest) or the unpaid balance, whichever is less. I understand that this may result in my loan being paid off in less than the number of months in the Repayment Period.
3. Amounts Owing at the End of the Repayment Period — Since interest accrues daily upon the unpaid principal balance of my loan, if I make payments after my payment due dates, I may owe additional principal and interest, fees and charges at the end of the Repayment Period. In such case, I shall pay the additional amounts.
4. Payments — Payments will be applied first to Fees, then applied to accrued interest and then the remainder to principal. Payments in excess of the amount due may advance the due date.
5. Forbearance — If I am unable to make my scheduled payments, the Lender may allow me to reduce the amount of my payments or to temporarily stop making payments as long as I intend to repay my loan. This action is called forbearance. During a period of forbearance, interest charges continue to accrue, and the Lender will capitalize such interest at the end of the forbearance period. If I am allowed multiple, successive forbearance periods, without entering into a repayment status, the Lender will only capitalize interest at the end of the last successive forbearance period.
6. Grace Period — If the loan product and repayment plan allow, Lender will postpone principal payments on my outstanding loan for 6 months starting the day after I leave school or drop below half-time enrollment status at my school if permitted by law. I do not have to make principal payments during my grace period. I must make payments after my grace period ends according to the schedule provided by my lender.
7. **If I wish to make a payment in satisfaction of a disputed amount or balance or a "paid in full payment," I must send it to Kentucky Higher Education Student Loan Corporation,**



Advantage Refinance Loan Credit Agreement

P.O. Box 24328, Louisville, KY 40224-0328 with a letter of explanation. To the extent permitted by law, the Lender may accept late payments, partial payments, or payments marked “payment in full,” or having similar language, without waiving the Lender’s rights under this Agreement.

E. ELECTRONIC STATEMENTS AND CORRESPONDENCE

I will automatically be set up to retrieve statements and select correspondence from a secure website in addition to paper documents I may receive. I may opt out of the automatic enrollment to receive only paper documents regarding my loan.

F. RIGHT TO PREPAY

I have the right to prepay all or any part of my loan at any time without penalty.

G. DEFAULT

I understand that the following events constitute default, to the extent permitted by law: (a) I fail to make payments on this loan when due for a period of 180 days or more; (b) I fail to provide a notice required in Section J.1 on time; (c) I break any of my other promises in this Agreement; (d) I make any false written statement in applying for this loan, or at any time during the Repayment Period; or (e) I am in default on any private loans I may already have with the Lender, or on any loans I may have with the Lender in the future. If I live in Idaho, Kansas, Maine, Missouri, Nebraska, or South Carolina, I understand that I will be in default if I fail to make a payment when due or the prospect of my payment or performance is significantly or materially impaired. If I live in Iowa, I will be in default if I fail to make a payment within ten (10) days of its due date or if the prospect of my payment or performance is significantly or materially impaired. If I live in West Virginia, I will be in default if I fail to make a payment within five (5) days of its due date or if I otherwise fail to perform pursuant to this Agreement. If I live in Wisconsin, I will be in default if: (a) I permit to be outstanding an amount exceeding one (1) full payment which has remained unpaid for more than ten (10) days after its due date, or if I fail to pay the first payment or the last payment within forty (40) days of its scheduled due date or deferred due date; or (b) I fail to observe any other provision in this Agreement, the breach of which materially impairs my ability to pay the amounts due under this Agreement. In the event of default, repayment on this loan may be accelerated as provided in Section H of this Agreement. If any of these events of default occur, I will be required to pay interest on this loan accruing afterwards at the Fixed Rate applicable to this loan prior to such event.

H. ACCELERATION

Subject to applicable law, the Lender has the right to give me notice that the whole outstanding principal balance, accrued interest, and all other amounts payable to the Lender under the terms of this Agreement are due and payable at once if I am in

default as described in Section G of this Agreement. However, Lender will accelerate no sooner than ten (10) days after the payment due date if my permanent residence is in Virginia or thirty (30) days after the payment due date if my permanent address is in the District of Columbia. If the Lender accelerates this loan, I will be required to pay interest on this loan accruing afterwards at the Fixed Rate applicable to this loan prior to such event.

I. ATTORNEYS FEES AND COLLECTION COSTS

1. Attorney Fees — To the extent permitted by law, if I am in default as described in Section G of this Agreement I agree to pay to the Lender or any subsequent holder the reasonable attorney fees that are incurred in enforcing this Agreement and any other agreement related to this loan after referring the Agreement to an attorney who is not a salaried employee. To the extent permitted by bankruptcy law, I also agree to pay the reasonable attorney fees awarded by a bankruptcy or appellate court.
2. Collection Costs — If I am in default as described in Section G of this Agreement, I agree to pay the Lender or any subsequent holder the reasonable fees and costs (other than attorney fees as otherwise provided in this Agreement) permitted by law incurred in connection with collecting loan, including court costs.

J. NOTICES

1. I will send written or electronic notice to the Lender, or any subsequent holder of this Agreement, within 10 days after any change in my name, address, or telephone number.
2. Any notice required to be given to me by the Lender will be effective when mailed to the latest address the Lender has for me.
3. The Lender may report the status of this loan to any consumer credit reporting agency. **Late payments, missed payments, or other defaults on my account may be reflected in my consumer credit report.** If I believe that Lender has information about me that is inaccurate or that Lender has reported or may report to a credit reporting agency information about me that is inaccurate, I understand that I should notify Lender of the specific information that I believe is inaccurate by writing to Lender at Kentucky Higher Education Student Loan Corporation, P.O. Box 24328, Louisville, KY 40224-0328.
4. **CALIFORNIA RESIDENTS ONLY:** A married applicant may apply for a separate account. If the Lender takes any adverse action as defined by § 1785.3 of the California Civil Code and the adverse action is based, in whole or in part, on any information contained in a consumer credit report, I have the right to obtain within 60 days a free copy of my consumer credit report from the consumer reporting agency who furnished the Lender my consumer credit report and from any other consumer credit reporting agency which compiles and maintains files on consumers on a nationwide basis.
5. **CALIFORNIA and UTAH RESIDENTS:** As required by California and Utah law, I am hereby notified that a negative credit report reflecting on my credit record may be submitted



Advantage Refinance Loan Credit Agreement

to a credit reporting agency if I fail to fulfill the terms of my credit obligations.

6. FLORIDA RESIDENTS ONLY: Florida documentary stamp tax required by law is thirty-five (35) cents per \$100 borrowed and has been paid or will be paid directly to the Department of Revenue. Certificate of Registration # 78-8017389283-0.

7. IOWA and KANSAS RESIDENTS ONLY: (For purposes of the following notice to Iowa and Kansas residents, "you" means the borrower and cosigner, not the lender.) **NOTICE TO CONSUMER. This is a consumer credit transaction. 1. Do not sign this paper before you read it. 2. You are entitled to a copy of this paper. 3. You may prepay the unpaid balance at any time without penalty and may be entitled to receive a refund of unearned charges in accordance with law.**

8. IOWA RESIDENTS ONLY: IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT.

9. MARYLAND RESIDENTS ONLY: Lender and I have agreed that this Agreement is governed by federal law and the laws of Kentucky without regard to conflict of laws rules; if any court should nevertheless determine that this Agreement is subject to Maryland laws concerning credit, then only to the extent that Maryland law applies, Lender and I agree and elect that this Loan is made under and governed by Subtitle 10, Credit Grantor Closed End Credit Provisions, of Title 12 of the Commercial Law Article of the Annotated Code of Maryland, except as preempted by federal law.

10. MASSACHUSETTS RESIDENTS ONLY: Massachusetts law prohibits discrimination based upon marital status or sexual orientation.

11. MISSOURI RESIDENTS ONLY: ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT YOU (BORROWER(S)) AND US (CREDITOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT. THIS APPLICATION SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MISSOURI (EXCLUDING SUCH LAWS THAT MIGHT DIRECT THE APPLICATION OF LAWS OF ANOTHER JURISDICTION) AND FEDERAL LAW AND THE HIGHER EDUCATION ACT OF 1965, AS AMENDED.

12. MONTANA RESIDENTS ONLY: Lender and I have agreed that this Agreement is governed by federal law and the laws of Kentucky unless they conflict with the laws or rules of Montana; if there is a conflict this Agreement is subject to Montana laws concerning credit, then only to the extent that Montana law applies, Lender and I agree and elect that this Loan is made under and governed by the laws in the State of Montana.

13. NEBRASKA RESIDENTS ONLY: A credit agreement must be in writing to be enforceable under Nebraska law. To protect you and us from any misunderstandings or disappointments, any contract, promise, undertaking, or offer to forbear repayment of money or to make any other financial accommodation in connection with this loan of money or grant or extension of credit, or any amendment of, cancellation of, waiver of, or substitution for any or all of the terms or provisions of any instrument or document executed in connection with this loan of money or grant or extension of credit, must be in writing to be effective.

14. NEW JERSEY RESIDENTS ONLY: The section headings of this Agreement are a table of contents and not contract terms. Portions of this Agreement with references to actions taken to the extent of applicable law apply to acts or practices that New Jersey law permits or requires. In this Agreement, acts or practices (i) by you which are or may be permitted by "applicable law" are permitted by New Jersey law, and (ii) that may or will be taken by you unless prohibited by "applicable law" are permitted by New Jersey law.

15. NEVADA RESIDENTS ONLY: This is a loan for study.

16. NEW YORK, RHODE ISLAND and VERMONT RESIDENTS: I understand and agree that the Lender may obtain a consumer credit report in connection with this application and in connection with any updates, renewals or extensions of any credit as a result of this application. If I ask, I will be informed whether or not such a report was obtained and, if so, the name and address of the agency that furnished the report. I also understand and agree that the Lender may obtain a consumer credit report in connection with the review or collection of any loan made to me as a result of this application or for other legitimate purposes related to such loans.

17. OHIO RESIDENTS ONLY: The Ohio laws against discrimination require that all creditors make credit equally available to all credit worthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio civil rights commission administers compliance with this law.

18. OREGON RESIDENTS ONLY: This loan is made subject to the Oregon Unlawful Trade Practices Act as set forth in Oregon Revised Statutes (ORS) 646.605-646.656.



Advantage Refinance Loan Credit Agreement

19. SOUTH DAKOTA RESIDENTS ONLY: Pursuant to SDCL 54-4-58, all the applicable terms are contained within the credit agreement. If there are any concerns with improprieties in making this loan or in loan practices, please contact the SD Division of Banking: South Dakota Division of Banking, 1714 Lincoln Ave., Suite 2, Pierre, SD 57501, (605) 773-3421.

20. TEXAS RESIDENTS ONLY: Lender does not have to give you notice that Lender is demanding or intends to demand immediate payment of all that you owe. **This written loan agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.**

21. UTAH RESIDENTS ONLY: This Agreement is the final expression of the agreement between me and you and it may not be contradicted by evidence of an alleged oral agreement.

22. MARRIED WISCONSIN RESIDENTS ONLY: For married Wisconsin residents, my signature to this Agreement confirms that this loan obligation is being incurred in the interest of my marriage or family. No provision of any marital property agreement (pre-marital agreement), unilateral statement under § 766.59 of the Wisconsin Statutes or court decree under § 766.70 adversely affects the Lender's interest unless, prior to the time that the loan is approved, the Lender is furnished with a copy of the marital property agreement, statement, or decree or has actual knowledge of the adverse provision. If the loan for which I am applying is granted, I will notify the Lender if I have a spouse who needs to receive notification that credit has been extended to me.

K. COSIGNERS ONLY

1. **GENERAL NOTICE:** When you agree to be a cosigner for someone else's debt, you are guaranteeing to pay if that person fails to pay the debt.

2. You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

3. You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay collection costs which will increase this amount.

4. Depending on your state, the Lender or its agents may collect this debt from you without first trying to collect from the borrower. The Lender can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default as described in Section G of this Agreement, that fact may become a part of your credit record.

5. This notice is not the contract that makes you liable for the debt.

6. I agree that, in the event any cosigner applicant is released from liability for this loan, this Agreement will still bind me and any remaining cosigner. As cosigner, I agree that if the borrower is released from liability on this loan for any reason,

including infancy, I hereby consent to such release and to my continued liability for this loan after such release.

L. ADDITIONAL AGREEMENTS

1. **I understand that when the Lender accepts the Loan Application, the Lender is not agreeing to lend me money and that there will be no such agreement until the time the first disbursement of the loan is made.**

The Lender has the right to lend an amount less than the Loan Amount Requested if a lower cost or an increase in other financial aid is certified by the school for each school year included in the loan application. The Lender also has the right to cancel any undisbursed amount if an event occurs as described in Section G of this Agreement.

2. If this Agreement is assigned, the assignee will become the owner of this Agreement and will have all the Lender's rights to enforce this Agreement against me.

3. **I understand that the Lender is located in the Commonwealth of Kentucky and this Agreement will be entered into in the Commonwealth of Kentucky. Consequently, the provisions of the Agreement will be governed by federal laws and the laws of the Commonwealth of Kentucky to the extent not preempted, without regard to conflict of law rules. I further acknowledge and agree that any action arising out of or relating to this transaction shall be brought in the state courts located in Franklin County, Kentucky, and consent to the jurisdiction and venue of such courts.**

4. Upon receipt of the Final Disclosure, I will review it and if I am not satisfied with the terms of my loan as approved, I may cancel this Agreement and all disbursements. To cancel this Agreement, I will contact the Lender within 3 days of receipt by me of the Final Disclosure and I will not cash any loan checks. If funds are transmitted electronically, I will authorize return of the funds to the Lender within 3 days of receipt by me of the Final Disclosure.

5. **Interest Rate Reduction.** I may qualify for a 0.25% interest rate discount during repayment if I set up automatically withdrawn payments from a qualifying personal deposit account. The 0.25% interest rate reduction is effective the day EFT application is successfully processed during the Repayment Period. The discount may reduce my monthly payment and the amount of interest I will pay over the life of the loan. I also agree that, if I cancel the automatic debits, or if any automatic withdrawals that I authorized are returned or declined, Lender will increase my interest rate by 0.25 percentage points back to the original Fixed Rate. I understand that if Lender cancels my automatic payment discount due to withdrawals that are declined or returned, I may apply again for the automatic payment discount by resubmitting my bank account information to Lender or the servicer.

6. **Death Benefit.** Subject to the additional limitation in the following sentence, the Loan Amount Requested, to the extent it is advanced to me, will be cancelled if all of the following circumstances apply: (1) the loan's benefitting student dies



Advantage Refinance Loan Credit Agreement

during the Repayment Period, (2) the Lender is notified of the benefitting student's death and provided a copy of the death certificate as soon as possible, (3) the Lender receives any other documentation reasonably requested by Lender and the Cosigner or the benefitting student's representative otherwise cooperates with Lender while the request for debt cancellation is processed, and (4) this debt cancellation benefit has not been modified, cancelled, or terminated by the Lender.

7. By accepting past due payments, the Lender does not waive or affect any right to accelerate this Agreement. I waive any notice of dishonor, notice of protest, presentment, demand for payment, and all other notices or demands in connection with this Agreement and consent to the addition of a party who will be liable upon this loan, to any and all extensions, renewals, or releases of any party liable upon this loan, or waiver or modification that may be granted by the Lender, all without affecting or releasing any borrower or cosigner from such loans. My responsibility for repaying this loan is not affected by the liability of any other person to the Lender or by the Lender's failure to notify me that a payment has not been made.

8. If any provision of this Agreement is held invalid or unenforceable, that provision shall be considered omitted from this Agreement without affecting the validity or enforceability of the remainder of this Agreement.

9. This Agreement may be modified only if the Lender puts the modification in writing and the modification is agreed to by any borrower or cosigner. Any such modification does not require the consent of any other borrower or cosigner and will not affect the validity or enforceability of the remainder of this Agreement.

10. I understand that this loan is an educational loan and is not dischargeable in bankruptcy, except pursuant to 11 U.S. Code § 523(a) 8.

11. I acknowledge that I have received a true and exact copy of this Agreement.

12. I may not assign this Agreement or any of its benefits or obligations. The Lender may assign this Agreement at any time. The obligations of this Agreement shall be binding on my estate.

13. The Lender's failure to exercise any right hereunder does not constitute a waiver thereof. All waivers must be in writing.

14. I authorize the Lender to use automated telephone dialing equipment, or an artificial or pre-recorded voice message to contact me in connection with this loan, including on my cellular telephone number.

15. The Lender may contact me at any telephone number I provide in the Loan Application or I provide in the future, even if that number is a cellular telephone number.

M. IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that

identifies each person who opens an account. What this means for me: When I apply for a student loan, the Lender will ask for my name, address, date of birth, and other information that will allow the Lender to identify me. The Lender may also ask to see my driver's license or other identifying documents. I agree to provide the information the Lender requests for these purposes.

N. CONSENT TO INFORMATION SHARING AND OTHER CERTIFICATIONS

1. I certify that the information contained in the Loan Application as well as any supporting documents provided by me in connection with this loan transaction are true, complete and correct to the best of my knowledge and all assertions are made in good faith. I attest that I am eligible for this loan and that I will repay it according to the terms of this Agreement. I understand and agree that my lender will be as listed on the front of the attached Loan Application. **I authorize the Lender, the Lender's agents or its assigns to check my credit and employment history for this loan and to answer questions about their credit experience with me. I consent to the sharing of any information about this loan with my parent, guardian, child, spouse, sibling or school who complies with the Lender's procedures unless I revoke this consent or unless prohibited by law.** I understand that I may revoke consent by contacting the Lender at 1-800-693-8220 or P.O. Box 24328, Louisville, KY 40224-0328.

2. I certify that all of the loan proceeds are solely to pay for qualified higher education expenses.

3. I also certify that: I have read the materials explaining the loan program that have been provided to me; I have read, understand and agree to the provisions of the program, my responsibilities and my rights under this program, the terms of this Agreement and this "Certification and Consent to Information Sharing".

O. CORRECTION OF ERRORS

All parties to this Agreement agree to fully cooperate and adjust all typographical, computer, calculation or clerical errors discovered in any or all of the loan documents including the Loan Application, Agreement and Final Disclosure. In the event this procedure is used, all parties involved will be notified and receive a corrected copy of the changed document.

P. COSIGNER RELEASE

A cosigner release is available after 12 on-time, consecutive, regularly-scheduled monthly payments have been paid as part of a fully amortizing repayment schedule, and provided the primary borrower meets the loan underwriting requirements based on their own creditworthiness. It is the responsibility of the borrower to contact the Lender or loan servicer and request the cosigner be released from obligation on the loan.



Advantage Refinance Loan Credit Agreement

Q. BORROWER REQUEST FOR LOAN, PROMISE TO PAY, AND SIGNATURE

PLEASE READ YOUR IMPORTANT NOTICES AND CREDIT AGREEMENT IN THEIR ENTIRETY BEFORE SIGNING.

I request a private education loan from the Lender in the amount of the Loan Amount Requested based on the information I have provided (enrollment status and citizenship status) in the Loan Application and t h i s Agreement. I have read and understand this Agreement which accompanies (and is incorporated by this reference into) the Application. I declare under penalty of perjury that the information I have provided in the Application and in this Agreement, together with any supporting documentation provided by me in connection with this loan transaction, is true, correct and complete. I agree to be bound by this Agreement. I understand that the amount and certain other terms of my loan will be described to me in separate Approval and Final Disclosure Statements. I promise to pay, to the order of the Lender, the principal sum advanced to me or paid on my behalf, together with interest thereon and all other amounts provided for in this Agreement.

NOTICE TO CUSTOMERS: (A) DO NOT SIGN THIS BEFORE YOU READ THE IMPORTANT NOTICES, CERTIFICATION AND THE STATEMENT OF LOAN TERMS AND CONDITIONS, EVEN IF OTHERWISE ADVISED. (B) DO NOT SIGN THIS IF IT CONTAINS ANY BLANK SPACES. (C) YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN. (D) YOU HAVE THE RIGHT AT ANY TIME TO PAY IN ADVANCE THE UNPAID BALANCE DUE UNDER THIS AGREEMENT AND YOU MAY BE ENTITLED TO A PARTIAL REFUND OF THE FINANCE CHARGE.

CAUTION — IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT.

Printed Name

Last 4 Digits of Borrower's Social Security Number

Signature

Date

For Internal Use Only



Advantage Refinance Loan Credit Agreement

NOTICES TO COSIGNER

For IOWA, NEW YORK, AND SOUTH CAROLINA RESIDENTS

You agree to pay the debt identified above although you may not personally receive the education or money. You may be sued for payment although the person who receives the education or money is able to pay. You should know that the Total of Payments described in the Final Disclosure Statement does not include finance charges resulting from delinquency, late charges, repossession or foreclosure costs, court costs or attorney's fees, or other charges that may be stated in this Agreement. You will also have to pay some or all of these costs and charges if this Agreement or contract, the payment of which you are guaranteeing, requires the Borrower to pay such costs and charges. This notice is not the note that obligates you to pay the debt. Read this Agreement for the exact terms of your obligation.

ARIZONA RESIDENTS ONLY: For purposes of this notice, the words "you" and "your" refer to the cosigner: **Marital Community Property Joinder:** If you are a married Arizona resident your signature confirms that this loan obligation is being incurred in the interest of your marriage or family and that you will properly notify your spouse and join him or her to this loan obligation in accordance with Ariz. Rev. Stat. § 25-214 or other applicable law. You further affirm that no provision of any marital property agreement or court decree adversely affects your interest in this loan obligation.

VERMONT RESIDENTS: For the purposes of the following notices only, the words "you" and "your" refer to the cosigner, where applicable, not to the Lender.

NOTICE TO COSIGNER

YOUR SIGNATURE ON THIS CREDIT AGREEMENT MEANS THAT YOU ARE EQUALLY LIABLE FOR REPAYMENT OF THIS LOAN. IF THE BORROWER DOES NOT PAY, THE LENDER HAS A LEGAL RIGHT TO COLLECT FROM YOU.

SPECIAL NOTICE FOR RESIDENTS OF GEORGIA

By signing as cosigner, you waive any right to require the Lender to commence an action against the borrower as provided in the Official Code of Georgia Annotated § 10-7-24.

SPECIAL NOTICE FOR RESIDENTS OF NORTH CAROLINA

By signing as cosigner, I waive any right I have to require the Lender to proceed in accordance with the provisions of North Carolina General Statutes § 26-7 through § 26-9 and acknowledge that the Lender may proceed against me without first proceeding against the borrower or any collateral for the loan.

For WEST VIRGINIA RESIDENTS

NOTICE TO COSIGNER

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay it if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection



Advantage Refinance Loan Credit Agreement

methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become a part of your credit record.

This notice is not the contract that makes you liable for the debt.

I have kept a complete copy of this notice and this Agreement that obligates me and the borrower on this debt.

(Date)

(Signature of Cosigner)

Cosigner: By signing this notice you acknowledge receipt of any cosigner state notice applicable to you.

FOR OBLIGORS COSIGNING IN CALIFORNIA: NOTICE TO COSIGNER (Traducción en Ingles Se Requiere Por La Ley):

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility. You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount. The holder of the loan can collect this debt from you without first trying to collect from the borrower. The holder of the loan can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become part of your credit record. This notice is not the contract that makes you liable for the debt.

AVISO PARA EL FIADOR (Spanish Translation Required by Law):

Se le está pidiendo que garantice esta deuda. Piénselo con cuidado antes de ponerse de acuerdo. Si la persona que ha pedido este préstamo no paga la deuda, usted tendrá que pagarla. Esté seguro de que usted podrá pagar si sea obligado a pagarla y de que usted desea aceptar la responsabilidad.

Si la persona que ha pedido el préstamo no paga la deuda, es posible que usted tenga que pagar la suma total de la deuda, mas los cargos por tardarse en el pago o el costo de cobranza, lo cual aumenta el total de esta suma.

El acreedor (financiero) puede cobrarle a usted sin, primeramente, tratar de cobrarle al deudor. Los mismos metodos de cobranza que pueden usarse contra el deudor, podran usarse contra usted, tales como presentar una demanda en corte, quitar parte de su sueldo, etc. Si alguna vez no se cumpla con la obligación de pagar esta deuda, se puede incluir esa información en la historia de credito de usted. Este aviso no es el contrato mismo en que se le echa a usted la responsabilidad de la deuda.

**CAUTION - IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT.
COSIGNER SIGNATURE & DATE**

Cosigner Signature	Date (mm/dd/yyyy)
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DISCLOSURE OF 36% RATE CAP

A Lender shall not contract for or receive charges exceeding a 36% annual percentage rate on the unpaid balance of the amount financed for a loan, as calculated under the Illinois Predatory Loan Prevention Act (PLPA APR).

Any loan with PLPA APR over 36% is null and void, such that no person or entity shall have any right to collect, attempt to collect, receive, or retain any principal, fee, interest, or charges related to the loan.

The annual percentage rate disclosed in any loan contract may be lower than the PLPA APR.

Borrower Signature

Cosigner Signature (If Applicable)