

**LEBANON FEDERAL CREDIT UNION
NOTICE TO COSIGNER**

For purposes of the following notice, the word “you” refers to the Co-Borrower, not the Lender.

You 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 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, that fact may become part of *your* credit record.

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

You acknowledge your receipt of this notice and hereby represent that you have signed this notice prior to signing the note making you liable for the debt.

Cosigner Printed Name

Cosigner Signature

Date

Account Date [AccountDate]	Application ID [AccountID]
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LEBANON FEDERAL CREDIT UNION
UNDERGRADUATE
PRIVATE EDUCATION LINE OF CREDIT AGREEMENT

This is a consumer credit transaction.

THIS CREDIT AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION. UNLESS I ACT PROMPTLY TO REJECT THE ARBITRATION PROVISION, ARBITRATION CAN HAVE A SUBSTANTIAL IMPACT ON MY RIGHTS, INCLUDING MY RIGHT TO A JURY TRIAL AND MY RIGHT TO PURSUE OR PARTICIPATE IN A CLASS ACTION LAWSUIT. I MAY REJECT THE ARBITRATION PROVISION AS EXPLAINED IN SECTION 26 (ARBITRATION) BELOW.

In this Private Education Line of Credit Agreement (referred to herein as "Agreement" or "Note") the terms "borrower", "I", "me", "my", "mine", "us", and "our" mean each person who signs this Agreement as a borrower or co-borrower, as applicable. Co-borrower shall also mean and may be referred to herein or in other related documents as "Cosigner". Unless otherwise indicated, the terms "Credit Union", "you", "your", "yours", and "Lender" mean the credit union identified above, its successors and assigns, guarantors/insurers, and any other holder of this Note. The term "Account" means the line of credit account established under the terms of this Agreement. Any capitalized terms not specifically defined within this Agreement shall have the meanings set forth in the Account Opening Disclosures.

Signatures: I agree that if I sign this Note and transmit such signed Note to you via facsimile, electronically transmitted portable document format, or via electronic signature and submission, such transmission shall be treated in all manner and respects as an original signature (or counterpart thereof) and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. I agree not to raise the use of a facsimile machine, electronic transmission in portable document format, or electronic signature and submission to deliver a signature or the fact that any signature was transmitted or communicated through the use of facsimile machine, electronic transmission in portable document format or electronic signature and submission as a defense to enforceability of this Note and I forever waive any such defense. I agree that my electronic signature captured and stored as an image by this electronic means shall be sufficient to evidence my assent to be contractually bound by this Private Education Line of Credit Agreement and shall constitute a valid signature for purposes of any provision of this Private Education Line of Credit Agreement.

Purpose: I request this Line of Credit for the sole purpose of securing funding to pay for the Qualified Educational Expenses incurred by the borrower. I am responsible for repaying all amounts disbursed under this Account, plus interest and other charges and fees that may become due as provided in this Agreement. By completing and signing this Agreement and using any proceeds, I have requested an ongoing relationship with the Credit Union under the terms of this Agreement. **This Agreement is an open-end credit plan under which I may be permitted, from time to time, to obtain advances from the Credit Union pursuant to the terms of this Agreement. Any funds disbursed under this Agreement shall be disbursed directly to the Qualifying Educational Institution for payment toward the borrower's Qualified Educational Expenses and will not be disbursed directly to the borrower or co-borrower.**

- 1. Promise to Pay.** I promise to pay the Lender all advances, interest, and other amounts due in accordance with this Agreement, including any amount that exceeds any applicable credit limit. Such amounts include any advance requested by any co-borrower the same as if the borrower requested and received the advance. I acknowledge the benefit I receive from the Account whether I am a borrower or co-borrower.
- 2. Joint and Several Liability of Borrower and Co-Borrower.** The borrower and any co-borrower are jointly and severally liable to the Lender under this Agreement regardless of which of us uses the Account or directly benefits from any particular use of the Account. Each of us is jointly and individually responsible to the Lender for repaying all amounts due under this Agreement. Your rights and remedies are cumulative. Lender may pursue rights and remedies against each of us or both of us in any order or combination you choose. Co-borrower waives all notices or demands given or required to be given to borrower under this Agreement. This waiver extends to any notice of default and to any notice of forbearance, modification, extension or indulgence granted to borrower. I understand that if either the borrower or the co-borrower dies, the remaining signatory to this Agreement shall remain liable for the entire debt incurred under this Agreement and the Lender has no obligation to forgive the debt. In the event of the death of the borrower, co-borrower will remain liable for the repayment of the Account and additional draws will not be permitted. In the event of the death of a co-borrower, borrower shall remain liable for the repayment of the Account and additional draws will not be permitted.

- 3. Account Documents.** The operation of and terms applicable to my Account will be governed exclusively by this Agreement and the Account Opening Disclosures provided to me when I opened the Account, as may be amended from time to time in accordance with the law. In the event of a conflict between this Agreement and the Account Opening Disclosures, this Agreement shall control.
- 4. Advances/Draws.** My Account has a “Draw Period” followed by a “Repayment Period”. During the Draw Period, I may request advances up to my credit limit, from time to time in accordance with this Agreement.

The “Draw Period” is the period during which I may request advances in accordance with this Agreement, up to my credit limit. To maintain the Draw Period, I must maintain enrollment as a Qualifying Student at a Qualifying Educational Institution. During the Draw Period, I may choose Deferred Payment, or to be billed for Interest Only or Full Repayment as described in Section 8, Payment.

The Draw Period will end on the earlier of:

- (a) Six (6) months after I am no longer enrolled as a Qualifying Student, or
- (b) Seventy-two (72) months from the date the Account is opened, or
- (c) Suspension or termination pursuant to this Agreement, including termination due to inactivity as described in Section 15.

Although the Draw Period may include my Grace Period (defined below), I understand that I may not make draws or advances during my Grace Period because I will not be a Qualifying Student (defined below).

The “Grace Period” begins the day immediately after I am no longer enrolled as a Qualifying Student at a Qualifying Educational Institution and ends on the day before the Repayment Period begins. Interest will accrue during the Grace Period. During the Grace Period, my repayment selection will continue as it was during the Draw Period (Deferred Payment, Interest Only, or Full Repayment); therefore, if I have selected Interest Only or Full Repayment, I remain responsible for payments during the Grace Period unless I change my repayment option as described in Section 8(c)(i). I may not qualify for a Grace Period for reasons such as exhausting the Draw Period maximum of seventy-two (72) months, or suspension or termination of the Line of Credit.

I am a “Qualifying Student” if I meet the Lender’s citizenship requirements and I am enrolled as a student at least half-time, meeting satisfactory academic progress standards, in an undergraduate program (or a combined undergraduate/master’s program) leading to a degree or degrees at a Qualifying Educational Institution, as defined below. A student is enrolled at least half-time if the student is taking at least half the normal full-time work load for his or her course of study. The standards for satisfactory academic progress and for what is half of the normal full-time workload are determined by each Qualifying Educational Institution. However, the standards may not be lower than any of those established by the U.S. Department of Education under the Higher Education Act of 1965, as amended. Enrollment minimum not applicable for summer term(s) that are certified by the Qualifying Educational Institution. From time to time, I agree to provide the Lender with any documentation requested to verify that I continue to be a Qualifying Student. If I fail to do so, the Lender may determine that I am no longer a Qualifying Student and may terminate my right to borrow under this Agreement.

A “Qualifying Educational Institution” is (i) an accredited non-profit college or university located within the United States of America with undergraduate degree granting programs eligible to participate in a student aid program administered by the U.S. Department of Education and (ii) approved by the Lender.

Once the Draw Period has ended, for any reason, my Account will enter the “Repayment Period”. During the “Repayment Period” I must repay my Account, and I may no longer obtain advances even if I become a Qualifying Student again. I acknowledge that I may not be eligible to make draws for programs other than the program I specified in my application.

- a. Request for Advances.** I may request advances in person, by mail, by telephone or electronically to the extent applicable. The Lender will pay advances directly to the Qualifying Educational Institution.
- b. Credit Limit.** The Lender will set a credit limit, which is the maximum amount I may draw upon at any time without obtaining specific approval for additional advances. The credit limit applicable to my Account will be disclosed to me on the Account Opening Disclosures. I agree not to attempt to obtain credit that exceeds my credit limit. If I exceed my credit limit, I agree to repay the excess immediately. My credit limit may be increased at the start of the Repayment Period for accounting purposes to account for any unpaid accrued Capitalized interest in the event that such Capitalized interest causes my Account balance to exceed the credit limit. See Section 7, Capitalization, for more information.

- c. **Qualified Educational Expense.** I agree that all advances/draws on this Account will be used only for Qualified Educational Expenses. For the purposes of this Agreement, the term “Qualified Educational Expense” includes only those educational expenses that are “Qualified Higher Education Expenses” as defined in 26 U.S.C. § 221(d)(2). These expenses generally include tuition and fees for attending a Qualifying Educational Institution, cost of books, supplies, transportation and other allowable expenses. I agree that the Lender is entering into this Agreement and making each advance under this Agreement based on my representation that all advances will be used for Qualified Educational Expenses. I agree that the Lender may rely on my representation, and that the Lender’s reliance is reasonable. **I UNDERSTAND THAT BECAUSE THIS ACCOUNT PROVIDES CREDIT FOR QUALIFIED EDUCATIONAL EXPENSES, AMOUNTS OWED ON THIS ACCOUNT MAY NOT BE DISCHARGEABLE IN ANY BANKRUPTCY PROCEEDING PURSUANT TO 11 U.S.C. § 523.** I understand that all advances must be certified by my Qualifying Educational Institution as an advance for Qualified Educational Expenses.
- d. **Right to Decline.** I understand and agree that you may decline my request for an advance for reasons including, but not limited to the following: (1) If the advance would cause my Account to exceed any applicable credit limit; (2) if I am late in making a required Account payment; (3) if I am in default on this Agreement; (4) if you are unable to obtain a certification from my Qualifying Educational Institution in connection with my request for an advance; (5) if you have suspended my ability to obtain future advances in connection with my Account; (6) if you or I have terminated this Account; (7) if I have not provided you with updated personal information in accordance with this Agreement, Section 23; (8) if any party or parties primarily or secondarily liable for the payment or performance of this Agreement sends you notice of termination of liability for future advances; (9) upon notice to me if you terminate lending under this program; or (10) if I have not properly made a request for an advance. As permitted under applicable laws, you will not be liable to me if you decline to make any advance, regardless of your reason for doing so.

5. FINANCE CHARGES

a. Periodic Rate and Corresponding APR

- i. **Current Periodic Rate and APR.** The current periodic rate and corresponding Annual Percentage Rate (“APR”) applicable to advances made under this Account are set forth on the Account Opening Disclosures. These rates may vary as set forth in Section 5(a)(ii) below. As permitted by law, the Lender may change the periodic rate and/or corresponding APR at any time by providing me the notice if and as required by law. The periodic rate and corresponding APR set forth on the Account Opening Disclosures shall remain in effect until such notice is given or as otherwise set forth in this Agreement.
- ii. **Variable Rate Terms.** My interest rate is variable and will change based on changes in the Index as identified on the Account Opening Disclosures (“Index”). If the Index becomes unavailable during the term of this Account, the Lender may substitute a new substantially equivalent Index after notice to me. The interest rate will be adjusted quarterly, based on changes to the Index, except to the extent that a floor or ceiling restricts changes to the interest rate. Notice to me of this quarterly adjustment will be provided as required by law. To determine the APR, the Lender will add the margin set forth on the Account Opening Disclosures (“Margin”) to the Index. Any increase in the Index will increase the periodic rate and corresponding ANNUAL PERCENTAGE RATE and may increase the amount of my monthly payment.
- iii. **Floor and Ceiling.** The APR will not fall below the floor rate nor exceed the ceiling rate as both are set forth on the Account Opening Disclosures. As permitted by law, the Lender may change the Margin, floor rate and/or ceiling rate at any time by providing me any notice if and as required by law. The Margin, floor rate and ceiling rate set forth on the Account Opening Disclosures shall remain in effect until such notice is given or as otherwise set forth in this Agreement.
- iv. **Interest Rate Reduction for Voluntary Auto-Pay.** The rate reduction described herein is applicable during (1) the Repayment Period or (2) during the Draw Period if I have selected “Full Repayment” as described in Section 8(c)(i). If I arrange for voluntary payments by automatic transfer from a checking or savings account that I designate using a separate form or authorization process provided by the Lender or the servicer, the rate will be reduced by 0.25%, **except that the APR will never be less than the floor rate shown in the Account Opening Disclosures.** The rate reduction will begin after I enroll in the voluntary auto-pay program and you begin automatically deducting payments from my designated checking or savings account and will remain in effect as long as automatic payments continue without interruption. The rate reduction will not lower the monthly payment amount due but will instead reduce the interest amount that accrues. I understand and agree that during any period of forbearance, the rate reduction will be suspended. If my automatic transfer payments are discontinued or dishonored for any reason, I understand and agree that you will revoke this rate reduction. Any rate increase due to the revocation of the rate reduction will take the form of more

payments if allowed per the remaining repayment term or in the form of higher payments. **I UNDERSTAND THAT PARTICIPATION IN THE LENDER'S AUTO-PAY PROGRAM IS VOLUNTARY AND THAT I CAN DISCONTINUE AUTOMATIC PAYMENTS AT ANY TIME BY TERMINATING AUTHORIZATION FOR AUTOMATIC PAYMENTS USING THE SERVICER'S WEBSITE OR PROVIDING WRITTEN NOTICE TO THE LENDER OR SERVICER AT THE ADDRESS SPECIFIED IN SECTION 19 BELOW.**

b. How to Calculate Daily Balances and Determine FINANCE CHARGES.

i. **Balance Computation Method.** The Lender calculates the interest charge on my Account by applying the periodic rate to the "daily balance" of my Account for each day in the Billing Cycle (defined below). To get the "daily balance" the Lender takes the beginning balance of my Account each day, adds any new advances and fees, and subtracts any unpaid interest or other **FINANCE CHARGES** and any payments or credits. This gives me the daily balance.

ii. **Calculating Finance Charges.** To calculate **FINANCE CHARGES**, the Lender multiplies the daily balance for each day by the daily periodic rate to obtain the "Daily **FINANCE CHARGE**" for the day, rounding down the Daily **FINANCE CHARGE** to the nearest whole cent. At the end of each Billing Cycle, the Lender adds together the Daily **FINANCE CHARGE** for each day in the Billing Cycle to determine the total **FINANCE CHARGES** for the Account during the Billing Cycle. I can multiply the daily periodic rate by the sum of the daily balances shown on a Statement to compute the total periodic rate **FINANCE CHARGES** (interest charges) for the Billing Cycle, except for minor differences that may occur due to the rounding down of Daily **FINANCE CHARGES**.

c. **When FINANCE CHARGES Accrue.** Each advance under my Account will be subject to a **FINANCE CHARGE** beginning on the date the Lender disburses the funds. There is no grace period during which I may pay the balance of advances and avoid all periodic **FINANCE CHARGES** on such advances. **FINANCE CHARGES** will continue to accrue on my Account until the entire outstanding balance is paid in full.

d. The initial **ANNUAL PERCENTAGE RATE** for my Account, any variable rate terms, and any additional fees or charges are shown on the Account Opening Disclosures provided when I opened my Account and may be modified from time to time as permitted by law.

6. Account Fees and Charges

a. **Account Fees and Costs.** I agree to pay the fees and costs related to this Account as set forth on the Account Opening Disclosures and as may be modified from time to time as permitted by law. To the extent permitted by law, the Lender may change these fees at any time by giving me any notice as required by law. The fees set forth on the Account Opening Disclosures shall remain in effect until such notice is given or as otherwise set forth in this Agreement.

b. **Late Charge.** If any payment is past due, I agree to pay a late charge as set forth on the Account Opening Disclosures. To the extent permitted by law, the Lender may change this fee at any time by giving me any notice as required by law. The fees set forth on the Account Opening Disclosures shall remain in effect until such notice is given or as otherwise set forth in this Agreement.

c. **Collection Costs and Attorneys' Fees.** I shall pay all costs incurred by you in collecting any amount I owe or in enforcing or protecting your rights.

The following applies to all borrowers except Iowa borrowers and Wisconsin borrowers subject to the Wisconsin Consumer Act: Costs of collection also include reasonable attorneys' fees for any action taken by any attorney as allowed by applicable law in order to collect this loan or preserve or protect your rights and remedies, including, without limitation, pre-suit demands for payment, pre-suit mediation or settlement negotiations, investigation and assessment of your rights, participation in bankruptcy cases, matters, and proceedings (including, without limitation, filing proofs of claim, pursuing reaffirmation agreements, attending meetings of creditors, and pursuing complaints, motions, and objections that relate in any way to the credit union's collateral or right to payment), collateral disposition, non-bankruptcy suits and/or administrative actions, and appeals.

For Alabama borrowers: attorneys' fees after default shall not exceed 15% of the unpaid debt, or such higher amount as a court may allow.

For Georgia borrowers: attorneys' fees shall not exceed 15% of principal and accrued interest, or such higher amount as a court may allow.

For Wisconsin borrowers: the Lender may collect only those costs and fees allowed by the Wisconsin Consumer Act, other applicable Wisconsin law, or by a court of competent jurisdiction.

For Kansas borrowers: Costs of collection may include collection agency fees or attorney fees, but not both. Attorney fees shall not be in excess of 15% of the unpaid debt after default.

- d. **Draw Fee.** I agree to pay a Draw Fee, if any, for each advance on my Account as set forth on the Account Opening Disclosures. To the extent permitted by applicable law, the Lender may change this fee at any time by giving me any notice if and as required by law. The Draw Fee set forth on the Account Opening Disclosures shall remain in effect until notice or a change is given as set forth in this Agreement. Each Draw Fee is added to each advance and is added to the amount I must repay. Draw Fees, if any, are Capitalized as described in Section 7 and will become part of the principal balance upon which interest will be charged.
- e. **Returned Payment Fee.** I agree to pay a fee as set forth on the Account Opening Disclosures if a payment made by check or any other payment method is returned unpaid. To the extent permitted by applicable law, the Lender may change this fee at any time by giving me any notice as required by law. The fee set forth on the Account Opening Disclosures shall remain in effect until such notice is given or as otherwise set forth in this Agreement.

7. **Capitalization.** Unpaid interest, fees (including Draw Fees, if applicable), and charges may be added to my principal balance ("Capitalized"). Any interest, fees or charges outstanding before the beginning or resumption of repayment (including a request from me to switch from Deferred Payment to Interest Only or to Full Repayment during the Draw Period) may be Capitalized and will become part of the principal balance at the beginning or resumption of repayment. Any interest, fees or charges outstanding after any forbearance period may be Capitalized and will become part of the principal balance. I am responsible for paying the interest that accrues on my Account from the date the Lender disburses the funds until the Account is paid in full.

Should I default under the terms of this Note, you may, at your option, add all accrued and unpaid interest, unpaid late charges, Returned Payment Fees or other charges outstanding at the time of default to the principal balance of my Loan upon such default.

Once the interest, fees, and charges are Capitalized, the sum is thereafter considered the principal balance, and interest will accrue on the new principal balance. If interest, fees or charges are not Capitalized, my Account Balance will include the principal balance, accrued unpaid interest, and outstanding fees or other charges. Interest will not be charged on accrued, unpaid interest until such interest is Capitalized.

8. **Payment.** The minimum payment due during the Draw Period and Repayment Period will be the applicable payment due based upon the payment method I selected on my application, plus any amounts past due, and all other fees and charges due. The way you determine my Minimum Payment due is described below and will depend on: (a) the payment option you and I established for my Account when it is opened; (b) whether my Account is in its Draw Period or the Repayment Period; and (c) whether there are any past due amounts or other fees and charges due. In no event will my Minimum Payment be less than Fifty Dollars (\$50.00) during the Repayment Period.

- a. **Periodic Statements; Billing Cycles.** You will send a periodic account statement ("Statement") to me after the ending date of each Billing Cycle (the "Closing Date" of that Billing Cycle.) A Billing Cycle refers to the number of days between Closing Dates ("Billing Cycle"). A monthly Billing Cycle will apply during the Draw Period and during the Repayment Period. The length of my first Billing Cycle may be different from those that follow it, based on the date you select as my first Closing Date. Each Statement will show the total amount I owed as of the Closing Date for the prior Billing Cycle (the "Previous Balance" of my Account), plus the amounts you added and subtracted during the Billing Cycle to determine the total amount I owe as of the Closing Date for the most recently completed Billing Cycle (the "New Balance"). The Statement sent after the most recently completed Billing Cycle is my "Current Statement." Each Statement will also show the minimum amount I must pay (the "Minimum Payment Due") and the date by which my payment is due (the "Payment Due Date").

- b. **Payment Methods.** I will make my payments directly to the Lender (or any servicer designated by the Lender) at the address shown on the Current Statement. I may prepay all or any portion of my Account at any time without penalty, but any such prepayment (less than the entire amount, including outstanding fees and interest, owing on the Account) will not relieve me of my obligation to make the required regular Minimum Payments. Any partial prepayment will be applied in accordance with Section 8(d). I agree not to send you payments marked "paid in full," "without recourse" or similar language. If I send such a payment, the Lender may accept it without losing any of its rights under this Agreement and I remain obligated to pay the full amount of my Account. I understand and agree that I remain responsible for completing timely Account payments, regardless of my method of payment. I understand I should monitor my Statements to ensure that I am in agreement with the payment application and other charges. My monthly Statement contains information about procedures I may follow if I believe there is an error or mistake on my Statement.

c. **Minimum Payments.** I agree to make the Minimum Payment shown on my statement by the Payment Due Date. In addition to the Minimum Payment, I agree to pay all amounts past due, including any late charges, immediately. My Minimum Payment during the Draw Period and Repayment Period depends on the payment option I select and is subject to the minimum payment of Fifty Dollars (\$50.00) as set forth in this Section. During the Draw Period, the "Account Balance" is the outstanding principal balance of advances that I have obtained that remains unpaid at the close of business each day after all transactions for the day have been posted. During the Repayment Period, the "Account Balance" is the sum of all advances that I have obtained, all interest that accrued, and all draw fees and other charges that remain unpaid.

i. **Draw Period.** I may select, subject to the Lender's approval, one of the following three options for the Minimum Payment Option during the Draw Period. The option I have selected, and the Lender has approved, will be disclosed on the Account Opening Disclosures at the time my Account is opened. Any time during the Draw Period, (which includes the Grace Period), I may change my election by contacting the Lender or any servicer designated by the Lender.

(A) **Deferred Payment.** If I elect the Deferred Payment option, no Minimum Payments are required during the Draw Period. Because interest accrues during this period, the amount I owe will increase even if I do not receive additional advances. To the extent I do not pay interest that accrues during the Draw Period prior to the end of the Draw Period, interest that has accrued through the end of the Draw Period will be added to the principal balance at the beginning of the Repayment Period. See Section 7, Capitalization, for more details. **I UNDERSTAND THAT MY ACCOUNT BALANCE WILL INCREASE DURING THE DRAW PERIOD IF I ELECT THIS PAYMENT OPTION.**

(B) **Interest Only.** If I elect the Interest Only option, my Minimum Payment during the Draw Period will be the amount of interest accrued at the end of each Billing Cycle. **I UNDERSTAND THAT THE PRINCIPAL BALANCE OF MY LOAN WILL NOT DECREASE DURING THE DRAW PERIOD IF I ELECT THIS PAYMENT OPTION UNLESS I VOLUNTARILY PAY MORE THAN THE AMOUNT OF ACCRUED INTEREST DURING THE BILLING CYCLE.**

(C) **Full Repayment.** If I select the Full Repayment option, my Minimum Payment during the Draw Period will be the amount necessary to amortize the Account Balance over twenty (20) years if my principal balance is less than or equal to \$40,000 or over twenty-five (25) years if my principal balance is greater than \$40,000. My Minimum Payment will be adjusted based on my Account Balance and any change in the Index in order to repay the Account Balance over the remaining applicable period.

ii. **Repayment Period.** After the Draw Period ends, the Repayment Period begins, and Minimum Payments for the Repayment Period will be calculated based on the following:

At the beginning of the Repayment Period, all outstanding unpaid accrued interest (if any) will be Capitalized as described in Section 7 and become part of the principal balance.

The length of the Repayment Period will be based upon the Account Balance at the end of the Draw Period and before any outstanding unpaid accrued interest is Capitalized. The length of the Repayment Period will be twenty (20) years if my Account Balance at the end of the Draw Period is less than or equal to \$40,000 and will be twenty-five (25) years if my Account Balance at the end of the Draw Period is greater than \$40,000. The length of my Repayment Period will be calculated from the date I began Full Repayment even if that date was prior to the start of the Repayment Period.

If I selected the Full Repayment option for the Draw Period, my Minimum Payments during the Repayment Period will continue, but will be subject to a Minimum Payment of Fifty Dollars (\$50.00) as set forth in this Section. Furthermore, if any interest remains unpaid and outstanding at the beginning of the Repayment Period, such interest will be Capitalized and may increase my Minimum Payment.

I may select, subject to the Lender's approval, one of two following options for the Repayment Period. Unless I request, and the Lender approves the Graduated Payment option, my Minimum Payments will be determined under the Full Repayment option.

(A) **Full Repayment.** If I request the Full Repayment option, my Minimum Payment will be the amount necessary to amortize the Account Balance over the length of the Repayment Period as described above. My Minimum Payment may be adjusted each calendar quarter following the most recent change in the Index in order to amortize the Account Balance over the remaining Repayment Period.

(B) **Graduated Payment.** Graduated Repayment is available during the first twenty-four (24) months of the Repayment Period. I may select Graduated Repayment any time before repayment begins or during the first twenty-four months of the Repayment Period. If I select Graduated Repayment after the Repayment Period has already begun, the number of months of Graduated Repayment will be reduced by the number of months already elapsed during the Repayment Period. If I request the Graduated Payment option, my Minimum Payment during the Graduated Repayment period will be reduced and calculated based on the amount necessary to amortize the Account Balance over forty (40) years. After the Graduated Repayment period, my Minimum Payment will increase to be the amount necessary to amortize the Account Balance over the remaining repayment term. My Minimum Payment will be adjusted if there is a change in the Index in order to amortize the Account Balance over the remaining Repayment Period.

d. **Crediting Payments.** Each Current Statement will disclose where and how I may make payment for my Account. Payments made to my Account will be posted in a time and manner as required by law. All payments will be credited first to any other charges other than principal and **FINANCE CHARGES**, then to **FINANCE CHARGES** (including outstanding interest), and finally to the outstanding principal balance of my Account.

e. **Amounts Owning at the End of the Repayment Period.** Since interest accrues daily on the unpaid principal balance of my Account, if I make payments after my payment due dates, I may owe additional interest. If I have not paid my late charges, I will also owe additional amounts for those late charges. In such cases, you will increase the amount of my final monthly payment to the amount necessary to repay my Account in full. The final payment is always the balance due on the Account, including principal, interest and any other charges, which become due under this Agreement.

f. **Forbearance**

i. **Hardship Forbearance.** If I am unable to repay this Account in accordance with the terms established under this Agreement, I may request a hardship forbearance as described herein. I understand that such forbearance is granted at your sole discretion. To request a forbearance I must contact you (or any servicer designated by the Lender), complete an application, and you will review and I will be notified of the approval or denial of the forbearance. I remain responsible for any monthly payment due until notified that my request for forbearance has been approved. Any such forbearance period will be no longer than six (6) months but may be extended upon your approval of my request for extension, up to a maximum of twelve (12) months over the life of the Repayment Period. At your discretion, during the forbearance period, I will make either (i) monthly payments of accrued interest, (ii) reduced monthly payments agreed upon by me and Lender, or (iii) no payments of any amount. I understand that if you do not require me to make monthly interest payments during the forbearance period, I will remain responsible for all interest accruing during any period of forbearance. When the forbearance period ends, my Minimum Payment may increase, as my Minimum Payment will be recalculated in order to amortize the Account Balance, including any accrued and unpaid interest, over the remaining applicable Repayment Period.

ii. **Military Forbearance.** If at any time I am called to active duty military service, I may request a military forbearance for the period of my active duty military service. I understand that such forbearance would be at your sole discretion. I may request a military forbearance by providing you with proof of my activation orders or military service as long as this Account is not delinquent for more than one hundred twenty (120) days. I understand that you will review, and I will be notified if the forbearance is approved. I remain responsible for any monthly payment due until notified that my request for forbearance has been approved. I also understand that, although I will not have to make any payments, I will remain responsible for all interest accruing, subject to the maximum interest rate set forth in the Servicemembers Civil Relief Act, as applicable, during the military forbearance period; and that you may add any interest that I do not pay during the military forbearance period to the principal balance as described in Section 7, Capitalization. To the extent applicable, any such military forbearance, including modification of the terms of the Account, will be made in accordance with the Servicemembers Civil Relief Act.

iii. **In-School Forbearance.** After the Repayment Period begins, if I return to a Qualifying Educational Institution on at least a half-time basis while enrolled in a 4-year undergraduate or graduate program, I may request an in-school forbearance. To process an in-school forbearance, I must contact the servicer with the request and my Qualifying Educational Institution must provide certification of my enrollment. Such forbearance is subject to your approval and is available for no more than forty-eight (48) months total. I understand that, although I will not have to make any payments, I will remain responsible for all interest accruing during the in-school forbearance period and that you may add any interest that I do not pay during the in-school forbearance period to the principal balance as described in Section 7, Capitalization.

- iv. **Forbearance and Capitalization.** I acknowledge that you may, at your option, add all accrued and unpaid interest to the principal balance of my Account at the end of each forbearance period. The sum is thereafter considered the principal, and interest will accrue on the new principal balance. See Section 7 for more information about Capitalization.
- v. **Effect of Forbearance.** If you grant me a forbearance, my Repayment Period will not be extended and my monthly payments after the forbearance may be higher than they would be if I did not have the forbearance. **During periods of forbearance, no monthly payment or payments for amounts less than the monthly accruing interest are required, as agreed upon between me and the Lender. Therefore, forbearance may result in accrued unpaid and/or Capitalized interest which results in an increased Account balance; in some cases, resulting in an Account balance over the credit limit. Outstanding unpaid accrued interest or Capitalized interest may result in a high credit utilization (the ratio of account balance to credit limit). I understand that you report the information accurately to the credit reporting agencies and that you do not determine how the unpaid accrued interest or Capitalized interest will impact my credit score. I understand that my credit limit will not be increased due to unpaid accrued interest or Capitalized interest from forbearance.**

9. Events of Default.

The following provision applies to borrowers in Idaho, Kansas, and Maine: I will be in default if (1) I do not make a payment of the required amount when due; or (2) you believe the prospect of payment or performance is significantly impaired.

The following provision applies to borrowers subject to the Wisconsin Consumer Act: I will be in default under this Agreement if any of the following occur: (a) failure to pay when due on 2 occasions within any twelve (12) month period or (b) I breach any term or condition of this Agreement, which breach materially impairs my ability to pay amounts when due.

The following provision applies to all other borrowers: To the extent permitted by law, I will be in default if any of the following occur:

- a. I fail to make any payment when due;
- b. I break any promise I have made to you in this Agreement or any other agreement with you;
- c. Any other creditor or governmental agency (i) tries to take any of the collateral securing other loans which, in accordance with the applicable security agreement, also secures my obligations under this Agreement, or (ii) attempts to garnish, levy, seize, attach or otherwise obtain my Credit Union shares and deposits;
- d. Any accounts that I hold at the Credit Union are abandoned, levied, seized, attached, or subject to similar legal process;
- e. I fail to update you with my personal information (e.g., change in my name, address, or school enrollment status) as provided in this Agreement;
- f. There is any material adverse change in my financial condition;
- g. I become insolvent, make an assignment for the benefit of creditors, a receiver is appointed, or a petition for bankruptcy is commenced by or against me;
- h. Any information or representation I make on any application or agreement with you is not true;
- i. You in good faith deem yourself insecure, to the extent permitted by applicable law;
- j. I exceed the credit limit of my Account (except as a result of any interest Capitalized); or
- k. I fail to maintain membership in good standing with the Credit Union.

To the extent permitted by applicable law, in the event of a default, you may without notice suspend my right to make additional draws, terminate my Account and demand immediate payment of the entire remaining unpaid balance of this Account and exercise any and all other rights available to you under this Agreement and applicable law. All rights and remedies will be cumulative and may be used individually or in combination, in any order you choose. If I default, I will also be responsible to pay reasonable collection costs, including reasonable attorneys' charges, court costs and collection charges to the extent allowed by law.

Notice: The following "Notice" is provided under federal law to warn of the negative impact that defaulting on obligations under this Note may have on the credit rating of the borrower and co-borrower. For the following Notice, "you" and "your" refer to the borrower and co-borrower jointly and severally.

Lender may report information about your Account under this Agreement to credit bureaus. Late payments, missed payments, or other defaults on your Account may be reflected in your credit report.

10. Credit Union (Lender) Actions. I agree the Lender may accept late payments and partial payments and can delay enforcing any of its rights or remedies under this Agreement without losing any of them. The Lender's partial use or waiver of its rights or remedies in one instance does not constitute a waiver of its rights or remedies in other instances, or waiver of any other default including with respect to any other time or manner I am in default. To the extent permitted by law, I agree that you are not required to: (a) demand payment of amount due; (b) give notice that amounts due have not been paid in the correct amount, time or manner; or (c) give notice that you intend to make, or are making, this Agreement immediately due. I agree that if you agree to any forbearance, modification, extension or renewal of any term of this Note, or release any other person obligated for repayment of this Note or any guaranty of this Note, that I remain liable for repayment of my Account. In addition, the Lender may take other actions on my Account as follows:

- a. **Suspension of Account.** The Lender may without notice suspend my ability to draw upon the line of credit or to request additional advances immediately, without prior notice to me, under the following conditions: (1) I am in default under this Agreement or any other agreement with the Lender; or (2) any credit evaluation or verification indicates adverse information.
- b. **Acceleration of Account.** If my state law requires a notice of default and an opportunity to cure that default, these rights will be afforded to me before you exercise your remedies. Upon a default as described above, to the extent permitted by law, I waive my rights to demand and any notice, including notice of intent to accelerate and notice of acceleration and the Lender may declare the entire Account immediately due, without prior notice. Upon a default as described above, the Lender may exercise any of its rights under this Agreement and applicable law.
- c. **Modification.** Under certain circumstances, I may request that the Lender modify the payment terms of this Agreement. I understand that the Lender is under no obligation to make any modification.
- d. **Credit Union Lien/Security Interest in Accounts. Unless otherwise prohibited by law, I grant a consensual security interest in all my shares and deposits, present and future, and all accounts with the Credit Union as security for all advances made under this Agreement.** To the extent permitted by applicable law, and to the extent of my indebtedness to the Credit Union, I acknowledge that the Credit Union has a statutory lien on all my shares, deposits, and accumulated dividends or interest in all of my accounts at the Credit Union. I agree that if I default on my Account, the Credit Union may apply the balance in any such accounts to pay any amounts due under this Agreement. The Credit Union may, solely at its option, allow me to withdraw a portion of my shares or deposits without affecting its security interest and/or statutory lien on such shares and deposits. If I am a covered borrower as defined by the Military Lending Act ("MLA"), 10 U.S.C. § 987, the foregoing described security interest and lien will only apply to shares, deposits and accumulated dividends or interest as permitted under such laws to be used as security or collateral for the repayment of this Account. To the extent permitted under the MLA, Credit Union reserves the right to exercise its state or federal statutory lien rights under applicable law. It is the intent of Credit Union to fully comply with the Military Lending Act. The provisions of this Section do not apply to any Individual Retirement Account or other account permitting tax deferrals or providing other tax benefits under state or federal law.
- e. **Credit Information and Verification.** I agree to provide the Lender upon request and at any time when there is a change in any personal information provided on my application, current financial information, updated employment or credit information. I agree to respond promptly to any request you make for financial information about me. I agree to notify you of any changes in my income and my enrollment at a Qualifying Educational Institution. I understand that the Lender may record such information in its files and rely on it to make decisions about my Account. I authorize you, at any time, to request and obtain credit, salary, and other financial information about me from my employer(s), other creditors, and credit reporting agencies, as permitted by law, for purposes of reviewing, servicing and collecting my Account. I authorize you and your agents to verify my Social Security number with the Social Security Administration (SSA) or my Individual Taxpayer Identification Number (ITIN) with the Internal Revenue Service (IRS), as applicable, and, if such number on my Account record is incorrect, then I authorize SSA or IRS, as applicable, to disclose my correct Social Security number or ITIN to these parties.

11. Privacy and Data Sharing.

- a. You may report information about my Account to credit reporting agencies. Late payments, missed payments or other defaults on my Account may be reflected in my credit report.
- b. I authorize you from time to time to request and receive from consumer reporting agencies and from others, credit related information about me (and about my spouse if I live in a community property state).
- c. I agree to refer to your Privacy Policy for an explanation of your privacy policy and practices.
- d. I agree that the Lender may share information regarding my Account (including this Note) and about me with others for the purpose of providing the Account, servicing the Account and providing other related services to me.
- e. I authorize my school to receive, provide, and confirm information regarding my attendance, financial aid, and enrollment status during the term of this Note.

12. Amendments and Notice. To the extent permitted by applicable law, I agree the Lender may amend the terms of this Agreement from time to time. This Agreement may be modified only in writing and shall not include any oral statement by any Lender officer, employee or agent. The Lender will notify me of any changes as required by law. To the extent required by law, any amendment or notice of change in terms will be sent to my address of record. The Lender will consider the address (including postal and email address) provided on my application my address of record unless I notify the Lender (or any servicer designated by the Lender) that my address has changed.

To the extent permitted by law, I agree that notice to any one borrower at any one address of record (including an email address) will be considered as giving notice to all borrowers.

13. Applicable Law and Venue. THE PROVISIONS OF THIS NOTE WILL BE GOVERNED BY FEDERAL LAWS AND THE LAWS OF THE STATE IN WHICH LENDER'S PRINCIPAL PLACE OF BUSINESS IS, WITHOUT REGARD TO CONFLICT OF LAW RULES. FURTHER, THE VENUE FOR ANY DISPUTE SHALL BE THE COUNTY AND STATE WHEREIN THE LENDER'S PRINCIPAL PLACE OF BUSINESS IS LOCATED.

14. Transfer and Assignment. You may sell or transfer to a third party (each, an "Assignee") all or any part of this Account, its unpaid balances, and your rights under this Agreement without my consent and without notice to me. Any such Assignee shall have the same rights you do under this Agreement, including but not limited to the right to enforce this Agreement and the right to assign and transfer the Account, its unpaid balances, and any other rights you hold under this Agreement. References to "Credit Union", "you," "your," "yours" and "Lender" in this Agreement also refer to any such Assignee. I may not assign any of my rights under this Agreement to any third party. I may not delegate any of my responsibilities under this Agreement to a third party.

15. Termination and Suspension. You or I may terminate this Agreement per the terms of this Agreement. To terminate this Agreement, I must give you written notice of termination. Any draw or advance requests made prior to my request for termination of the Account may be processed. If you terminate this Agreement, you will promptly notify me. Any termination of my Account by you or me does not affect my obligation to repay amounts I owe you in the manner provided in this Agreement. You may also suspend making new advances to me if you, in good faith, believe that you are in jeopardy of not being repaid as agreed, including, but not limited to my Account being past due. If I do not make any draws for eighteen (18) consecutive months or more from the date of my Account approval, you may close my Account. If you close my Account, I understand that I will not be able to make any draws. These rights are in addition to those already presented in Section 4(d), Right to Decline.

16. Miscellaneous. I waive notice of each of the following acts and agree that any of the following acts shall not release or discharge me from any of my obligations under this Agreement, or give rise to any claim or defense in my favor: renewal, extension, modification, refinancing or the granting of any indulgence of any nature whatsoever by you; addition of or partial or entire release of any borrower, guarantor, surety, indemnitor, or other party or parties primarily or secondarily liable for the payment or performance of this Agreement; institution of any suit or the obtaining of any judgment against any guarantor, surety, indemnitor or other party primarily or secondarily liable for the payment and/or performance of this Agreement (except I do not waive notice of suit against me). In no event will you charge more than law allows, but if you do by mistake, you will return any overcharge to me.

17. Co-Borrower Release. I (the borrower) have the opportunity to apply to release the co-borrower from his or her obligation on this Note. I am eligible to apply for this benefit after I make forty-eight (48) consecutive, on-time scheduled Monthly Payments during the Repayment Period. I must also be a U.S. citizen (or permanent resident) at the time the request is made, maintain current account information, and not have any delinquency or evidence of default, judgments, liens or collections with any creditor according to a credit report that will be requested. I understand that you may have additional requirements that will determine if the request for a co-borrower release will be approved and that you have the sole discretion to approve the request. To request an application packet after I meet the required number of on-time payments, I may contact the Lender (or any servicer designated by the Lender).

18. Death. As set forth in Section 2, in the event of my (borrower or co-borrower) death, I understand that if either the borrower or the co-borrower dies, the remaining signatory to this Agreement shall remain liable for the entire debt incurred under this Agreement and the Lender has no obligation to forgive the debt. In the event of the death of the borrower, co-borrower will remain liable for the repayment of the Account and additional draws will not be permitted. In the event of the death of a co-borrower, borrower shall remain liable for the repayment of the Account and additional draws will not be permitted.

19. Communications Concerning Disputed Debts or Transactions. ALL OF MY COMMUNICATIONS TO YOU ABOUT DISPUTED DEBTS OR TRANSACTIONS, INCLUDING AN INSTRUMENT PRESENTED IN FULL SATISFACTION OF THIS AGREEMENT, MUST BE SENT TO YOU IN WRITING AT THE FOLLOWING ADDRESS: UAS, PO Box 918, Brookfield, WI 53008-0918, or to an address otherwise amended by you and communicated to me.

- 20. Consumer Reports.** I authorize you to obtain reports about me from consumer reporting agencies in connection with my application and subsequently in connection with any extension of credit, any request to increase my credit limit, and any review, renewal, update, servicing, or collection of my Account. My credit will be reviewed at least annually during the Draw Period. I understand and agree that you may furnish information about me and my Account to consumer reporting agencies and others who are permitted by law to receive it. I understand that this debt will be reported as a line of credit to consumer reporting agencies and others who are permitted by law to receive such information. I understand that you may report negative information about my Account to consumer reporting agencies. Late payments, missed payments, or other defaults on my Account may be reflected in my credit report.
- 21. Communications About My Account.** I authorize you to contact me by cell phone, landline, text message, or email (if I provide an email address for that purpose) about my Account. I agree that such telephone calls may be automatically dialed and that a recorded message may be played, except to the extent expressly prohibited by applicable law. I agree that such telephone calls are not unsolicited telephone calls for purposes of any state or federal law. By providing my phone number now or in the future (whether cell phone or land line), I consent to receiving auto-dialed, pre-recorded or any other type of non-marketing call or text from the Lender, any holder of the Account or any third-party servicer or debt collector at that number. My consent applies whether the number connects to a landline, cell phone or other wireless device. By providing my email now or in the future, I consent to receiving any type of message from the Lender, any holder of the Account or any third-party servicer or debt collector at this email address.
- 22. Telephone Monitoring.** To maintain the quality of your customer service, telephone communications with me may be monitored and recorded. I agree that monitoring and/or recording may be done and that no additional notice to me, or approval from me, is needed unless applicable law requires otherwise.
- 23. Customer Changes.** I must update the information I provided to you on my application whenever it changes or whenever you ask me to. I understand and agree to inform the Lender at once if my name, address, email address, telephone number, employment or any other information that I provided to you on the application or otherwise changes. I may either write to you or call you at the address or telephone number shown on my Statement, or notify you using the email address shown on my Statement. I understand that Internet email is not secure and if I choose to communicate changes via email, I do this at my own risk.
- 24. Correction of Clerical Errors.** All parties to this Note agree to fully cooperate and adjust all typographical, computer, calculation, or clerical errors discovered in any or all of the loan documents, including this Note and the Account Opening Disclosures.
- 25. Severability.** If any provision of this Agreement is in conflict with applicable law, that provision will be considered to be modified as necessary to conform to applicable law. If any provision of this Agreement is found to be invalid, the rest of the provisions shall remain valid and in full force and effect. If any provision of this Note is held invalid or unenforceable, that provision shall be considered modified or omitted from this Note without affecting the validity or enforceability of the remainder of this Note.
- 26. Arbitration. ** NOTICE OF BINDING ARBITRATION PROVISION ** THIS ARBITRATION PROVISION WILL APPLY TO MY NOTE, UNLESS: (A) I NOTIFY YOU IN WRITING THAT I REJECT THE ARBITRATION PROVISIONS WITHIN SIXTY (60) DAYS OF SIGNING MY NOTE; (B) I AM A COVERED BORROWER AS DEFINED BY THE MILITARY LENDING ACT, 10 U.S.C. § 987; (C) I AM AFFORDED STATUTORY PROTECTIONS THAT PROHIBIT SUBMISSION OF A DISPUTE TO ARBITRATION; OR (D) YOU PURSUE A COLLECTION CLAIM OR SUIT AGAINST ME IN A COURT OF LAW.**

NOTIFY LENDER OF THE REJECTION OF THIS ARBITRATION PROVISION AT THE FOLLOWING ADDRESS:

**LEBANON FEDERAL CREDIT UNION
120 SOUTH 16TH STREET
LEBANON, PA 17042
ATTENTION: ARBITRATION OPT-OUT**

Unless otherwise stated in this Note, any "Dispute" between the parties shall be resolved by a neutral, binding arbitration, and not by a court of law. Arbitration is a process in which a neutral arbitrator decides a dispute instead of a judge or jury. Each side has an opportunity to present some evidence to the arbitrator.

A party's ability to conduct discovery during the arbitration process may be limited. Arbitration proceedings are private and less formal than court trials. Other rights that the parties might have in court might not be available in arbitration. An arbitrator issues an award. A court may then enforce the award like a court judgment. Courts rarely overturn an arbitrator's award. I agree that you may pursue a collection claim or suit against me, which is related to the terms of this Note. Any such claim or suit may be filed in a court of law.

IF ARBITRATION IS INITIATED BY ANY PARTY WITH RESPECT TO A DISPUTE, NEITHER YOU NOR I WILL HAVE THE RIGHT TO LITIGATE THAT DISPUTE IN COURT OR HAVE A JURY TRIAL ON THAT DISPUTE. FURTHER, I WILL NOT HAVE THE RIGHT TO PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS OF CLAIMANTS. I UNDERSTAND THAT OTHER RIGHTS THAT I WOULD HAVE IF I WENT TO COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION. THE FEES CHARGED BY THE ARBITRATION ADMINISTRATOR MAY BE GREATER THAN THE FEES CHARGED BY A COURT.

There shall be no authority for any Disputes to be arbitrated on a class action basis. Furthermore, an arbitrator can only decide your or my Dispute(s) and may not consolidate or join the disputes or claims of other persons that may have similar Disputes.

The term "Dispute" means any action, dispute, claim, or controversy of any kind arising out of, in connection with or in any way related to this Note, origination, servicing, service agreements, collection, reporting, or any other aspect whatsoever of the past, present, or future relationship or conduct of the parties. The term "Dispute," includes without limitation: claims under federal or state consumer protection laws; claims in tort or contract; claims under statutes or common law; claims at law or in equity; other past, present or future claims, counterclaims, cross-claims, third party claims, interpleaders or otherwise; and any claim relating to the interpretation, applicability, and enforceability of this arbitration provision.

Written notice shall be given for any Dispute. Such notice shall be given by certified mail, return receipt requested. The party initiating the arbitration shall set forth in the notice the nature and factual basis of the Dispute, the names and addresses of all other parties, the amount involved, and the specific relief requested. The party responding to such a notice may answer and similarly set forth any counterclaims. The arbitration of any Dispute will be conducted by one neutral and impartial arbitrator mutually agreed upon by the parties. The arbitrator shall be an attorney or retired judge. In the event the parties cannot agree on an arbitrator, the parties agree that an arbitrator may be appointed by a court in accordance with the Federal Arbitration Act (9 U.S.C. §1, *et seq.*). The arbitrator may conduct all necessary preliminary proceedings, provide for the exchange of information and/or discovery, and set the time, date and place of any hearing, after reasonable notice to and consultation with the parties. The award shall be issued without a written opinion no later than thirty (30) days from the date any hearing is completed.

The Federal Arbitration Act governs this arbitration provision. State arbitration laws do not apply. This arbitration provision applies even if my Account has been cancelled, changed, refinanced, paid in full, charged off, or discharged or modified in bankruptcy.

27. State Law Notices

For purposes of the following notice, the word "you" refers to the borrower and the cosigner, if applicable, not the Lender:

NOTICE TO CONSUMER. 1. DO NOT SIGN THIS AGREEMENT BEFORE YOU READ THIS AGREEMENT. 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 A REFUND OF UNEARNED CHARGES IN ACCORDANCE WITH LAW.

CALIFORNIA RESIDENTS: For purposes of the following notices, the word "you" refers to the borrower and the cosigner, if applicable, not the Lender:

A married applicant may apply for a separate account. As required by law, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

NOTICE TO CALIFORNIA RESIDENTS: By signing this Note, you specifically agree that the Credit Union may access the records of the California Department of Motor Vehicles from time to time to obtain your current mailing address, and by so agreeing, you are specifically waiving your rights under sections 1808.21 and 1808.22 of the California Vehicle Code.

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 debt are not enforceable. To protect me (borrower(s)) and you (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.

NEVADA RESIDENTS: This is a loan for study.

NEW JERSEY RESIDENTS: 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.

NEW YORK, RHODE ISLAND and VERMONT RESIDENTS: I understand and agree that you 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 you 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.

OHIO RESIDENTS: 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.

WISCONSIN RESIDENTS: For married Wisconsin residents, the borrower’s signature on this Agreement confirms that this line of credit 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 Section 766.59 or court decree under Section 766.70 adversely affects the interest of the lender unless the lender, prior to the time that the line of credit is approved, is furnished with a copy of the agreement, statement, or decree or has actual knowledge of the adverse provision when the obligation to the lender is incurred. If the line of credit for which the borrower is applying is granted, the borrower’s spouse will also receive notification that credit has been extended to the borrower.

TEXAS RESIDENTS: This written private education line of credit 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.

UTAH RESIDENTS: For purposes of the following notice, the word “you” refers to the borrower and the co-borrower, if applicable, not the Lender: As required by Utah law, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations. This agreement is the final expression of the agreement between you and us and it may not be contradicted by evidence of an alleged oral agreement.

28. Cosigner / Co-Borrower Notices

For the purposes of the following notices only, the words “you” and “your” refer to the Cosigner (Co-Borrower), where applicable, not to the Lender:

NOTICE FOR COSIGNERS IN ARIZONA:

Marital Community Property Joinder: If you are a married Arizona resident signing below as a cosigner, your signature confirms that this loan obligation is being incurred in the interest of your marriage or family and that you will promptly notify your spouse and cause 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. You agree that the lender may delay disbursing your loan until the lender has received your spouse’s consent in a form reasonably acceptable to the lender. You further affirm that no provision of any marital property agreement or court decree adversely affects your or lender’s interest in this loan obligation.

FOR OBLIGORS COSIGNING IN IOWA, NEW YORK AND SOUTH CAROLINA: NOTICE TO COSIGNER:

You agree to pay the debt incurred from time to time on the account identified below although you may not personally receive any property, goods, services or money. You may be sued for payment although the person opening the account is able to pay. You should know that the Limit of Liability listed below does not include court costs or attorneys’ fees, or other costs or charges that may be stated in the agreement. You will also have to pay some or all of these costs and charges if the agreement for the consumer credit account, payment of which you are guaranteeing, requires the borrower to pay such costs and charges. If any debt incurred on the account is ever in default, that fact may become a part of your credit record. This notice is not the agreement, or other writing that obligates you to pay. Read that writing for the exact terms of your obligations and of your rights to limit or end your obligations.

IDENTIFICATION OF DEBT(S) YOU MAY HAVE TO PAY:

Name of Debtor: The Borrower and Cosigner who have signed below.

Name of Creditor: The Credit Union identified on the first page of this Agreement, and its successors and assigns.

Date: The date of your signature on the Notice to Cosigner (or receipt date if undated). Loan disbursement advances will occur periodically during this line of credit and will be disbursed to the Qualifying Educational Institution. For each disbursement, if the disbursement is disbursed by check, the disbursement date will be the date of the check. If the disbursement is disbursed electronically, the disbursement date will be the date the creditor transmits the funds.

Kind of Debt: Private education line of credit.

Limit of Liability: Any advances requested in accordance with this Agreement, plus interest and any loan fees as set forth in this Agreement. Please refer to the Account Opening Disclosures for the Line of Credit amount.

You have been given a completed copy of this notice and of each writing that obligates you or the Debtor on this debt.

**FOR OBLIGORS COSIGNING IN VERMONT – NOTICE TO COSIGNER:
YOUR SIGNATURE ON THIS NOTE MEANS THAT YOU ARE EQUALLY LIABLE FOR REPAYMENT OF THIS PRIVATE EDUCATION LINE OF CREDIT. 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 Borrower in the Official Code of Georgia Annotated § 10-7-24.

SPECIAL NOTICE FOR RESIDENTS OF NORTH CAROLINA:

By signing as Cosigner, you waive any right you 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 you without first proceeding against the Borrower or any collateral for the Loan.

SPECIAL NOTICE FOR RESIDENTS OF WISCONSIN:**Explanation of Personal Obligation**

- a) You have agreed to pay the total of payments under a consumer credit transaction between the Borrower on the Note and Lender, made on the date and in the amount set forth in the Note evidencing this transaction.
- b) 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 proceeds furnished thereunder.
- c) The undersigned may sue 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.
- d) 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.
- e) You are entitled now, or at any time, to one free copy of any document you sign evidencing this transaction.
- f) The undersigned acknowledges receipt of an exact copy of this notice.

