



# 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](http://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	\$ 32,834.00
B. Estimated financial assistance for the period of enrollment covered by the loan	\$ 0.00
C. Difference between amounts A and B	\$ 32,834.00

**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 UNIVERSITY OF KANSAS, LAWRENCE, KS

Applicant Name (last, first, MI) O'BRIEN KYLE J Date of Birth (mm/dd/yyyy) 05 / 30 / 1987

Permanent Street Address 1942 STEWART AVE APT C8

City, State, Zip Code LAWRENCE, KS 66046-2555

Area Code / Telephone Number Home ( ) - Other (913) 538-1488

E-mail Address KOBRIEN15@GMAIL.COM

Period of Enrollment Covered by the Loan (mm/dd/yyyy) From 06 / 04 / 2013 to 07 / 26 / 2013

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 KYLE J O'BRIEN Date (mm/dd/yyyy) 05/01/2013

59E9A7225C2AEE0E984A2DB51A47A24A



## 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](http://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



Customer ID Number: 9599623286

Application: 1SCL1205  
Prom Note: 3SCL1304

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

900905

Social Security Number <b>515-92-3739</b>		Last Name <b>O'BRIEN</b>		First Name <b>KYLE</b>		MI <b>J</b>	
Primary Phone Number <b>(913) 538-1488</b> <input type="checkbox"/> Home <input checked="" type="checkbox"/> Cell		Secondary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell		E-mail address <b>KOBRIEN15@GMAIL.COM</b>		Date of Birth <b>05-30-1987</b>	
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) <b>1942 STEWART AVE APT C8</b>				City <b>LAWRENCE</b>		State <b>KS</b>	
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	
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	
Repayment Option <b>Interest Only</b>		Rate Type <b>Variable</b>		School Name <b>UNIVERSITY OF KANSAS</b>		School City <b>LAWRENCE</b>	
Degree/Certificate of Study <b>Doctor of Laws</b>		Major (Course of Study) <b>LAW</b>		Anticipated Graduation/Completion Date <b>05-15-2014</b>		Enrollment Status <input checked="" type="checkbox"/> Full Time <input type="checkbox"/> Half-Time <input type="checkbox"/> Less Than Half-Time	
Requested Loan Amount <b>\$ 12,000.00</b>		Cumulative GPA <b>3.1</b>		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) <b>06-04-2013</b> To (mm/dd/yyyy) <b>07-26-2013</b>	
Employment Status <b>Not Employed</b>		Current Employer Name		Occupation		Work Phone Number	
						Extension	
						Length of Time at Current Employer Years <b>0</b> Months <b>0</b>	

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 <b>415</b>	

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. References must have a U.S. address.

Last Name <b>O'BRIEN</b>		First Name <b>EVAN</b>		Relationship to Student <b>BROTHER</b>	
Address <b>11512 HEMLOCK ST</b>		City <b>OVERLAND PARK</b>		State <b>KS</b>	
		Zip Code <b>66210-2444</b>		Primary Phone Number <b>(913) 710-8802</b>	
Last Name <b>WISE</b>		First Name <b>MICHAEL</b>		Relationship to Student <b>FRIEND</b>	
Address <b>1942 STEWART AVE APT 19E</b>		City <b>LAWRENCE</b>		State <b>KS</b>	
		Zip Code <b>66046-2537</b>		Primary Phone Number <b>(913) 620-2431</b>	

## Section B: Cosigner Information

Social Security Number <b>510-72-0839</b>		Last Name <b>O'BRIEN</b>		First Name <b>TIMOTHY</b>		MI <b>M</b>	
Primary Phone Number <b>(913) 433-4928</b> <input type="checkbox"/> Home <input checked="" type="checkbox"/> Cell		Secondary Phone Number <b>(913) 338-4064</b> <input checked="" type="checkbox"/> Home <input type="checkbox"/> Cell		E-mail address <b>TOBRIENFAMILY@GMAIL.COM</b>		Date of Birth <b>08-05-1958</b>	
Citizenship (select one) <input checked="" type="checkbox"/> U.S. Citizen <input type="checkbox"/> Non-Citizen Permanent US Resident						Relationship to Student <b>Parent</b>	
Permanent Address (Street Address only-No P.O. Boxes allowed) <b>11512 HEMLOCK ST</b>				City <b>OVERLAND PARK</b>		State <b>KS</b>	
Previous Address (if you have been at your permanent address less than one year, please provide prior address)				City		State	
						Zip Code	
Employment Status <b>Employed FT</b>		Current Employer Name <b>UNITED STATES COURTS</b>		Occupation <b>Attorney</b>		Work Phone Number <b>(913) 735-2222</b>	
						Extension	
						Length of Time at Current Employer Years <b>5</b> Months <b>1</b>	

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 \$ <b>164,000.00</b>		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 <b>\$ 4,500.00</b> Other Savings/Assets <b>\$ 309,000.00</b>				Residence Type <input checked="" type="checkbox"/> Own <input type="checkbox"/> Rent <input type="checkbox"/> Other				Monthly Mortgage/Rent Amount	

## Section C: Student and Cosigner Signature

<b>CAUTION – IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT</b>		<b>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.</b>		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. <b>Promise to Pay:</b> 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.	
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KYLE J O'BRIEN  
Student Signature 59E9A7225C2AE0E984A2DB51A47A24A (seal) Date 05/01/2013

Timothy M O'Brien  
Cosigner Signature 298AF24135FD88441AF35927AE49E0F5(seal) Date 04/28/2013

OLA\_SWIS

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# Smart Option Student Loan Promissory Note – 3SCL1304/3SOL1304

**Read the Arbitration Agreement in Section R and the Federal and State Law Notices in Section S before signing this note.**

In this Promissory Note ("Note") the words "I," "me," "my," "mine" and "we" mean the borrower and any cosigner who signed the application, unless the language specifically refers to only one or the other. "You," "your," and "yours" mean the lender listed below, any subsequent holder of this Note, and any servicer or agent acting on behalf of the lender or holder. "School" means the school I identified in the loan application. "Student" means the borrower whose education costs have been or will be paid for by this loan.

Lender: SALLIE MAE

SALT LAKE CITY UT

## A. PROMISE TO PAY; JOINT AND SEVERAL LIABILITY; BILLING STATEMENTS

1. **Promise to Pay** – I promise to pay you, according to the terms of this Note, the sum of: (1) the Requested Loan Amount on the application, to the extent it is advanced to me, or on my behalf (the "Loan Amount"); (2) other interest, fees and charges accrued or capitalized on the Loan Amount as described in this Note; and, (3) in the event of default, reasonable attorney's fees, collection agency fees, court costs and other collection costs, to the extent permitted by law.
2. **Joint and Several Liability** – **Each borrower and cosigner is jointly and severally responsible for repaying the full amount owed under this Note. You may sue to collect the full amount owed under this Note from any borrower or cosigner, in any order you wish, without waiving your rights to collect the full amount owed under the Note from any other borrower or cosigner.**
3. **Billing Statements and Billing Cycles** – You may send the Student 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 billing cycle may vary. Billing cycles will be determined by the payment due dates shown on the Smart Option Student Loan Final Disclosure.

## 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" and the amounts added are called "Capitalized Interest, Fees and Other Amounts." **Since interest accrues on the outstanding principal balance, capitalizing increases the total cost of this loan.**
2. **Disbursement Date** – The date shown on the loan check or the date the loan funds are electronically transferred to the School.
3. **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.
4. **Additional Terms** – The terms "Interest," "Forbearance Fee," "Deferment Fee," "Late Charge," "Supplemental Fee," "Returned Check Charge," "Default" and "Collection Costs" are defined in the Note sections so titled. "Fixed Rate," "Variable Rate," "Rate," "Index," and "Margin" are defined under Section C, Interest, of this Note. "Graduated Repayment Period" is defined under Section D, Terms of Repayment, of this Note.

## C. INTEREST

1. **Rate Type and Accrual of Interest** – The Disclosure will tell me if the interest rate on this loan (the "Rate") is a Fixed Rate or a Variable Rate. Interest will accrue at that Rate, on the principal balance advanced and on Capitalized Interest, Fees and Other Amounts, beginning on the first Disbursement Date and continuing until all amounts due are paid in full.
2. **Fixed Rate** – If this loan has a Fixed Rate, then the interest rate will not change.
3. **Variable Rate** – If this loan has a Variable Rate, then the interest rate may change. 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. A New York business day is 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. 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 London business day is 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.
4. **Substitute Source and Substitute Index (for Variable Rate loans)** – 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** – The Disclosure will set forth the repayment schedule for my loan with the payment due dates and estimated payment amounts. The repayment schedule will assume that the Student graduates on time and that I make all payments on time.
2. **In School and Separation Period Repayment Options** – Several repayment options may be available while the Student is in School and during a separation period of six billing cycles thereafter. Depending on the School, 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 loans with the Fixed Payment and Deferred Payment 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 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 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 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. For details regarding enrollment requirements, call 1-888-272-5543.
4. Graduated Repayment Period (GRP) – GRP is available for loans that first disburse on or after July 1, 2013 to finance academic periods that begin on or after July 1, 2013 at a degree-granting institution. I may request GRP only during the two months immediately preceding and the two months immediately after the loan would normally begin requiring principal and interest payments (typically six months after graduation). To be eligible, the Student must graduate from a degree-granting institution. Students who withdraw without graduating and then later return to school after the loan terms begin requiring principal and interest payments are ineligible, even if they subsequently graduate. At the time of the request, this loan must be current, and payments must not have been more than 30 days late on this or any other Sallie Mae serviced loan during the 24 months preceding the request for GRP or more than 90 days late on this or any other Sallie Mae serviced loan at any time. If you, in your sole discretion, permit GRP, I will be required to make interest only payments during the 12-month GRP. The GRP does not extend the term, and will result in higher principal and interest payments and increased total loan cost. If you grant my request, you will notify me in writing of my new repayment terms.
5. Rate Changes, Billing Cycles, and Payments – The amount of interest that accrues during any billing cycle may differ from the amount of the interest portion of the payment shown on my Disclosure. That may happen because the length of each billing cycle may be different (See Section A.3., above) and, if this loan has a Variable Rate, my interest rate may change on the Change Date each month (see Section C.3., above). As a result, the payment that you will require me to make may differ from 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.
6. 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 the principal and interest and any other fees, charges, and costs I may owe under this Note.
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 at least \$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.
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 Deferment – If at any time after the separation period, you are notified that the Student has 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 (“In-School Deferment”), for a maximum period of time set by you. If at any time after the separation period the Student returns to school, I may request and you, at your sole discretion, may grant me an In-School Deferment, for a maximum period of time set by you. If I receive an In-School 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 Deferment – If at any time after the separation period the Student is enrolled in a residency or internship program, I may request and you at your sole discretion may grant me a Residency or Internship Deferment, for a maximum period of time set by you. If I receive a Residency or Internship 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 a Deferment Fee, even if the Deferment is not granted. The Deferment Fee, if any, will be disclosed to me before it is assessed.
3. Hardship or Other Forbearance – The borrower or cosigner may, at any time, unilaterally request a Forbearance without notice to or consent from the other, 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 before 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 a Forbearance, I agree to pay a Forbearance Fee, even if the Forbearance is not granted. The Forbearance Fee, if any, will be disclosed to me before it is assessed. You will capitalize unpaid accrued interest at the end of any such Forbearance Period. **If you approve a Forbearance, I understand that you will cancel all future loan disbursements.**
4. Waiver if Student Dies or Becomes Totally and Permanently Disabled – If the Student dies or becomes totally and permanently disabled and if documentation acceptable to you which evidences the Student’s death or disability is submitted to you, you will waive the remaining balance of this loan. A waiver request must be made to you and be accompanied by a death certificate if the Student dies, or by a physician’s statement if the Student is totally and permanently disabled, as well as by such other information or documentation as you may require. The disability waiver review process may take up to 12 months from the date you receive a completed disability application and the final determination will be made by you in your sole discretion. Payments on this loan must be made up until the time you approve the waiver. I understand that interest will continue to accrue while you are reviewing any request 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 payments on this loan. Totally and permanently disabled means the inability to work in any occupation due to a condition that began or deteriorated after the date of the Disclosure and that is expected to be permanent. I must send you any tuition refund I receive from the School so that you may apply it 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 accrued fees, charges and costs. 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, which will be part of 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 – No Supplemental Fee is charged at the end of the separation period, upon total repayment of my loan, or upon an event described in Section K. This will be reflected on my Disclosure, where there will not be any amount disclosed as the “Fee when you begin repaying the loan” (here “you” means the borrower and cosigner(s)).
3. When Earned – 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

I will pay a Returned Check Charge for each payment made on my loan that is returned or refused for any reason. The Returned Check Charge applies to any payment that is returned, not just payments made by check. The amount of the Returned Check Charge will be identified on my Disclosure.

## I. CHARGES FOR OPTIONAL SERVICES

I will pay the fee for any optional service that I request and that you agree to provide to me. 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; PAY IN ADVANCE FEATURE

I have the right to prepay all or any part of my loan at any time without penalty. If I prepay all of my loan, I will not be entitled to a refund of any finance charge. If I prepay part of my loan, any 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 before any payment is due, or unless I call you and ask you to apply the excess to the principal balance of my Loan. For details regarding this “pay in advance” feature, or to have any payment in excess of the amount due applied to the principal balance of your loan instead, call 1-888-272-5543.

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

1. Default – Subject to applicable law, you may declare my loan in default if: (a) I fail to make any payment to you when due; or (b) I fail to provide a notice required in Section O.14 on time; or (c) I break any of my other promises in this Note; or (d) Any bankruptcy proceeding is begun by or against me, even if there is no attempt to discharge this loan in the proceeding, or I assign any of my assets to or for the benefit of my creditors; or (e) I make any false written statement in applying for this loan or at any time thereafter; or (f) Any cosigner dies; or (g) 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.

IDAHO, IOWA, KANSAS, MAINE and SOUTH CAROLINA RESIDENTS ONLY: You may declare my loan in default only if: (a) 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 (b) the prospect of my payment or performance is significantly impaired (for Iowa residents, if, following an event described above, the prospect of my payment is materially impaired). The burden of establishing the prospect of such impairment is on you.

WISCONSIN RESIDENTS ONLY: You may declare my loan in default only if: (a) I permit to be outstanding an amount exceeding one full payment which has remained unpaid for more than 10 days after its scheduled due date or deferred due date, or if 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) I fail to observe any other provision of this Note, the breach of which materially impairs my ability to pay the amounts due under this Note.

2. Whole Loan Due; Interest Rate After Default – If you declare my loan in default, 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 Rate applicable to this loan prior to default. If this loan has a Variable Rate, it 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, collection agency fees, court costs (including fees and costs incurred in any appellate or bankruptcy proceeding), and other collection costs that you incur in enforcing the terms of this Note (collectively, “Collection Costs”).

- M. 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 rights 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.

## N. WHEN BOUND; RIGHTS TO CANCEL

1. When Bound – I understand that when you accept the 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, I may cancel this Note and all disbursements by following the instructions set forth in the Disclosure.
3. Your Right to Cancel this Note – 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 will not attend the School or that the proceeds of the loan are no longer needed to meet the education costs of the Student at the School.
4. Your Right to Cancel Future Disbursements – You may cancel any future disbursement, without advance notice to me, if:
  - (a) the Student 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 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 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.

## 0. ADDITIONAL AGREEMENTS

1. Use of Loan Proceeds: Amount Lent – The proceeds of this loan will be used to pay the Student's educational expenses at the School, including living expenses. You have the right to lend an amount less than the Requested Loan Amount 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. Assignments: Estate Bound – 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. I may not assign this Note or any of its benefits or obligations. The obligations of this Note will be binding on my estate.
3. Governing Law: Statute of Limitations – **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. However, the applicable statute of limitations period for all purposes under this Note (including the right to collect a debt) will be the longer period provided by the law of the State where the Lender is located or the jurisdiction where I live.**
4. 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.
5. Responsibility for Payment: Failure to Receive Coupon Book or Statement; Failure of Automatic Debit – 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. 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.
6. Waivers by Borrower and Cosigner: Consents – I waive any notice of dishonor, notice of protest, presentment, demand for payment, defenses based on suretyship, 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 and renewals of this loan or any loans I have outstanding under the program, to the release of any party liable upon this loan or any other loans I have outstanding under the program, and to any waiver, forbearance, deferment or modification that may be granted by you, all without affecting or releasing any borrower or cosigner from such loans, except as otherwise provided in this Note.
7. Final Agreement: Severability: Limits on Interest, Fees, Charges or Costs – 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. 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. Similarly, 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.
8. 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.
9. Not Dischargeable: Communications About Bankruptcy – **This loan may not be dischargeable in bankruptcy.** 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.
10. Receipt of Copy of Note: Signatures: Copies – I acknowledge that I have received a true and exact copy of this Note. If I return to you only the page of the Note on which my signature appears, such return shall have the same effect for all purposes as the return to you of all pages of this Note. A photocopy, facsimile, electronic or other copy of this Note shall have the same effect for all purposes as this original and a photocopy, facsimile, electronic or other copy of my signature on this note shall be binding on me and shall have the same effect as an original signature.
11. 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.
12. 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.
13. Failure to Attend or Dissatisfaction with Education Program – You do not vouch for or warrant the quality or suitability of any education program. Except as otherwise provided herein, I understand that I must repay this loan even if the Student does not complete or attend the education program paid for with this loan, the Student cannot obtain employment, or if I am dissatisfied with the education program paid for with this loan.
14. Change in Information – I will notify you in writing 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 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.
15. Communications Binding on Borrower and Cosigner – Unless otherwise stated in this Note, 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 you are required to give me will be effective when mailed to the latest address you have for me.
16. 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.**
17. Notices to You – Unless otherwise provided in this Note, I will send any notices to you to Sallie Mae, P.O. Box 9500, Wilkes-Barre, PA 18773-9500.

## **P. 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 I consulted with, or 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, regarding the available financing options under Title IV of the Federal Higher Education Act, including disclosures about any terms and conditions of available federal loans that are more favorable to me, that are required by applicable law.** 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 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 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.
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 certify my eligibility for this or any 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 or other 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. To the extent permitted by law, I also authorize you, your affiliates and your agents to share credit and other information about me, your credit experience with me, as well as copies of the application, this Note, and the Disclosure, and any other information about this loan and my application for this loan, with: each other, credit reporting agencies, the School or its agents, other schools I have attended for which I have taken out a student loan or their agents, any subsequent holder of this Note, or its agents, anyone who referred me to you, and anyone as necessary to fulfill and administer benefits offered on or with this loan. I understand that I will receive a privacy notice, and when required, an affiliate-sharing notice, that will advise me of my rights under applicable law. I also understand that you, your affiliates, and your agents 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 P.

## **Q. 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. If this procedure is used for any other errors, all parties involved will be notified and receive a corrected copy of the changed document.

## **R. 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.

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, certified mail, return receipt requested, within 60 days after the first disbursement of loan proceeds. 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. If I send you a rejection notice, you will give me a credit for the standard cost of a letter sent by certified mail.
2. **IMPORTANT WAIVERS:** If you or I elect to arbitrate a Claim, YOU AND I BOTH WAIVE THE RIGHT TO: (a) HAVE A COURT OR JURY DECIDE THE CLAIM; (b) PARTICIPATE IN A CLASS ACTION IN COURT OR IN ARBITRATION, WHETHER AS A CLASS REPRESENTATIVE, CLASS MEMBER OR OTHERWISE; (c) ACT AS A PRIVATE ATTORNEY GENERAL IN COURT OR IN ARBITRATION; OR (d) 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 (b)-(d) 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 asserts or seeks to assert 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](http://www.adr.org), or JAMS, 620 Eighth Avenue, 34th Floor, New York, NY 10018, [www.jamsadr.com](http://www.jamsadr.com), provided that if the Claimant seeks to assert a Claim on a class of multi-party basis, 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 subsection 2 above). The Claimant will select the Administrator by filing a Claim with the Administrator of that party's choice. (If a Claimant files a lawsuit in court asserting Claim(s) that are subject to arbitration and the other party files a motion to compel arbitration, which is granted, it will be up to the Claimant to commence the arbitration proceeding.) If for any reason the selected Administrator 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 subsection 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, but not limited to, 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; (7) my dealings with the School, the quality of the education the School provides, or any acts or omissions by the School; and (8) any documents, instruments, advertising or promotional materials that contain information about this Note or any associated insurance or other service or product. 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, "Claim" does not include disputes about the validity, enforceability, coverage or scope of this Arbitration Agreement or any part thereof (including, without limitation, this sentence, the Class Action and Multi-Party Waivers, or the last sentence of subsection 11, captioned "Severability"); 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; any such Claim is for the arbitrator, not a court, to decide.**

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. **ELECTING OR REQUIRING ARBITRATION:** The Claimant may elect arbitration of a Claim by initiating an arbitration in accordance with the Administrator's rules. The other party may require arbitration by giving written notice of a demand 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. It will be up to the Claimant to commence the arbitration proceeding. 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 near my residence or the School campus that I attended or in another location agreed to by you and 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 reasonable and actual expense of your attorneys, experts and witnesses, regardless of which party prevails in the arbitration, and you will pay all such reasonable and actual 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 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. 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. **SEVERABILITY:** If any portion of this Arbitration Agreement cannot be enforced, the rest of the Arbitration Agreement will continue to apply. However, 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.
12. **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 \$7,500 plus any arbitration fees and attorneys' fees and costs to which I may be entitled under this Arbitration Agreement or applicable law.

## S. FEDERAL AND STATE NOTICES

1. **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" means 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 9500, Wilkes-Barre, PA 18773-9500. 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 you have been the victim of identity theft, submit an identity theft affidavit or identity theft report.**

I understand that the following notice is required by federal law:

**Late payments, missed payments, or other defaults on my account may be reflected in my credit bureau report.**

2. **State Notices** – I understand that the following notices are required 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.

**LOAN SALE NOTICE TO ALL BORROWERS AND COSIGNERS:** 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. No such sale will result in any change to the loan terms or in 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.

**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.

**NEW JERSEY RESIDENTS ONLY:** The section headings of the Note are a table of contents and not contract terms. Portions of this Note with reference 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 in 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.

**VERMONT RESIDENTS ONLY:** For purposes of this notice, the words "you" and "your" mean 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.

## 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**

