

PAL Refi Fixed-Rate Promissory Note

Loan Date	Account ID	Loan Number

Borrower:



Cosigner:



(No alterations, scratch outs or white-outs will be accepted on this form.)

As used here, "I", "me" and "my" refer to both the borrower and the cosigner. The word "SCSLC" refers to South Carolina Student Loan Corporation and any successors or assigns.

1. Age of Majority. Pursuant to South Carolina Code Ann. §63-5-320, notwithstanding any other provisions of law to the contrary, any person who, not having attained his majority, contracts to borrow money to defray the expenses of attending any institution of higher learning, shall have full legal capacity to act on his/her own behalf and shall have all the rights, powers and privileges and be subject to the obligations of persons of full age with respect to any such contracts.

2. Cosigner. The cosigner is another person, other than the borrower, who agrees to be bound by all of the terms and conditions of this Promissory Note. When this loan is made, both the borrower and any cosigner will be liable, individually and together, for the full amount of the loan, plus interest and other charges. The borrower and the cosigner will be bound by any communication or disclosure SCSLC, or its agents, have with either party. Any modification agreed to with either party will bind both.

3. Determination of Amount Financed. Approval of this loan is contingent on my meeting SCSLC's credit criteria. I understand SCSLC is not obligated, now or at any time, to make this or any other loan to me. The amount and the interest rate for my loan as well as any finance charges will be described to me in a Loan Approval Disclosure sent when my loan is approved. I understand that SCSLC will transfer the proceeds of this loan to my lender(s) via check or electronically.

4. Qualified Higher Education Expenses. This PAL Refinance Loan is solely to repay prior loans used to pay for Qualified Higher Education Expenses. Qualified Higher Education Expenses are the costs of attending an eligible education institution on at least a half-time basis. You may be able to claim a federal income tax deduction for interest payments you make on this loan. For further information refer to IRS Publication 970, which is available at <https://www.irs.gov>.

5. Definitions.

- a. **Capitalized Interest:** Unpaid accrued interest that is added to the principal balance of the loan. At certain points in time,

your unpaid interest may be added to your loan's current principal. From that point, your interest will be calculated from this new amount.

- b. **Repayment Period:** The period beginning on the day after the loan is fully disbursed during which you are required to make full payments of principal and interest.
- c. **Forbearance Period:** A postponement or reduction of payments during the Repayment Period offered at the sole discretion of SCSLC, or its agents.

6. Agreeing to the Terms of the Loan. With respect to each disbursement of loan proceeds, I agree to all the terms in this Promissory Note and the Final Disclosure when I consummate the loan by either 1) signing the Promissory Note; or 2) using the proceeds or allowing someone to use the proceeds on my behalf. I am not bound by the repayment terms in this Promissory Note until the loan proceeds are disbursed.

7. Interest.

- a. **Interest calculated daily:** Interest will be calculated on a daily basis on the outstanding Principal balance until the loan balance is paid in full. The daily interest rate is equal to the annual interest rate in effect on that day divided by 365.25. Because interest is calculated daily, the amount of interest I pay will vary based on the number of days between my previous payment and my current payment.
- b. **Accrual:** Interest on this loan accrues at the fixed rate defined below. Interest begins to accrue on the date of each disbursement 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 the unpaid accrued interest added to the principal balance and at the end of any Forbearance Period. If I am granted forbearance and if I choose not to pay accruing interest charges, the principal balance will increase each time SCSLC, or its agents, capitalizes unpaid interest. As a result, I will pay more interest charges over the life of the loan.
- c. **Fixed Rate:** The loan bears interest at a fixed rate as disclosed on the Final Approval Disclosure. The interest rate will not increase or decrease for the life of the loan. If at any

time the fixed interest rate is not permitted by applicable law, interest will accrue at the highest rate allowed by applicable law.

- d. **Interest after maturity and judgement:** Unless prohibited by applicable law, interest calculated as described in this Promissory Note will continue to accrue on the unpaid balance until it is paid in full, even after maturity (whether by acceleration or otherwise) and/or judgement, if a judgement is entered against me for an amount due.

8. Notice to Members of the Armed Forces.

- a. **Military Lending Act. Statement of the Military Annual Percentage Rate (MAPR).** Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: The costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account). This information regarding MAPR can also be obtained by calling 1-888-854-0506.
- b. **Servicemembers Civil Relief Act (SCRA).** If I am a servicemember, I may qualify for reduced interest benefits under the SCRA. Active Duty servicemembers who qualify for reduced interest benefits can have their interest rates capped at 6%. Information may be obtained from your servicer.

9. Repayment. I am obligated to repay the full amount of the loan and accrued interest. I will repay the principal and interest of my loan in periodic installments during the Repayment Period. SCSLC, or its agents, will provide me with a repayment schedule that identifies my payment amounts and due dates. My loan may be re-amortized to ensure full payment of principal and interest by the end of the Repayment Period resulting in a possible increase or decrease of my monthly payment. SCSLC, or its agents, will notify me in advance of any change in my payment amount.

10. Repayment Assistance. At its sole discretion, SCSLC, or its agents, may offer repayment assistance in the form of forbearance. Interest will continue to accrue and will be capitalized at the end of a forbearance period. I agree that SCSLC, or its agents, may grant me a forbearance for purposes of aligning payment dates on my loans or to eliminate a delinquency that persists.

11. Payments. I promise to make each payment on or before the date that it is due to the address specified by SCSLC, or its agents. I must make payments on time, even if I do not receive a coupon book or billing statement. Payments must be made from an account of a bank domiciled in the United States. Sending cash payments is not allowed. Cash is easily lost or stolen. If I send cash, SCSLC, or its agents, may refuse to accept it. All payments will be applied first to any outstanding unpaid fees, then to outstanding interest, then to principal.

12. Prepayment. I may repay all or any part of the unpaid balance on my loan at any time without penalty. If I prepay the loan in part, I agree to continue to make regularly scheduled payments until all amounts due under this Promissory Note are paid. If I have more than one loan outstanding, I may direct the amount of my prepayment to one or more particular loans. If I do not specify how to apply my prepayment, SCSLC, or its agents, will apply it to my loans in any order they determine.

13. Credit Bureau Notification. *SCSLC, or its agents, may report information about your account to credit reporting agencies. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.*

14. Default. At the option of SCSLC, or its agents, this loan may be in default after any notice required by law, and SCSLC, or its agents, will have the right to give me notice that the whole outstanding principal balance, accrued interest, and all other amounts payable are due and payable at once. If SCSLC chooses to accelerate this Promissory Note, SCSLC does not give up our right to use another remedy later. I will be in default for any of the following reasons:

- I fail to make required payments by the end of the calendar month in which it becomes 180 days past due; or
- I made any materially untrue statement or misrepresentation in applying for this loan or at any time thereafter; or
- I fail to comply with any of the terms of this loan.

If I default, this will be reported to national consumer reporting agencies and may significantly and adversely affect my credit history. This may adversely affect my ability to obtain credit in the future. If a judgment is obtained on the loan, the judgment will accrue interest at the judgment rate of interest as allowed by law.

15. Collection Costs. If I default on the loan and SCSLC, or its agents file suit or take other action to collect this loan, I agree to pay to SCSLC, or its agents, reasonable collection fees, court costs, and attorney fees subject to the Servicemembers Civil Relief Act and other applicable laws.

16. Loan Discharge. I acknowledge that this loan is subject to the limitations on dischargeability in bankruptcy contained in the provisions of United States Bankruptcy Code, including, but not limited to, 11 U.S.C. §523. In the event of my death or total and permanent disability, the loan evidenced by this Promissory Note may be eligible for discharge, if required by law. Loan discharge may have income tax consequences.

17. Loan Assignment, Sale or Transfer. I may not assign or otherwise transfer my rights under this Promissory Note to anyone else. SCSLC may sell, or otherwise transfer, one or all of my loans without my consent. Should ownership of a loan be transferred, I will be notified of the name, address and telephone number of the new holder if the address to which I make my payments changes. Sale or transfer of my loans to a subsequent holder does not affect my rights and responsibilities.

18. Telephone Monitoring. I agree that from time-to-time SCSLC may monitor and record telephone calls made or received by us or our agents regarding my loans.

19. Telephone Consumer Protection Act. If you have listed a cellular phone number in your application, or later provide a cellular phone number to SCSLC, then you authorize SCSLC, its affiliates or agents, to call your cellular phone or send SMS text messages to you using an automatic telephone dialing system or prerecorded message in order to provide account information and services regarding your account or any of the product or services your request from SCSLC. Receipt of cellular phone calls or SMS text messages may be subject to service provider charges.

SCSLC may contact you in order to assist you with the completion of any application you begin, to address any technical problems associated with your account or any product or service you request, or to send you notices regarding your account, approval for any products or services for which you apply, payment reminders, or collection efforts. If you do not want to receive cellular phone calls and SMS text messages about your loan, you can unsubscribe by contacting the servicer at (888) 486-4722, or in writing at PO Box 82522, Lincoln, NE 68501-2522. SCSLC, its affiliates or agents, may contact you using any telephone number provided by you.

20. Governing Law and Notices. The terms of this loan will be interpreted in accordance with South Carolina and federal laws. Any notice required to be given to me will be effective if mailed by first class mail to the latest address I have provided.

21. Waiver. Failure by SCSLC, or its agents, to enforce any term on this Note shall not be a waiver of any right to later enforce that term. No provision of this Promissory Note may be modified or waived except in writing. If any provision of this loan is determined to be unenforceable or in violation of law, the remaining provisions shall remain in force.

22. State Notices.

- a. **California Residents:** A married applicant may apply for a separate loan. If the lender takes any adverse action as defined by Section 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, you have the right to obtain within 60 days a free copy of your consumer credit report from the consumer reporting agency who furnished the lender or loan processor your consumer credit report and from any other consumer credit reporting agency which compiles and maintains files on consumers on a nationwide basis. You have the right as described by Section 1785.16 of the California Civil Code to dispute the accuracy or completeness of any information in a consumer credit report furnished by the consumer credit reporting agency.
- b. **Indiana and Maine Residents:** The provisions of this Note regarding the payment of collection agency costs and court costs do not apply to Indiana or Maine residents.
- c. **Iowa and Kansas Residents:** NOTICE TO CONSUMER: a) Do not sign this agreement before you read it; b) You are entitled to a copy of this agreement; c) You may prepay the unpaid balance at any time without penalty and may be entitled to receive a refund of unearned finance charges in accordance with law.
- d. **Maryland Residents:** We elect Subtitle 10, Credit Grantor Closed-End Credit Provision to Title 12 of the Commercial Law Article of the Annotated Code of Maryland, to govern this Note, only to the extent not inconsistent with 12 U.S.C. § 1831d and related regulations and opinions.
- e. **Massachusetts Residents:** Massachusetts law prohibits discrimination based upon sex, gender, identity, marital status, age, or sexual orientation.
- f. **Missouri Residents:** Oral agreements or commitments to loan money, extend credit, or to forbear from enforcing repayment of a debt, including promises to extend or renew such debts, 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.
- g. **New Hampshire Residents:** If we refer this Note to an attorney for collection, you agree to pay our reasonable attorneys' fees. However, if you prevail in a) any action, suit, or proceeding we bring, or b) an action brought by you in connection with this Note, or if you successfully assert a partial defense or setoff, recoupment, or counterclaim to an action brought by us, the court may withhold from us the entire amount or such portion of the attorneys' fees as the court considers equitable.
- h. **New Jersey Residents:** This Note applies to residents of multiple states, and certain provisions may be void, unenforceable or inapplicable to residents in states other than New Jersey. None of these provisions are void, unenforceable or inapplicable to New Jersey residents.
- i. **New York, Rhode Island, and Vermont Residents:** A consumer credit report may be ordered on you in connection with your application for credit. If you ask, we will tell you whether or not one was ordered and if one was, the name and address of the consumer credit reporting agency that provided it. Subsequent consumer credit reports may be requested or used in connection with an update, renewal, or extension of the credit applied for without further notice to you.
- j. **Ohio Residents:** The Ohio laws against discrimination require that all creditors make credit equally available to all credit-worthy customers and that consumer credit reporting agencies maintain separate credit histories on each individual

upon request. The Ohio Civil Rights Commission administers compliance with this law.

- k. **Texas Residents:** You give up (waive) your common law rights to receive notice of intent to accelerate and notice of acceleration. This means that you give up the right to receive notice that we intend to demand that you pay all that you owe on this contract at once (accelerate) and notice that we have accelerated.
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.
- l. **West Virginia Residents:** Any provision in this Note authorizing the holder of this Note to collect attorneys' fees in the event of a default are void if the party being sued for collection is a resident of the State of West Virginia. Any provision in this Note authorizing the holder of this Note to collect attorneys' fees in the event of a default are void if the party being sued for collection is a resident of the State of West Virginia.
- m. **Wisconsin Residents:** If you are a married Wisconsin resident: (1) Your submission of this loan application confirms that this loan you are requesting is being incurred in the interest of your marriage or family. (2) No provision of any marital property 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 or Loan Processor is furnished with a copy of the marital property agreement, a statement, or a decree or have actual knowledge of the adverse provision. (3) You agree to cooperate with the Lender and Loan Processor so that your spouse receives written notice of or a copy of the terms of, any loan that is approved. Notwithstanding provisions to the contrary in Section entitled "Default" of this Note, you will be in default hereunder only: a) if the interval between scheduled payments is 2 months or less, and you permit to be outstanding an amount exceeding 1 full payment that has remained unpaid for more than 10 days after its scheduled due date or deferred due date, or you fail to pay the first payment or the last payment within 40 days of its scheduled due date or deferred due date; or b) if the interval between scheduled payments is more than 2 months, and you permit to be outstanding all or any part of 1 scheduled payment that has remained unpaid for more than 60 days after its scheduled due date or deferred due date. You will also be in default if you fail to observe any other provision of this Note, the breach of which materially impairs your ability to pay the amounts due under this Note.
- n. **Utah Residents:** As required by Utah law, you are hereby notified that a negative consumer credit report reflecting on your credit record may be submitted to a consumer credit reporting agency if you fail to fulfill the terms of your credit obligations.

Borrower Certification and Authorization

I declare that the following are true and correct:

1. The information provided in the application is true, complete and correct to the best of my knowledge and belief and is made in good faith.
2. I am not now in default on any federal student loan nor am I in default on any loan that I have included to refinance this application.
3. I am in my grace period or post-enrollment repayment status (including deferment or forbearance), or I am an enrolled graduate student, and in good standing on all education loans being refinanced.
4. All of the loans selected for refinance are in my name and have been used to finance my education or my child's education.
5. I am not incarcerated.

I also make the following authorizations and statements of understanding:

1. I understand the amount of my refinanced loan will be based on the estimated payoff amounts of my outstanding eligible loans that I selected for refinance and may exceed my estimate of such payoff amounts.
2. I understand that I may no longer be eligible for borrower benefits such as reduced interest rate, deferments, forbearance, repayment, or discharge provisions applicable to the loans I selected for refinance.
3. I authorize SCSLC to contact the holders identified on my application to determine the eligibility and/or payoff amounts for the loans I selected for refinance. I further authorize those holders to release that information.
4. I authorize SCSLC to send the proceeds of my Promissory Note to each holder of the loans I have identified to pay off the identified debts.
5. If the amounts SCSLC sends to my holders are less than the amounts needed to pay off the balance of the loans selected for refinance, I will be responsible for the remaining balance.
6. I authorize SCSLC, or its agents, to investigate my credit record and report information concerning my loan status to persons and organizations permitted by law to receive such information.
7. I authorize the release of information pertinent to this loan (a) to the school(s), the lenders, or their agents; (b) to my cosigner; (c) to members of my immediate family unless I submit written directions otherwise; and (d) to other organizations to the extent permitted by law.
8. I understand that I am required to notify SCSLC (or any subsequent holder of my loans) in writing if any of the following events occur before the loan is repaid: (a) I change my address; (b) I change my name (e.g., maiden to married); (c) I change my employer or my employer's address changes; or (d) I have any other change in status that would affect my loan status.

Borrower Promise to Pay: For value received, I promise to pay to the order of the SCSLC, the principal amount of this loan, plus interest on the unpaid balance of the loan and other permitted charges as provided in this Promissory Note. The face amount of the Promissory Note and principal proceeds loaned to me by SCSLC, the interest rate, the term of the loan, and amount of fees are set forth in the Final Approval Disclosure, which will be incorporated into this Promissory Note. I promise to timely pay to SCSLC the principal and interest due in installments as set forth in the Estimated Repayment Schedule & Terms on the Final Approval Disclosure. If I fail to make payments on this Promissory Note when due, SCSLC, or its agents, may demand that I repay this entire loan immediately. I agree to uphold my obligations specified in this Promissory Note, even if I do not complete my education program.

I understand that this is a Promissory Note. I will not sign this Application and Promissory Note before reading it, even if otherwise advised. I am entitled to an exact copy of the Application and Promissory Note. My signature certifies that I have read, understand, and agree to the terms and conditions of this Application and Promissory Note including the Borrower Certification and Authorization.

THIS IS NOT A GRANT. IT IS A LOAN WHICH I MUST REPAY.

My signature below certifies that I have read, understand, and agree to the terms and conditions of this Promissory Note including the Borrower Certification and Authorization.

BORROWER SIGNATURE & DATE

Borrower Name X	Date (mm/dd/yyyy)
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Notice to Cosigner

You (the cosigner) are being asked to guarantee this debt. Think carefully before you do. If the borrower does not 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 Lender may collect the 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, that fact may become part of your credit record.

This notice is not the contract that makes you liable for the debt. You should refer to the rest of the terms contained in this promissory note and addendum for more information.

Cosigner Promise to Pay: Although I will not personally receive any loan proceeds, I promise to pay the full amount of this debt, including unpaid principal, accrued interest, late fees, and/or collection costs if, upon demand by the lender/holder of the Promissory Note, the borrower fails to repay the debt.

I understand that the lender/holder can use the same collection methods against me that can be used against the borrower. I also understand that the lender/holder, subject to any required cure notices, need not notify me of (1) failure by the borrower to pay any amount due, (2) any sale or other action relating to this loan, (3) acceptance of this guaranty, or (4) any renewal or extension of the borrower's debt. I understand that if this debt is ever in default, that fact will become part of my credit record.

I understand that this is an Addendum to the SC PAL Promissory Note. I will not sign this Addendum before reading it, the additional notices below, and the SC PAL Promissory Note, even if I am advised not to read these documents.

I certify that the information provided in the application is true and accurate. **I authorize the lender, or its agent(s), at any time until the note is paid in full, to investigate my credit record and report information concerning my credit to the proper persons and organizations. I UNDERSTAND THIS IS A LOAN THAT I MUST REPAY IF THE BORROWER DOES NOT.**

See Below for Additional Cosigner Notices.

Special Notice for Arizona Residents – Marital Community Property Joinder. If you are a married Arizona resident applying as a Cosigner, you agree that the loan you are requesting is being incurred in the interest of your marriage or family and that if your loan is approved, you will promptly notify your spouse to consent to your and your spouse's marital property being bound by your loan obligations in accordance with Ariz. Rev. Stat. § 25-214 or other applicable law, before the loan is disbursed.

Special Notice for Residents of Georgia. By signing as a cosigner, you waive any right to require that the lender 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 a 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.

Special Notice for Residents of Wisconsin.

EXPLANATION OF PERSONAL OBLIGATION

- You have agreed to pay the total of payments under a consumer credit transaction between the borrower on the Note and South Carolina Student Loan Corporation, made on the date and in the amount set forth in the Note evidencing this transaction.
- You will be liable and fully responsible for payment of the above amount even though you may not be entitled to any of the goods, services or loan furnished thereunder.
- You may be sued in court for the payment of the amount due under this consumer credit transaction even though the customer named above may be working or have funds to pay the amount due.
- This explanation is not the agreement under which you are obligated, and the guaranty or agreement you have executed must be consulted for the exact terms of your obligations.
- You are entitled now, or at any time, to one free copy of any document you sign evidencing this transaction.
- The undersigned acknowledges receipt of an exact copy of this notice.

COSIGNER SIGNATURE & DATE

Cosigner Name X	Date (mm/dd/yyyy)
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Designation of Authorized Representative Form

Borrowers can designate an individual to have the legal authority to act on behalf of the borrower with respect to this private education refinancing loan in the event of the death of the borrower. **This designation must include the borrower's and representative's handwritten signatures.** Please return the completed form to SC Student Loan Corporation at the address noted below.

DESIGNATION OF AUTHORIZED REPRESENTATIVE BY BORROWER

I, _____, request the following person:
Print Name of Borrower

_____ to be my authorized representative for
Print Name of Person

Application identification number _____.
Application Identification Number

I understand that I, or the designated authorized representative, may terminate this designation in writing at any time by contacting the servicer of the loan at the address on any billing statement you may send to me.

Signature of Borrower Date of Birth Date

STATEMENT OF DESIGNATED REPRESENTATIVE

I believe the above-named individual understands the nature and consequences of his/her acts and is able to exercise his/her own will. I certify the above-named individual made the decision to designate me as his/her representative under no threat or duress of any kind.

I certify under penalty of perjury, the information I provide is correct and complete to the best of my knowledge.

Signature of Representative Date of Birth Date

Please return the completed form to:

SCSLC
PO Box 8509
Columbia, SC 29201