



Private Education Loan Applicant Self-Certification

OMB No. 1845-0101
Form Approved
Exp. Date 02-28-2013

Important: Pursuant to Section 155 of the Higher Education Act of 1965, as amended, (HEA) and to satisfy the requirements of Section 128(e)(3) of the Truth in Lending Act, a lender must obtain a self-certification signed by the applicant before disbursing a private education loan. The school is required on request to provide this form or the required information only for students admitted or enrolled at the school. Throughout this Applicant Self-Certification, "you" and "your" refer to the applicant who is applying for the loan. The applicant and the student may be the same person.

Instructions: Before signing, carefully read the entire form, including the definitions and other information on the following page. Submit the signed form to your lender.

SECTION 1: NOTICES TO APPLICANT

- Free or lower-cost Title IV federal, state, or school student financial aid may be available in place of, or in addition to, a private education loan. To apply for Title IV federal grants, loans and work-study, submit a Free Application for Federal Student Aid (FAFSA) available at www.fafsa.ed.gov, or by calling 1-800-4-FED-AID, or from the school's financial aid office.
- A private education loan may reduce eligibility for free or lower-cost federal, state, or school student financial aid.
- You are strongly encouraged to pursue the availability of free or lower-cost financial aid with the school's financial aid office.
- The financial information required to complete this form can be obtained from the school's financial aid office. If the lender has provided this information, you should contact your school's financial aid office to verify this information and to discuss your financing options.

SECTION 2: COST OF ATTENDANCE AND ESTIMATED FINANCIAL ASSISTANCE

If information is not already entered below, obtain the needed information from the school's financial aid office and enter it on the appropriate line. Sign and date where indicated.

A. Student's cost of attendance for the period of enrollment covered by the loan	\$ <u>26567</u>
B. Estimated financial assistance for the period of enrollment covered by the loan	\$ <u>0</u>
C. Difference between amounts A and B	\$ <u>26567</u>

WARNING: If you borrow more than the amount on line C, you risk reducing your eligibility for free or lower-cost federal, state, or school financial aid.

SECTION 3: APPLICANT INFORMATION

Enter or correct the information below.

Full Name and Address of School MICHIGAN TECHNOLOGICAL UNIVERSITY, HOUGHTON, MI

Applicant Name (last, first, MI) KODOS JOSEPH D Date of Birth (mm/dd/yyyy) 07 / 18 / 1991

Permanent Street Address 26075 CLEAR ST

City, State, Zip Code HARRISON TWP, MI 48045-3206

Area Code / Telephone Number Home () - _____ Other (586) 612-2518

E-mail Address JKODOS@WOWWAY.COM

Period of Enrollment Covered by the Loan (mm/dd/yyyy) From 08 / 15 / 2011 to 05 / 15 / 2012

If the student is not the applicant, provide the student's name and date of birth.

Student Name (last, first, MI) _____ Student Date of Birth (mm/dd/yyyy) _____ / _____ / _____

SECTION 4: APPLICANT SIGNATURE

I certify that I have read and understood the notices in Section 1 and, that to the best of my knowledge, the information provided on this form is true and correct.

Signature of Applicant JOSEPH D KODOS Date (mm/dd/yyyy) 07/26/2011

E2F2B97DA51A71184C23A9D573AB7B6E



SECTION 5: DEFINITIONS

Cost of attendance is an estimate of tuition and fees, room and board, transportation, and other costs for the period of enrollment covered by the loan, as determined by the school. A student's cost of attendance may be obtained from the school's financial aid office.

Estimated financial assistance is all federal, state, institutional (school), private, and other sources of assistance used in determining eligibility for most Title IV student financial aid, including amounts of financial assistance used to replace the expected family contribution. The student's estimated financial assistance is determined by the school and may be obtained from the school's financial aid office.

A **lender** is a private education lender as defined in Section 140 of the Truth in Lending Act and any other person engaged in the business of securing, making, or extending private education loans on behalf of the lender.

A **period of enrollment** is the academic year, academic term (such as semester, trimester, or quarter), or the number of weeks of instructional time for which the applicant is requesting the loan.

A **private education loan** is a loan provided by a private education lender that is not a Title IV loan and that is issued expressly for postsecondary education expenses, regardless of whether the loan is provided through the school that the student attends or directly to the borrower from the private education lender. A private education loan does not include **(1)** An extension of credit under an open-end consumer credit plan, a reverse mortgage transaction, a residential mortgage transaction, or any other loan that is secured by real property or a dwelling; or **(2)** An extension of credit in which the school is the lender if the term of the extension of credit is 90 days or less or an interest rate will not be applied to the credit balance and the term of the extension of credit is one year or less, even if the credit is payable in more than four installments.

Title IV student financial aid includes the Federal Pell Grant Program, the Academic Competitiveness Grant (ACG) Program, the Federal Supplemental Educational Opportunity Grant (FSEOG) Program, the Leveraging Educational Assistance Partnership (LEAP) Program, the Federal Family Education Loan Program (FFELP), the Federal Work-Study (FWS) Program, the William D. Ford Federal Direct Loan (Direct Loan) Program, the Federal Perkins Loan Program, the National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) Program, and the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program. To apply for Title IV federal grants, loans, and work-study, submit a Free Application for Federal Student Aid (FAFSA), which is available at www.fafsa.gov, by calling 1-800-4-FED-AID, or from the school's financial aid office.

SECTION 6: PAPERWORK REDUCTION NOTICE

Paperwork Reduction Notice: According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0101. The time required to complete this information collection is estimated to average 0.25 hours (15 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed and complete and review the information collection.

If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, DC 20202-4651.

If you have any comments or concerns regarding the status of your individual submission of this form, contact your lender.

Smart Option Student Loan®

Application and Promissory Note

SallieMae™
Dream. Invest. Succeed.™

Customer ID Number: 371131928

Application: 1SCL1106
Prom Note: 3SCL1102

Section A: Student Information Please read instructions before completing this application

900905

Social Security Number 371-13-1928		Last Name KODOS		First Name JOSEPH		MI D			
Primary Phone Number (586) 612-2518		<input type="checkbox"/> Home <input checked="" type="checkbox"/> Cell		Secondary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell		E-mail address JKODOS@WOWWAY.COM		Date of Birth 07-18-1991	
Citizenship (select one) <input checked="" type="checkbox"/> U.S. Citizen <input type="checkbox"/> Non-Citizen Permanent US Resident <input type="checkbox"/> Foreign Citizen						Country (Foreign Citizens only)			
Permanent Address (Street Address only-No P.O. Boxes allowed) 26075 CLEAR ST				City HARRISON TWP		State MI		Zip Code 48045-3206	
Prior Address (if you have been at your permanent address less than one year, please provide prior address) US Address Non-US Address				City		State/Province		Zip Code	
Current Mailing Address (if this is the same as your permanent address, you can leave this section blank) US Address Non-US Address				City		State/Province		Zip Code	
Repayment Option		School Name MICHIGAN TECHNOLOGICAL UNIVERSITY				School City HOUGHTON		School State MI	
Degree/Certificate of Study Bachelors		Major (Course of Study) CPT		Anticipated Graduation/Completion Date 05-15-2014		Enrollment Status <input checked="" type="checkbox"/> Full Time <input type="checkbox"/> Half-Time <input type="checkbox"/> Less Than Half-Time			
Requested Loan Amount \$ 18,000.00		Cumulative GPA 2.2		Scale: <input checked="" type="checkbox"/> 4.0 <input type="checkbox"/> 5.0 <input type="checkbox"/> 6.0 <input type="checkbox"/> other		Academic Period for the Loan From (mm/dd/yyyy) 08-15-2011 To (mm/dd/yyyy) 05-15-2012		Grade Level (select one) Undergraduate 1 <input checked="" type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> R Graduate A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D	
Employment Status Not Employed		Current Employer Name		Occupation		Work Phone Number		Extension Length of Time at Current Employer Years 0 Months 0	

You do not need to reveal alimony, child support or maintenance income if you do not wish to have it considered as a basis for loan repayment.

Gross Annual Income \$		Gross Annual Additional Income \$		Source of Additional Income		Gross Annual Additional Household Income \$		Source of Additional Household Income	
Do you have one or more of the accounts listed below? Checking <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Other Savings/Assets <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				Residence Type <input type="checkbox"/> Own <input checked="" type="checkbox"/> Rent <input type="checkbox"/> Live with parent(s) <input type="checkbox"/> Dorm <input type="checkbox"/> Other				Monthly Mortgage/Rent Amount 262	

Personal Contacts: You must provide two (2) adult references, one of which should be a relative. You may not list the cosigner as a reference.

Last Name KODOS		First Name DAVID		Relationship to Student FATHER					
Address 26075 CLEAR ST		City HARRISON TWP		State MI		Zip Code 48045-3206		Primary Phone Number (586) 791-4501	
Last Name KODOS		First Name SUSAN		Relationship to Student MOTHER					
Address 26075 CLEAR ST		City HARRISON TWP		State MI		Zip Code 48045-3206		Primary Phone Number (586) 612-6648	

Section B: Cosigner Information

Social Security Number		Last Name		First Name		MI			
Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell		Secondary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell		E-mail address		Date of Birth			
Citizenship (select one) <input type="checkbox"/> U.S. Citizen <input type="checkbox"/> Non-Citizen Permanent US Resident						Relationship to Student			
Permanent Address (Street Address only-No P.O. Boxes allowed)				City		State		Zip Code	
Previous Address (if you have been at your permanent address less than one year, please provide prior address)				City		State		Zip Code	
Employment Status		Current Employer Name		Occupation		Work Phone Number		Extension Length of Time at Current Employer Years _____ Months _____	
Gross Annual Income \$		Gross Annual Additional Income \$		Source of Additional Income		Gross Annual Additional Household Income \$		Source of Additional Household Income	
I have the following assets (enter "0" if not applicable) Checking \$ _____ Other Savings/Assets \$ _____				Residence Type <input type="checkbox"/> Own <input type="checkbox"/> Rent <input type="checkbox"/> Other				Monthly Mortgage/Rent Amount	

Section C: Student and Cosigner Signature

CAUTION – IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT	NOTICE TO CUSTOMER (a) DO NOT SIGN THIS BEFORE YOU READ THE PROMISSORY NOTE EVEN IF OTHERWISE ADVISED. (b) DO NOT SIGN THIS IF IT CONTAINS ANY BLANK SPACES. (c) YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN. (d) YOU HAVE THE RIGHT AT ANY TIME TO PAY IN ADVANCE THE UNPAID BALANCE UNDER THIS AGREEMENT AND YOU MAY BE ENTITLED TO A PARTIAL REFUND OF THE FINANCE CHARGE.		I declare that the information provided above is true and complete to the best of my knowledge and belief. I have read the Promissory Note accompanying this application and each applicable Notice to Cosigner and agree to the terms therein. 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. I also authorize you to share my information with Next Generation Insurance Group, LLC, the underwriting insurance company, their service providers, and College Parents of America in order to process and fulfill the Tuition Insurance Benefit provided with the Smart Option Student Loan for borrowers attending degree-granting institutions. For eligibility requirements and more information about the Tuition Insurance Benefit, please visit SallieMae.com. Promise to Pay: Jointly and severally with the other signers below, I promise to pay the lender or any other holder of this loan all sums disbursed under the terms of the Promissory Note, plus interest and all other fees, charges, and costs that may become due. The terms and conditions set forth in the Promissory Note constitute the entire agreement between us.	
	JOSEPH D KODOS Student Signature <u>E2F2B97DA51A71184C23A9D573AB7B6E (seal)</u> Date <u>07/26/2011</u>		Cosigner Signature _____ (seal) Date _____	

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Smart Option Student Loan Promissory Note - 3SCL1102/3SOL1102

See Section N below for important federal law notices, including a federal Notice to Cosigner, important state law notices, including a Notice to Consumer for Iowa and Kansas residents and a Vermont Notice to Cosigner, and important notices regarding Available Financing Options Under Title IV of the Federal Higher Education Act and regarding Loan Sales and Availability of Borrower Benefits. See Section T below for an important Arbitration Agreement, including a notice regarding the right to reject arbitration.

In this Promissory Note ("Note") the words "I," "me," "my," "mine" and "we" mean the borrower and cosigner(s) who signed the application, unless the language specifically refers to only one or the other. "You," "your," and "yours" mean the lender as listed below and any subsequent holder of this Note. "School" means the school I identified in the loan application.

Lender: SALLIE MAE

MURRAY UT

A. PROMISE TO PAY; BILLING STATEMENTS

1. Promise to Pay - I promise to pay to your order according to the terms below the sum of: the Loan Amount Requested, to the extent it is advanced to me, or on my behalf, which includes the Supplemental Fee at Disbursement (together, identified on the Smart Option Student Loan Final Disclosure as the "Total Loan Amount"); other interest, fees and charges accrued or capitalized on the Loan Amount as described in this Note; and, in the event of default, reasonable attorney's fees, and collection agency, court and other collection costs, to the extent permitted by law.
2. Billing Statements and Billing Cycles - You may send me a billing statement for each billing cycle showing the first and last day of the billing cycle, the amount and payment due date for my next monthly payment, and any transactions regarding my loan that occurred during the billing cycle. Billing cycles will end on the same day each month but due to variations in the number of days in a month and an irregular initial billing cycle, the number of days in each cycle may vary. Billing cycles will be determined by the payment due dates shown on the Smart Option Student Loan Final Disclosure, although the first day of the initial billing cycle will be earlier than the date of the first disbursement on the loan.

B. DEFINITIONS

1. Capitalized Interest, Fees and Other Amounts - Interest, fees, charges and costs due and not yet paid may be added, without notice, to the principal amount of the loan, as provided in this Note. This addition is called "capitalizing." **Since interest accrues on the outstanding principal balance, capitalizing increases the total cost of the loan.**
2. Default - You may declare my loan in default following an event described in Section K except as follows: **IDAHO, IOWA, KANSAS, MAINE and SOUTH CAROLINA RESIDENTS ONLY:** I will be in default if I fail to make a payment as required by this Note (or within 10 days of the time required by this Note, for Iowa residents) or if the prospect of my payment or performance is significantly impaired (for Iowa residents, if, following an event described in Section K, the prospect of my payment is materially impaired). The burden of establishing the prospect of such impairment is on you.

WISCONSIN RESIDENTS ONLY: I will be in default:

- (a) if I permit to be outstanding an amount exceeding 1 full payment which has remained unpaid for more than 10 days after its scheduled due date or deferred due date, or I 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 I fail to observe any other provision of this Note, the breach of which materially impairs my ability to pay the amounts due under the Note.
3. Disbursement Date - The date shown on the loan check or the date the loan funds are electronically transferred to the School.
 4. Disclosure - The Smart Option Student Loan Final Disclosure that will be sent before the time of my first disbursement and which is hereby incorporated into this Note.

5. Additional Terms - The terms "Interest," "Forbearance Fee," "Deferment Fee," "Late Charge," "Supplemental Fee," "Payment Return Fee," and "Collection Costs" are defined in the Note sections so titled. "Variable Rate," "Index," and "Margin" are defined under Section C, Interest, of this Note.

C. INTEREST

1. Accrual of Interest - Interest on this Note will accrue at the Variable Rate (as defined below), beginning on the first Disbursement Date, on the principal balance advanced and Capitalized Interest, Fees and Other Amounts, until the principal balance and all accrued interest are paid in full. The Variable Rate will be used to calculate interest during the entire term of this Note, and following the maturity of, or any default under, this Note; there is no initially discounted, premium or other rate that will be used to calculate interest under this Note.
2. Variable Rate - I will pay interest at a Variable Rate equal to the "Index", rounded up to the nearest one-eighth of one percent (0.125%), plus or minus the percentage identified on my Disclosure (the "Margin"). The Variable Rate may change each billing cycle on the Change Date if the Index changes. The Change Date is the twenty-fifth day of each month, or if the twenty-fifth day of the month is not a New York business day, the next New York business day. The Index is the one-month London Interbank Offered Rate ("LIBOR"), which is the average of interbank offered rates for one-month U.S. dollar-denominated deposits in the London market, as published by Reuters on its Reuters Screen LIBOR01 Page, or any successor page used for the purpose of displaying that rate. The Index is determined on the most recent business day that is at least two New York and two London business days prior to the Change Date. A New York business day is defined as any day that is not a Saturday, Sunday, holiday or other day on which banking institutions in New York, New York are authorized or ordered by law to close. A London business day is defined as any day on which commercial banks in London, England carry on interbank dealings in the London market. For example, if January 22, 23, and 24 are New York business days, but only January 22 and 23 are London business days, then the Index for the rate as of January 25 would be determined by the one-month LIBOR on January 22.
3. Substitute Source and Substitute Index - If the Reuters Screen LIBOR01 Page is unavailable, then the Index will be determined by you using another source for the one-month LIBOR, such as another Reuters service that displays that rate, should one continue to do so; any substantially similar service that displays that rate, such as Bloomberg, should it continue to do so; or any substantially similar source that displays that rate, such as the Money Rates section of The Wall Street Journal, should it continue to do so. As an alternative to using another source, you may decide to calculate the rate using a methodology that is substantially similar to that used to determine the rate when it was published by Reuters. If no substitute source is available, or provides the rate on a timely basis, and if you are unable to calculate the rate, or decide not to do so, then you will choose a comparable substitute Index.

D. TERMS OF REPAYMENT

1. Repayment Schedule for My Loan - You and I agree that the repayment schedule for my loan will be established as follows: prior to the first disbursement you will provide me with a Disclosure that sets forth my estimated payments and the payment due dates for my loan. The repayment schedule will assume that the student borrower meets your enrollment requirements while in school and that the student borrower graduates on time and makes all payments on time.

2. In School and Separation Period Repayment Options - Several repayment options may be available while the student borrower is in school and during a separation period of six billing cycles thereafter. Depending on the school where the student borrower is enrolled, the repayment options may include Interest Payment, Fixed Payment and Deferred Payment. The repayment options available to me were provided during the application process. The repayment schedule set forth in my Disclosure will reflect the repayment option that applies to my loan for billing cycles while the student borrower is in school and for the separation period. For loans with the Fixed and Deferred Repayment Options, you will capitalize interest that accrues and remains unpaid at the end of the separation period.
 3. Principal and Interest Payments - For billing cycles after the separation period ends, the repayment schedule will provide for principal and interest payments. In addition to other amounts then due, during these billing cycles you will require me to pay principal and interest in the amounts necessary to repay my loan at the Variable Rate then in effect over the remaining term of the loan, so that my payments will include the interest that will accrue from my last payment due date to my next payment due date. However, notwithstanding the repayment schedule, if at any time the student borrower fails to meet your enrollment requirements for the School, then the separation period will begin immediately. If my loan is made after the date that the student borrower graduates or ceases to meet your enrollment requirements, the separation period will be calculated from that date, and principal and interest payment may begin immediately. To find out the enrollment requirements, call 1-888-272-5543.
 4. Rate Changes, Billing Cycles, and Payments - Because my interest rate may change on the Change Date each month and the length of each billing cycle may be different, the amount of interest that accrues during any billing cycle may be different than the amount of the interest portion of the payment shown on my Disclosure, even if I make all my payments on time. As a result, the payment that you will require me to make may be different than the payment shown on my Disclosure. The changes in the amounts of my monthly payments will be reflected in any statements that you send me and in the amounts of any payments made by automatic debit.
 5. Consecutive Monthly Payments - I will make consecutive monthly payments in the required amounts, and on or before the required payment due dates, until I have paid all of the principal and interest and any other fees, charges, and costs I may owe under this Note.
 6. Amounts Owed on the Final Payment Due Date - If for any reason I owe additional principal and interest and any other fees, charges, and costs on the final payment due date for my Loan, I will pay all such amounts at that time.
 7. Minimum Principal and Interest Payments - Notwithstanding any other provisions of this Section, after the separation period ends, you may require me to make minimum principal and interest payments of up to \$50 per month, or the entire unpaid balance, whichever is less.
 8. Application of Payments - Payments will be applied first to applicable fees, charges, and costs; then to interest; and the remainder to principal, as permitted by applicable law. Additionally, payments in excess of the amount due will be credited against the payment(s) that would otherwise be required in the next billing cycle(s) unless the excess payment is made during the first billing cycle prior to any payment being due, in which case it will be applied to principal and not credited against the next payment(s). To find out how this "pay in advance" feature works, call 1-888-272-5543.
 9. Payment in Full - **If I wish to make a payment in satisfaction of a disputed amount or balance, I must send it to P.O. Box 3800, Wilkes-Barre, PA 18773-3800 with a letter of explanation.** To the extent permitted by law, you may accept late payments, partial payments, or payments marked "payment in full," or having similar language, without waiving your rights under this Note.
 10. Information About My Payments - Information about my payments, the unpaid accrued interest, and the outstanding principal on the loan will be available online.
 11. Payment Holiday - At any time you, at your sole discretion, may notify me that I have the option to take a payment holiday, for a maximum period of time set by you. If I take advantage of this option, I will not have to make my regularly scheduled payments during the payment holiday, but I will have to resume making payments once the payment holiday is over. During the payment holiday interest will continue to accrue. Any interest that remains unpaid due to the payment holiday will not be capitalized; however, it will be added to the outstanding principal balance to calculate future payments on my loan.
- E. DEFERMENT AND DEFERMENT FEES; FORBEARANCE AND FORBEARANCE FEES; WAIVER OF DEBT**
1. In School Principal Deferment - If at any time after the separation period, you are notified that I have returned to school, you may, at your sole discretion and without notice to me, grant me a deferment of regularly scheduled payments of principal and interest ("Principal Deferment"), for a maximum period of time set by you. If at any time after the separation period I return to school, I may request and you, at your sole discretion, may grant me a Principal Deferment, for a maximum period of time set by you. If I receive a Principal Deferment, I will still be required to make payments during the Deferment Period on the same terms as the repayment option that applied to my loan during the in school and separation period.
 2. Residency or Internship Principal Deferment - If at any time after the separation period I am enrolled in a residency or internship program, I may request and you at your sole discretion may grant me a Residency or Internship Principal Deferment, for a maximum period of time set by you. If I receive a Residency or Internship Principal Deferment, then I may defer regularly scheduled payments of principal and interest. However, I will still be required to make payments during the Deferment Period on the same terms as the repayment option that applied to my loan during the in school and separation period. If I request such a Deferment, I agree to pay any Deferment Fee that you assess, even if the Deferment is not granted. The Deferment Fee will be disclosed to me prior to the Deferment Fee being assessed.
 3. Hardship or Other Forbearance - At any time, I may request and you, at your sole discretion, may grant me a Forbearance, for a maximum period of time set by you. If I receive a Forbearance while in school or during the separation period, then I may defer regularly scheduled payments. If I receive a Forbearance after the separation period, then I may defer regularly scheduled payments of principal and interest. However, I may be required to make lesser payments on terms set by you. If I request such a Forbearance, I agree to pay a Forbearance Fee, even if the Forbearance is not granted. The Forbearance Fee will be disclosed to me prior to the Forbearance Fee being assessed. You will capitalize unpaid accrued interest at the end of any such Forbearance Period. If I request and you approve a Forbearance, I understand that you will cancel future loan disbursements.
 4. Waiver if Student Borrower Dies or Becomes Totally and Permanently Disabled - If the student borrower identified on the application for this loan dies or becomes totally and permanently disabled, you agree to waive the remaining balance of this loan, including all principal, fees and other charges, whether current or past due (the "Total Owed"), less any tuition refund granted by the School. Total and permanent disability means the inability to work in any occupation due to a condition that began or deteriorated after the date of the Disclosure and the disability is expected to be permanent. An application for the disability waiver must be made to you and accompanied by a physician's statement and such other information or documentation that you may require. Payments must be made up until the time the disability application is completed to your satisfaction. If approved, the waiver will be effective as of the date of the completed application. The disability review process may take up to 12 months from when you receive a completed disability application and the final determination will be made by you in your sole and complete discretion. I understand that interest will continue to accrue while you review my application for a disability waiver, and, if my application for a disability waiver is denied, you will capitalize all unpaid accrued interest and I will have to resume making my payments as described herein. If I receive a tuition refund, you will apply it to the Total Owed to fully satisfy my obligations under this Note. If I or my estate receive a tuition refund and fail to pay it to you, the failure to do so will be considered a default under this Note, and you will have the right to collect from me or my estate the amount

of the tuition refund, plus interest, and any fees and charges that accrue because of the failure to pay you the amount of the tuition refund. This waiver is not available for residents of Alaska or Montana.

F. LATE CHARGE

I will pay a Late Charge if I fail to make any part of an installment payment within 15 days after it becomes due. The amount of the Late Charge will be identified on my Disclosure.

G. SUPPLEMENTAL FEES

1. Supplemental Fee at Disbursement - You may charge me a Supplemental Fee, and add it to the Loan Amount, at disbursement of my loan. If there is more than one disbursement, at the time you issue each disbursement, you may add to the principal loan balance an amount equal to the pro rata portion of the Supplemental Fee. The amount of the Supplemental Fee, if charged, will be identified on my Disclosure, under the Itemization of Amount Financed, as the amount of the Disbursement Fee.
2. Supplemental Fee at End of Separation Period - You may charge me a Supplemental Fee, which will be identified on my Disclosure, and add it to the Loan Amount, either at the end of the separation period, upon total repayment of my loan, or upon an event described in Section K, whichever is earlier. The amount of this Supplemental Fee, if charged, will be identified on my Disclosure, as the amount of the "Fee when you begin repaying the loan" (here "you" means the borrower and cosigner(s)).
3. When Earned - I understand and agree that the Supplemental Fees, if any, are earned when assessed, are due even if the amounts on which they are assessed are later refunded, and are not subject to rebate if I prepay my loan.

H. RETURNED CHECK CHARGE

If any payment made on my loan is returned or refused for any reason, I agree to pay the charge identified in my Disclosure as the "Returned check charge" for each payment so returned.

I. CHARGES FOR OPTIONAL SERVICES

If I request and you agree to provide optional services to me in connection with my loan, you may charge me and I agree to pay the fees for such services. The fee will be disclosed to me before I accept any such service. Optional services may include, but are not limited to: (1) allowing me to make an expedited payment on my loan; (2) sending documents to me by express delivery or facsimile transmission; and (3) changing my repayment option on my loan.

J. RIGHT TO PREPAY

I have the right to prepay all or any part of my loan at any time without penalty. If I prepay my loan, I am not entitled to a refund of any finance charge.

K. DEFAULT; WHOLE LOAN DUE; INTEREST RATE AFTER DEFAULT

Subject to applicable law, and the definition of "Default" in Section Babove, you may declare my loan in default if:

1. I fail to make any payment to you when due; or
2. I fail to provide a notice required in paragraph 3 of Section N on time; or
3. I break any of my other promises in this Note; or
4. Any bankruptcy proceeding is begun by or against me, or I assign any of my assets to or for the benefit of my creditors; or
5. I make any false written statement in applying for this loan or at any time thereafter; or
6. Any cosigner dies; or
7. I am in default on any other loans I may have, now or in the future, with you, with any Sallie Mae affiliate or subsidiary, or with any successor company of any of the foregoing.

If you do so, then after you provide me with such notices and cure periods as are required by applicable law, if any, the whole outstanding

principal balance, accrued interest, and all other amounts payable to you under the terms of this Note will become due and payable at once and you may cease to make any further disbursements to me. After default, interest will accrue at the Variable Rate applicable to this loan prior to default and the Variable Rate will be subject to adjustment in the same manner as before.

L. COLLECTION COSTS

Unless prohibited by applicable law, I agree to pay you all amounts, including reasonable attorneys' fees, and collection agency, court and other collection costs that you incur in enforcing the terms of this Note (collectively, "Collection Costs"). The Collection Costs that I agree to pay also include fees and costs incurred in connection with any appellate or bankruptcy proceedings.

M. NOTICE OF CLAIM; RIGHT TO RESOLVE:

Prior to initiating, joining or participating in any judicial or arbitration proceeding, whether individually, as a class representative or participant or otherwise, regarding a legal dispute or claim that in any way arises from or relates to this Note (as more fully defined in the Arbitration Agreement below, "Claim"), the party asserting the Claim shall give the other party written notice of the Claim and a reasonable opportunity, not less than 30 days, to resolve the Claim. Any claim notice I send must include my name, address, telephone number and loan or account number. Any claim notice must explain the nature of the Claim and the relief that is demanded. I may only submit a claim notice on my own behalf and not on behalf of any other party. The party giving a claim notice must reasonably cooperate in providing any information about the Claim that the other party reasonably requests.

N. NOTICES

1. **JURY TRIAL WAIVER: YOU AND I ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT BUT MAY BE WAIVED IN CERTAIN CIRCUMSTANCES. TO THE EXTENT PERMITTED BY LAW, YOU AND I KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION ARISING OUT OF OR RELATED TO THIS NOTE. THIS JURY TRIAL WAIVER SHALL NOT AFFECT OR BE INTERPRETED AS MODIFYING IN ANY FASHION THE ARBITRATION AGREEMENT SET FORTH BELOW, WHICH CONTAINS ITS OWN SEPARATE JURY TRIAL WAIVER.**
2. **Joint and Several Liability** - Each borrower and cosigner is jointly and severally responsible for repaying the full amount owed under this Note.
3. Change in Information - I will send written notice to you, within 10 days after any change in my name, address, email address, permanent phone number, cellular phone number, or, if this Note is executed by more than one person, the status (i.e. death) of any other person (i.e. the Borrower or any Cosigner), or within 10 days after any change in the School enrollment status of the Student, which includes, but is not limited to, non-attendance.
4. Communications and Notices from You - Unless otherwise stated therein, or otherwise provided by law, any communication between you and any borrower or cosigner will be binding on all borrowers and cosigners and any notice required to be given to me by you will be effective when mailed to the latest address you have for me.
5. Reports to Credit Bureaus - **You may report the status of this loan to the School and to any credit bureaus. Late payments, missed payments, or other defaults on my account may be reflected in my credit bureau report.**
6. Not Negotiable - This is a non-negotiable consumer note.
7. Not Dischargeable - **This loan may not be dischargeable in bankruptcy.**
8. Federal Notices - I understand that the following notice is required by federal law when a new account is opened:

**IMPORTANT INFORMATION ABOUT PROCEDURES
FOR OPENING A NEW ACCOUNT**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for me: In applying for this education loan, you will ask for my name, address, date of birth, Social Security Number, and other information that will allow you to identify me. You may also ask to see my driver's license or other identifying documents.

I understand that the following notice is also required by federal law and that for purposes of this notice, the words "you" and "yours" mean the cosigner(s) who signed the application.

NOTICE TO COSIGNER

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay 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 can collect this debt from you without first trying to collect from the borrower. The lender can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become a part of your credit record.

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

I understand that the following notice is only applicable to loans issued to finance educational expenses at for-profit educational institutions or institutions otherwise subject to the FTC Holder Rule under 16 C.F.R. §433.2.

NOTICE

ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

I understand that the following notice is permitted by federal law and that for purposes of this notice, the word "we" means the Lender, its agents and any subsequent holder of this Note and the word "you" means the borrower and cosigner(s) who signed the application.

NOTICE

If you believe that any information about your loan that we have reported to a credit bureau is inaccurate, or if you believe that you have been the victim of identity theft in connection with any other Sallie Mae loan made by us, write to us at P.O. Box 3779 Wilkes Barre, PA 18773-3779. In your letter, (i) provide your name and the loan or account number, (ii) identify the specific information that is being disputed, (iii) explain the basis for the dispute, and (iv) provide any supporting documentation you have that substantiates the basis of the dispute. If you believe that you have been the victim of identity theft, submit an identity theft affidavit or identity theft report.

9. **State Notices** - I understand that the following notices are required by or necessary under state law and that these notices may not describe all of the rights that I have under state and federal law. Unless otherwise indicated, each notice applies to borrowers and cosigners who live in the indicated state on the date that they signed the application and to borrowers and cosigners who are residents of that state.

CALIFORNIA RESIDENTS ONLY: A married applicant may apply for a separate account.

CALIFORNIA and UTAH RESIDENTS ONLY: As required by California and Utah law, I am hereby notified that a negative credit report reflecting on my credit record may be submitted to a credit reporting agency if I fail to fulfill the terms of my credit obligations.

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

MARYLAND RESIDENTS ONLY: You elect to make this loan pursuant to Subtitle 10 (Credit Grantor Closed End Credit provisions) of Title 12 of the Maryland Commercial Law Article only to the extent that such provisions are not inconsistent with your authority under federal law (12 U.S.C. §85, §1463(g), or §1831d, as appropriate) and related regulations and interpretations, which authority you expressly reserve.

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

MISSOURI RESIDENTS ONLY: **ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT YOU (BORROWER(S)) AND US (CREDITOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.**

NEVADA RESIDENTS ONLY: This is a loan for study.

NEW JERSEY RESIDENTS ONLY: The section headings of the Note are a table of contents and not contract terms. Portions of this Note 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 Note, 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 ONLY: 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 ONLY: The Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy 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.

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

VERMONT RESIDENTS ONLY: For purposes of this notice, the word "you" means the Cosigner(s). **NOTICE TO COSIGNER: YOUR SIGNATURE ON THIS NOTE MEANS THAT YOU ARE EQUALLY LIABLE FOR REPAYMENT OF THIS LOAN. IF THE BORROWER DOES NOT PAY, THE LENDER HAS A LEGAL RIGHT TO COLLECT FROM YOU.**

WISCONSIN RESIDENTS ONLY: If I am a married Wisconsin resident: (1) My signature confirms that this loan obligation is being incurred in the interest of my 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 your interest unless, prior to the time that the loan is approved, you are furnished with a copy of the marital property agreement, statement, or decree or have actual knowledge of the adverse provision. (3) My spouse has actual knowledge that this credit is being extended to me and has waived the requirements of §766.56(3)(b) of the Wisconsin Statutes, as acknowledged by his or her signature on the Notice to Married Wisconsin Residents that I received with this Note.

10. **Notice to Borrowers of Available Financing Options Under Title IV of the Federal Higher Education Act** Title IV of the Federal Higher Education Act of 1965, as amended (20 U.S.C. 1001 et seq.), provides borrowers with federal financial aid options to pay for or finance their higher education expenses. Usually, the terms of loans available under these federal programs are more advantageous to the borrower than the terms available under private loan programs. Borrowers should therefore maximize their use of these federal loan programs before obtaining private loans. All borrowers are advised to discuss federal financing options and programs and their potential eligibility with their school before applying for a private student loan. Not all federal financing options are available to all borrowers, and loan amounts available to borrowers may vary based upon the year in school and the amounts previously borrowed. For further information on federal financial aid options, visit the U.S. Department of Education website at www.federalstudentaid.ed.gov. Financing options under Title IV of the Federal Higher Education Act include the options below. Borrowers are urged to contact their schools to determine whether these financing options have since been modified.

(a) **Grants** - Financial aid that does not need to be repaid.

(b) **Federal Work-Study Programs**

(c) **William D. Ford Federal Direct Loan Program**

The William D. Ford Federal Direct Loan Program includes the following loans below. Federal loan fees may apply. Consult with your school's financial aid office and the U.S. Department of Education for more information.

– **Federal Direct Stafford/Ford Loan**

- Fixed interest rate for undergraduate students as follows:
 - 4.5% for loans first disbursed July 1, 2010 - June 30, 2011
 - 3.4% for loans first disbursed July 1, 2011 - June 30, 2012
- Fixed interest rate of 6.8% for all graduate students, and for undergraduate students with loans first disbursed before July 1, 2008 and on or after July 1, 2012
- 6-month grace period following at least half-time enrollment
- Deferment and forbearance options
- Interest subsidized by the government during in-school, grace, and deferment periods
- Flexible repayment plans such as graduated, income contingent, income-based, and extended repayment options

– **Federal Direct Unsubsidized Stafford/Ford Loan**

- Fixed interest rate of 6.8%
- 6-month grace period following at least half-time enrollment
- Deferment and forbearance options
- Flexible repayment plans such as graduated, income contingent, income-based, and extended repayment options

– **Federal Direct PLUS Loan**

- Fixed interest rate of 7.9%
- Deferment and forbearance options
- Flexible repayment plans such as graduated, income contingent, and extended repayment options

– **Federal Direct Consolidation Loan**

- Interest rate based on the lesser of the weighted average of the interest rates on the loans consolidated, rounded up to the nearest one-eighth of 1 percent, or 8.25%
- Deferment and forbearance options
- Repayment period based on the total amount of the Consolidation Loan and the unpaid balance on other student loans

(d) **Federal Perkins Loan Program**

- Fixed interest rate of 5%
- 9-month grace period following at least half-time enrollment
- Deferment and forbearance options, with a 6-month grace period following deferment
- Interest does not accrue during in-school, grace, and deferment periods
- 10-year repayment plan
- Origination fees do not apply

11. **Notice to Borrowers Regarding Loan Sales and Availability of Borrower Benefits**

I understand that my student loans may be sold while the loans are outstanding. I further understand that you have an agreement to sell to an affiliate of Sallie Mae, Inc. no less than 80% of the volume of private loans that you make that are originated and disbursed through Sallie Mae, Inc., and that as a result, my loan may be included in the loans that are sold to that entity. Any such sale will not result in any change to the loan terms or the loss of any advertised borrower benefits, which will continue subject to their original terms and conditions. However, student loan terms and advertised borrower benefits may change if I choose to consolidate my loans.

O. WHEN BOUND; RIGHTS TO CANCEL

1. **When Bound** - I understand that when you accept the attached application, you are not agreeing to lend me money and I am not bound by these credit terms, and there will be no such agreement until my right to cancel as set forth in the Disclosure has expired.
2. **My Right to Cancel this Note** - Upon receipt of the Disclosure, I will review it and if I am not satisfied with the terms of my loan as approved, I may cancel this Note and all disbursements. To cancel this Note, I will follow the instructions set forth in the Disclosure.
3. **Your Right to Cancel this Note** - I agree that you may cancel this Note and all disbursements without advance notice to me if the Disclosure is returned as undeliverable, for any reason, or if, in your sole discretion, whether based on information provided by the School or otherwise, you reasonably conclude that the student borrower will not attend the School or that the proceeds of the loan are no longer needed to meet the education costs of the student borrower at the School.
4. **Your Right to Cancel Future Disbursements** - You also have the right to cancel any future disbursement, without advance notice to me, if:
 - (a) the student borrower ceases to be enrolled at least half time, if required, or to meet the restrictions for less than half-time enrollment, if applicable;
 - (b) an event occurs as described in Section K;
 - (c) the student borrower or any cosigner notifies you that he or she has arranged for other financing for the education costs to be paid for by this loan or that he or she no longer wants to repay the amount not yet disbursed;
 - (d) the classes in which the student borrower has enrolled have been cancelled or delayed;
 - (e) the School ceases to be eligible to participate in the Smart Option Student Loan Program; or
 - (f) I request a Forbearance.

P. ADDITIONAL AGREEMENTS

1. **Use of Loan Proceeds; Acceptance of Borrower or Cosigner; Amount Lent** - The proceeds of this loan will be used to pay educational expenses at the School, including living expenses. You have the right to accept or reject any Cosigner(s) or my application and/or to lend an amount less than the Loan Amount Requested if I only qualify for a lesser amount, if the School certifies a lower cost of attendance or balance due, or if you have reason to believe that the cost of attendance is less than the amount certified by the school.
2. **Rights of Assignee of Lender** - You have the right to assign this Note at any time. If this Note is assigned, the assignee will become the owner of this Note and will have all your rights to enforce this Note against me.

3. Governing Law - I understand that the Lender is located in the State listed in the introductory paragraph of this Note and this Note will be entered into in the same State. Consequently, the provisions of this Note will be governed by federal laws and the laws of that State to the extent not preempted, without regard to conflict of law rules
4. Late Payments, Partial Payments and Payments in Full: Waivers - Without losing any of your rights under this Note, you may accept late payments, or, as permitted by law, partial payments, even if marked "payment in full", "without recourse," or similar language. **If I wish to make a payment in satisfaction of a disputed amount or balance, I must send the payment to P.O. Box 3800, Wilkes Barre, PA 18773-3800 with a letter of explanation.** You may delay exercising, fail to exercise, or waive any of your rights on any future occasion without losing your entitlement to exercise any right at any future time or on any future occasion. I waive any notice of dishonor, notice of protest, presentment, demand for payment, and all other notices or demands in connection with this Note and consent to any and all extensions, renewals, or releases of any person liable on this loan or any other loans I have outstanding with you, or any waiver or modification that may be granted by you, all without affecting or releasing any other person liable on this loan.
5. Conflict Between Disclosure and Note - I understand and agree that if the information in my Disclosure conflicts with the information in this Note, the information in my Disclosure shall apply with respect to items required to be disclosed under federal law.
6. Failure to Receive Coupon Book or Statement; Failure of Automatic Debit - Neither my failure to receive a coupon book or statement nor the failure of any automatic debit relieves me of my obligation to make my required loan payments in accordance with the terms and conditions of this Note.
7. Waivers by Borrower and Cosigner; Consents; Responsibility for Repayment - I waive any notice of dishonor, notice of protest, presentment, demand for payment, and all other notices or demands in connection with this Note. I consent to the addition of a party who will be liable upon this loan or any other loans I have outstanding under the program, to any and all extensions, renewals, or releases of any party liable upon this loan or any other loans I have outstanding under the program, and to any waiver or modification that may be granted by you, all without affecting or releasing any borrower or cosigner from such loans. My responsibility for repaying this loan is not affected by the liability of any other person to you or by your failure to notify me that a payment has not been made.
8. Severability - If any provision of this Note is held invalid or unenforceable, that provision shall be considered omitted from this Note without affecting the validity or enforceability of the remainder of this Note.
9. Modification - Any provision of this Note may be modified if jointly agreed upon in writing by you and the borrower or cosigner. Any such modification does not require the consent of any other borrower or cosigner. In addition, I agree that any provision of the Disclosure may be modified by you, without redisclosure, if permitted by law. Such modifications may include, but are not limited to, any change that is unequivocally beneficial to me or any reduction in the Total Loan Amount based on a certification or other information from the School or from me. Such modification does not set forth any new cancellation period. The modification of any provision of this Note will not affect the validity or enforceability of the remainder of this Note. You will send me notification of any modification.
10. Communications Under Federal Bankruptcy Code - Any communication with you required or permitted under the Federal Bankruptcy Code must be in writing, must include my account number, and must be sent to Sallie Mae, P.O. Box 9500, Wilkes-Barre, PA 18773-9500.
11. Receipt of Copy of Note - I acknowledge that I have received a true and exact copy of this Note.
12. Assignments; Estate Bound - I may not assign this Note or any of its benefits or obligations. You may assign this Note at any time. The obligations of this Note will be binding on my estate.
13. Waivers by You - By accepting past due payments you do not waive or affect any right to accelerate this Note. Your failure to exercise any right hereunder does not constitute a waiver thereof. All waivers must be in writing.
14. United States Dollars - All dollar amounts stated in this Note are in United States dollars. I will make all payments in United States dollars with no deduction for currency exchange.
15. Failure to Attend or Dissatisfaction with Education Program - Except as otherwise provided herein, if the Student does not attend or is dissatisfied with the education program paid for with this loan, the Borrower and Cosigner(s) are not relieved of any obligation within or pursuant to this Note.
16. Suretyship - I hereby waive all my defenses to this Note based on suretyship.
17. Communicating with Me About the Application, My Loan, Current Loans or Future Loans - **To the extent permitted by applicable law, and without limiting any other rights you may have, I expressly consent and authorize you, your affiliates or agents, and Sallie Mae, Inc., and its affiliates or agents, to communicate with me, in connection with the application or my loan, and in connection with all other current or future loans owned or serviced by you, your affiliates or agents, and/or by Sallie Mae, Inc., and its affiliates or agents, using any phone number or email address that I provided in the application, or using any phone number or email address that I provide in the future. You, your affiliates or agents, and Sallie Mae, Inc., and its affiliates or agents, may communicate with me using any current or future means of communication, including, but not limited to, automated telephone dialing equipment, artificial or pre-recorded voice messages, SMS text messages, email directed to me at a mobile telephone service, or email otherwise directed to me. I AUTHORIZE THE USE OF SUCH MEANS OF COMMUNICATION EVEN IF I WILL INCUR COSTS TO RECEIVE SUCH PHONE MESSAGES, TEXT MESSAGES, OR EMAILS.**
18. Limits on Interest, Fees, Charges, or Costs - If a law which applies to this loan and which sets maximum limits on interest, fees, charges, or costs is finally interpreted so that the interest, fees, charges, or costs collected or to be collected in connection with this loan exceed permitted limits, then:
 - (a) any such interest, fees, charges, or costs shall be reduced by the amount necessary to comply with the permitted limits; and
 - (b) any sums already collected from me which exceed permitted limits will be refunded to me. You may choose to make this refund by reducing the amounts I owe under this Note.

Q. CERTIFICATIONS, AUTHORIZATIONS AND CONSENT TO INFORMATION SHARING

1. Certification - I certify that the information contained in the application is true, complete and correct to the best of my knowledge and belief and is made in good faith, that I am eligible for this loan and that I will repay it according to the terms of this Note. If this loan is being obtained through the Financial Aid Office of the School, then I also certify that a Financial Aid Officer at the School made all disclosures to the student borrower, regarding the available financing options under Title IV of the Federal Higher Education Act, that are required by applicable law. I understand and agree that my Lender is listed in the introductory paragraph of this Note. I hereby authorize the School, and if the School is closed, any third party, such as a custodian, receiver, bankruptcy trustee, trustee for a performance bond or a tuition recovery fund, to pay to you any refund that may be due me up to the amount of this loan. I authorize you to credit such refunds to the amount due on my loan without advancing the payment due date(s) on my loan. I understand that I must immediately repay any funds that cannot reasonably be attributed to meeting the educational expenses of the student borrower related to attendance at the School and I hereby authorize the School at its discretion to refund any portion of my loan that exceeds direct institutional charges. At your option, and in accordance with the disbursement schedule established by you and the School, I authorize you to transmit funds directly to the School on my behalf. You may transmit such funds electronically, by a master check payable to the School where my funds are grouped together with other student borrower

funds, by a check jointly payable to me and the School, or by a check made payable to the Borrower. Once the funds have been received, whether by electronic transmission or by proper endorsement and payment of any master check, joint check, or individual check, I authorize the School to transfer the funds to my account at the School. I understand that, except as otherwise provided herein, neither the student borrower's failure to complete the educational program that he or she has undertaken, nor the student borrower's dissatisfaction with the educational program that he or she has undertaken, relieves me of any obligation under this Note.

2. **Authorization** - I authorize the School and any custodian of the School's records to release to you, the U.S. Department of Education, the guarantor, if any, or their agents, any requested information pertinent to this loan (e.g., employment, enrollment status, current address) and to advise you whether I am eligible for a future loan. I authorize you, your affiliates, your agents, and the guarantor or its agents, if any, to check my credit and employment history, and to request and receive from others credit-related information about me, for this loan, for any future loans that may be offered to me, for any updates, renewals or extensions of this loan or any future loans that may be offered to me, for any hardship forbearance of this loan or any future loans that may be requested by me, and for any review or collection of this loan or any future loans that may be offered to me. I also authorize you, your affiliates, your agents, and the guarantor or its agents, if any, to answer questions about your and their credit experience with me, and to release the results of the credit review process to the School or its agents. I further authorize you to release any other information on this loan to the School or its agents, to other schools I have attended for which I have taken out a student loan or their agents, to any subsequent holder of this Note, or its agents, and to the guarantor or its agents, if any. Finally, to the extent permitted by applicable law, I authorize you and your affiliates to share credit and other information about me, as well as copies of the application, this Note, and the Disclosure, with each other, consumer reporting agencies, and other third parties. I understand that I will receive a privacy policy, and, when required, an affiliate-sharing policy, that will advise me of my rights under applicable law. I also understand that you, your affiliates, your agents and the guarantor or its agents, if any, may contact any references or personal contacts that I provide to you as needed to enforce my obligations to you, and as permitted by law.
3. **Borrower and Cosigner Consent to Information Sharing** - I consent to the sharing of any information about this loan with my parent, guardian, child, spouse or sibling who complies with your procedures unless I revoke this consent or unless prohibited by law. I understand that I may revoke this consent by contacting the servicer at 1-888-272-5543 or P.O. Box 9500, Wilkes-Barre, PA 18773-9500.
4. **What I Have Read** - I also certify that: I have read the materials explaining the loan program that have been provided to me; I have read, understand and agree to the provisions of the program, my responsibilities and my rights under this program, and the terms of this Note, including this Section Q.

R. CORRECTION OF 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 the Application, Note, Smart Option Student Loan Application and Solicitation Disclosure, Smart Option Student Loan Approval Disclosure, Smart Option Student Loan Final Disclosure, any Notice to Cosigner, and any Notice to Married Wisconsin Residents. Errors in the names and/or addresses of the parties will be corrected by notice to all parties. In the event this procedure is used for any other errors, all parties involved will be notified and receive a corrected copy of the changed document.

S. COSIGNER/BORROWER RELEASE

1. **Release of Cosigner Applicant** - I agree that, if any cosigner applicant fails to qualify for this loan, but you approve the application on the basis of the creditworthiness of the borrower

and/or any other cosigner applicant, then you may release said cosigner applicant from the application and from any liability hereunder, but this Note will still bind the borrower and any remaining cosigner.

2. **Release of Borrower** - As cosigner, I agree that if the borrower is released from liability on this loan for any reason, including infancy, I hereby consent to such release and to my continued liability for this loan after such release.

T. ARBITRATION AGREEMENT

To the extent permitted under federal law, you and I agree that either party may elect to arbitrate – and require the other party to arbitrate – any Claim under the following terms and conditions. This Arbitration Agreement is part of the Smart Option Student Loan Promissory Note (“Note”).

1. **RIGHT TO REJECT:** I may reject this Arbitration Agreement by mailing a personally signed rejection notice to P.O. Box 9480 Wilkes-Barre, PA 18773-9480 within 60 days after the date of my first disbursement. Any Rejection Notice must include my name, address, telephone number and loan or account number. No other person may submit a rejection notice for me.
2. **IMPORTANT WAIVERS:** If you or I elect to arbitrate a Claim, you and I both waive the right to: (1) have a court or a jury decide the Claim; (2) PARTICIPATE IN A CLASS ACTION IN COURT OR IN ARBITRATION, WHETHER AS A CLASS REPRESENTATIVE, CLASS MEMBER OR OTHERWISE; (3) ACT AS A PRIVATE ATTORNEY GENERAL IN COURT OR IN ARBITRATION; OR (4) JOIN OR CONSOLIDATE CLAIM(S) WITH CLAIMS INVOLVING ANY OTHER PERSON IN COURT OR IN ARBITRATION. Other rights are more limited in arbitration than in court or are not available in arbitration. The waivers in subsections (2)-(4) above are called the “Class Action and Multi-Party Waivers.” The arbitrator shall have no authority to conduct any arbitration inconsistent with the Class Action and Multi-Party Waivers.
3. **DEFINITIONS:** In this Arbitration Agreement, the following definitions will apply:

“I,” “me” and “my” mean each and every Borrower and Cosigner on the Note; the Student on whose behalf the proceeds of the Note have been advanced; and the heirs, executors and assigns of all of the foregoing. “You,” “your” and “yours” mean the Lender; any subsequent holder of this Note; Sallie Mae, Inc.; all of their parents, wholly or majority owned subsidiaries and affiliates; any predecessors, successors and assigns of these entities; and all officers, directors, employees, agents, controlling persons and representatives thereof. These terms also include any party named as a co-defendant with you in a Claim asserted by me, such as investors or potential investors, credit bureaus, credit insurance companies, closing agents, escrow agents, insurance agents, loan originators, rating agencies, loan servicers, debt collectors, loan guarantors, performance bond trustees, tuition recovery funds, the School, and any of the School's financial aid offices or officers. “**Claimant**” means the party who first asserts a Claim in a lawsuit or arbitration proceeding. “**Administrator**” means either the American Arbitration Association (the “AAA”), 335 Madison Avenue, New York, NY 10017, www.adr.org, or JAMS, 620 Eighth Avenue, 34th Floor, New York, NY 10018, www.jamsadr.com, provided that the Administrator must not have in place a formal or informal policy that is inconsistent with and purports to override the Class Action and Multi-Party Waivers set forth above (see Section T.2). I get to select the Administrator if I give you written notice of my selection with my notice that I am electing to arbitrate any Claim or within 20 days after you give me notice that you are electing arbitration of any Claim (or, if later, within 20 days after any dispute over the validity of this Arbitration Agreement is finally resolved). If I do not select the Administrator on time, you will do it. If for any reason the Administrator I or you select is unable or unwilling to serve or continue to serve as Administrator, the other company will serve as Administrator. If neither the AAA nor JAMS is able or willing to serve as Administrator, I and you will mutually agree upon an Administrator or arbitrator or the court will appoint the Administrator or arbitrator or arbitrators (in the case of a three-arbitrator panel provided for in Section T.8, below), subject to the limitations set forth above regarding the Class Action and Multi-Party Waivers.

4. **"CLAIM"** means any legal claim, dispute or controversy between you and me that arises from or relates in any way to this Note, including any dispute arising before the date of this Arbitration Agreement and any dispute relating to: (1) the imposition or collection of principal, interest, attorneys' fees, collection costs or other fees or charges relating to this Note; (2) other provisions of this Note; (3) any application, disclosure or other document relating in any way to this Note or the transactions evidenced by this Note; (4) any insurance or other service or product offered or made available by or through you in connection with this Note, and any associated fees or charges; (5) your methods of soliciting my business; (6) your use or failure to protect any personal information I give you in connection with this Note; and (7) any documents, instruments, advertising or promotional materials that contain information about this Note or any associated insurance or other service or product. This includes, without limitation, disputes concerning the validity, enforceability, arbitrability or scope of this Arbitration Agreement or this Note; disputes involving alleged fraud or misrepresentation, breach of contract or fiduciary duty, negligence or other torts, or violation of statute, regulation or common law. It includes disputes involving requests for injunctions, other equitable relief or declaratory relief. However, "Claim" does not include any individual action brought by me in small claims court or my state's equivalent court, unless such action is transferred, removed, or appealed to a different court. **Also, except as provided in the next sentence, it does not include any dispute about the validity, enforceability, coverage or scope of this Arbitration Agreement or any part thereof (including, without limitation, the Class Action and Multi-Party Waivers, the next-to-last sentence in Section T.10, captioned "Survival, Severability, Primacy," and/or this sentence); all such disputes are for a court and not an arbitrator to decide. Notwithstanding the foregoing, the term "Claim" includes any dispute about the validity or enforceability of this Note as a whole.**

If there is an arbitration agreement in place (a "Prior Arbitration Agreement") governing a prior promissory note from me (a "Prior Note"), "Claim" also includes all disputes relating to the Prior Note to the same extent it would apply to disputes relating to this Note. If I do not reject this Arbitration Agreement, any such Claim will be governed by this Arbitration Agreement rather than the Prior Arbitration Agreement. If I reject this Arbitration Agreement, the Claim will be governed by the Prior Arbitration Agreement, provided that, if I never had the chance to reject the Prior Arbitration Agreement and no demand for arbitration has been previously made, my rejection of this Arbitration Agreement will also serve as my rejection of the Prior Arbitration Agreement.

5. **STARTING AN ARBITRATION:** To initiate or require an arbitration, you or I must give written notice of an election to arbitrate. This notice may be given after a lawsuit has been filed and may be given in papers or motions in the lawsuit. If such a notice is given, the Claim shall be resolved by arbitration under this Arbitration Agreement and the applicable rules of the Administrator then in effect. The arbitrator will be selected under the Administrator's rules, except that the arbitrator must be a lawyer with at least ten years of experience or a retired judge, unless you and I agree otherwise.
6. **LOCATION AND COSTS:** Any arbitration hearing that I attend will take place in a location that is reasonably convenient to me. You will consider (and generally honor) any good faith request to bear the fees charged by the Administrator and the arbitrator. You will pay the expense of your attorneys, experts and witnesses, regardless of which party prevails in the arbitration, and you will pay all such fees of mine if I prevail in an arbitration where I am the Claimant (even if you are not required to pay such fees under applicable law). You will also pay all such fees you are required to bear: (a) under applicable law; or (b) in order to enforce this Arbitration Agreement.
7. **DISCOVERY; GETTING INFORMATION:** Either party may obtain from the other party prior to the hearing any information available under the Administrator's rules or any relevant information the arbitrator determines should in fairness be made available.
8. **EFFECT OF ARBITRATION AWARD:** Any state or federal court with jurisdiction and venue may enter an order enforcing this Arbitration Agreement, enter judgment upon the arbitrator's award and/or take any action authorized under the Federal Arbitration Act,

9 U.S.C. §§1 et seq. (the "FAA"). For any arbitration-related proceedings in which courts are authorized to take actions under the FAA, each party hereto expressly consents to the non-exclusive jurisdiction and venue of any state court of general jurisdiction or any state court of equity that is reasonably convenient to me, **provided** that the parties to any such judicial proceeding shall have the right to initiate such proceeding in federal court or remove the proceeding to federal court if authorized to do so by applicable federal law. The arbitrator's award will be final and binding, except for: (1) any appeal right under the FAA; and (2) Claims involving more than \$50,000. For Claims involving more than \$50,000 (including claims where the cost of any requested injunctive or declaratory relief would potentially exceed \$50,000), any party may appeal the award to a three-arbitrator panel appointed by the Administrator, which will reconsider *de novo* any aspect of the initial award that is appealed. The panel's decision will be final and binding, except for any appeal right under the FAA. Costs of any appeal will be governed by Section T.6 above.

9. **GOVERNING LAW:** This Arbitration Agreement is made pursuant to a transaction involving interstate commerce and shall be governed by the FAA, and not by any state law concerning arbitration. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA, applicable statutes of limitation and applicable privilege rules, and shall be authorized to award all remedies permitted by applicable substantive law, including, without limitation, compensatory, statutory and punitive damages (subject to constitutional limits that would apply in court), declaratory, injunctive and other equitable relief, and attorneys' fees and costs. Upon the timely request of either party, the arbitrator shall write a brief explanation of the basis of his or her award. The arbitrator will follow rules of procedure and evidence consistent with the FAA, this Arbitration Agreement and the Administrator's rules.
10. **SURVIVAL, SEVERABILITY, PRIMACY:** This Arbitration Agreement shall survive my full payment of the Note; your sale or transfer of the Note; any legal proceeding to collect a debt owed by me; any bankruptcy or insolvency; any Forbearance or Modification granted pursuant to the Note; any cancellation, or request for cancellation, of the Note or of any or all disbursements under the Note; and any change in the School enrollment status of the Student. If any portion of this Arbitration Agreement cannot be enforced, the rest of the Arbitration Agreement will continue to apply, provided that the entire Arbitration Agreement (other than this sentence) shall be null and void with respect to any Claim asserted on a class, representative or multi-party basis if the Class Action and Multi-Party Waivers are held to be invalid, subject to any right to appeal such holding. In the event of any conflict or inconsistency between this Arbitration Agreement and the Administrator's rules or the Note, this Arbitration Agreement will govern.
11. **NOTICE OF CLAIM; RIGHT TO RESOLVE; SPECIAL PAYMENT:** Prior to initiating, joining or participating in any judicial or arbitration proceeding, whether individually, as a class representative or participant or otherwise, regarding any Claim, the Claimant shall give the other party written notice of the Claim (a "Claim Notice") and a reasonable opportunity, not less than 30 days, to resolve the Claim. Any Claim Notice I send must include my name, address, telephone number and loan or account number. Any Claim Notice must explain the nature of the Claim and the relief that is demanded. I may only submit a Claim Notice on my own behalf and not on behalf of any other party. The Claimant must reasonably cooperate in providing any information about the Claim that the other party reasonably requests. If: (i) I submit a Claim Notice in accordance with this paragraph on my own behalf (and not on behalf of any other party); (ii) you refuse to provide the relief I request; and (iii) an arbitrator subsequently determines that I was entitled to such relief (or greater relief), the arbitrator shall award me at least \$10,000 (not including any arbitration fees and attorneys' fees and costs to which I may be entitled under this Arbitration Agreement or applicable law) and will increase the attorneys' fees you are required to pay on my behalf by an amount equal to the less of \$10,000 or 50% of the attorneys' fees otherwise payable by you.

NOTICE TO MARRIED WISCONSIN RESIDENTS

Spouses of married Wisconsin residents must read the Promissory Note and then sign below to acknowledge having actual knowledge of the credit being extended under this Note and having waived the notice requirements of Wisconsin Statute Section 766.56(3)(b).

☐ Borrower Married

☐ Cosigner Married

(Name of Wisconsin Borrower)

(Social Security Number of Wisconsin Borrower)

(Printed Name of Wisconsin Borrower's Spouse)

(Signature of Wisconsin Borrower's Spouse) _____
(Date)

(Name of Wisconsin Cosigner)

(Social Security Number of Wisconsin Cosigner)

(Printed Name of Wisconsin Cosigner's Spouse)

(Signature of Wisconsin Cosigner's Spouse) _____
(Date)

Smart Option Student Loan

(Name of Loan Program)

SALLIE MAE

(Name of Lender)

Cosigner: Please sign, date, and return an original of this notice to:

Sallie Mae • P.O. Box 9435 • Wilkes-Barre, PA 18773-9435

