

Vermont Advantage Student Loan 2022/2023 Credit Agreement

In this Application/Credit Agreement, the words “I,” “me,” “my,” and “mine” mean each of the Borrower or Cosigner, as applicable and/or where the context requires; the words “we,” “us,” and “our” mean both the Borrower and Cosigner, as applicable and/or where the context requires. “VSAC,” and the words “you,” “your,” and “yours,” mean the Vermont Student Assistance Corporation, its agents, successors and assigns, and any subsequent holder of this Agreement.

Important Consents and Notices:

Note: Please see the definitions of key words and phrases, below, in Section C.

By submitting this form, The Borrower and Cosigner each agree that Vermont Student Assistance Corporation (“VSAC”) and its agents, service providers, and assignees may monitor and record telephone calls regarding my loan to assure the quality of VSAC services or for other reasons. We agree that VSAC may call each of us, using an automatic telephone dialing system or otherwise, leave either of us a voice, prerecorded, or artificial voice message, or send us a text, email, or other electronic message for any purpose related to the servicing and collection of this loan with VSAC (each a “Communication”). We each agree that VSAC may send a Communication to any telephone numbers, including cellular telephone numbers, or e-mail addresses we provided to VSAC in connection with the origination of this Agreement or at any time in the future. We acknowledge and confirm that we have the authority to provide the consent because we either are the subscriber of the telephone number(s) or the non-subscriber customary user who has authority to provide the consent. Each of us also agrees that VSAC may include our personal information in a Communication. We agree that VSAC will not charge us for a Communication, but our service providers may. In addition, we understand and agree that VSAC may always communicate with either the Borrower or Cosigner in in any manner permissible by law that does not require prior consent.

NOTICE TO CONSUMER: A consumer report may be requested in connection with this application for credit or any future update, renewal or extension of such credit. Upon request, the Borrower and/or Cosigner will be informed whether or not a consumer report was requested. If a report was requested, the Borrower and/or Cosigner will be informed of the name and address of the consumer reporting agency that furnished the report.

NOTICE REGARDING INACCURATE INFORMATION:

As a participant in the consumer credit reporting system, VSAC furnishes information about VSAC’s experience with the Borrower and Cosigner to consumer reporting agencies. These consumer reports allow VSAC to make credit and other opportunities available to customers. If the Borrower or Cosigner believes that VSAC has furnished information to a consumer reporting agency that is inaccurate, please notify VSAC using one of the following methods shown below and specify the information that is inaccurate.

Mail: VSAC, P.O. Box 999, Winooski, VT 05404-0999

E-mail: info@vsac.org

Phone: 800-798-8722 or 802-655-4050

CREDIT AGREEMENT

Repayment options:

Principal and Interest repayment option. If this repayment option is selected, I must make payments of both principal and interest beginning after the final Disbursement Date for this Loan, and continuing for the entire term of the Loan. We will not be able to defer repayment of this Loan while the Borrower is in school if this option is selected. The interest rate for this option is 4.99%.

Interest Only repayment option. If this repayment option is selected, I must make payments of interest only beginning after the final Disbursement Date for this Loan, and continuing while the Borrower is in school. Under this repayment option, after the Borrower leaves school or is not continuously enrolled on an at least a half-time basis, I must make monthly payments of principal and interest over the remaining term of the Loan. The interest rate for this option is 6.60%.

Deferred repayment option. If this repayment option is selected, and VSAC approves the selection, repayment of this Loan will be deferred while the Borrower is in school and interest will accrue on the Loan during that time. Under this repayment option, after the Borrower leaves school or is not continuously enrolled on an at least a half-time basis, I must make monthly payments of principal and interest over the remaining term of the Loan. The interest rate for this option is 7.40%. We understand and agree that selecting the Deferred repayment option is subject to both VSAC’s approval and to the availability of funds so designated by VSAC. I understand that VSAC does not guarantee that funds for the Deferred repayment option will be available when our Loan application is submitted. If I apply for the Deferred repayment option, and the funds are not available, I understand that the Loan will not be approved, and the Borrower may then choose to re-apply for a Loan with a different Loan repayment option. For more information about these repayment options, see Section E, “Interest,” below.

We understand and agree that after this Application/Credit Agreement is submitted, no one may change the selected repayment option.

Cosigner Obligated to Repay Loan. If I am signing this Agreement as Cosigner, I understand and agree that I am jointly and severally responsible for repayment of the Loan under any of the above repayment options chosen by the Borrower, and that VSAC may seek to enforce this Agreement against me before or after attempting to collect from the Borrower.

Vermont Advantage Student Loan 2022/2023 Credit Agreement

Terms and Conditions:

A. Promise to Pay: Each of the Borrower and Cosigner promises to pay to you, according to the repayment option that the Borrower has selected, the total principal sum of the Loan, to the extent that it is disbursed and as shown on the Final Disclosure Statement, as it may be amended; interest on such principal sum (including any prepaid finance charge or Loan Origination Fee); interest on any unpaid interest added to the principal balance; Late Payment Fees, and other fees, charges and costs according to the selected repayment option as provided in this Agreement and the related Final Disclosure Statement. We understand and agree that VSAC may make multiple disbursements to the School on the Borrower's behalf, and that VSAC may disburse a lesser amount than that which the Borrower had originally requested based on information that VSAC receives from the School or otherwise.

B. How to Request a Loan for Qualified Education Expenses and Agree to its Terms: Simply by receiving this signed Application, VSAC is not agreeing to make a loan. VSAC has the right not to make a loan, or to lend less than the Borrower's Requested Loan Amount, based on eligibility of the Borrower and Cosigner at the time that the application is submitted and to cancel any disbursement at any time if we are in default of this Agreement or if we are no longer eligible for this Loan. If you decide to make a Loan, VSAC will electronically transfer the Loan funds to the School or mail a Loan check to the School. We agree to a disbursed amount that is less than the Requested Loan Amount if the School certifies less than the Requested Loan Amount.

This Agreement is for a Vermont Advantage Student Loan ("Loan"), a non-federal education loan from VSAC acting as a governmental instrumentality of the State of Vermont pursuant to Chapter 87 of Title 16, V.S.A. The maximum amount of this Loan is based on the School's certification of the Borrower's cost-of-attendance minus aid eligibility but will not exceed the Requested Loan Amount on this Agreement plus any Loan Origination Fee. Approval of this Loan is contingent on the Cosigner meeting VSAC's credit criteria, certification of the Borrower's academic and enrollment status at an eligible School, and the Borrower's submission of a completed Private Education Loan Applicant Self-Certification.

To be eligible for this Loan, the Borrower must be eligible for federal student aid and must file a Free Application for Federal Student Aid (FAFSA). The disbursed Loan funds must be used for qualified higher education expenses for the School that certifies the Loan and for the time period for which the amount is certified. Qualified higher education expenses are limited to tuition, room, board, fees, books, supplies and equipment and transportation expenses.

By preparing and electronically signing this Agreement and submitting it to VSAC, we are requesting that VSAC make this Loan in the Requested Loan Amount plus any Loan Origination Fee (as defined below in Section D), with the selected repayment option and on the terms set forth in this Agreement. If VSAC decides to make this Loan, VSAC provides us with an Approval Disclosure Statement upon approval of our Application. The Approval Disclosure Statement includes the amount of the approved Loan, the length of the Repayment Period, the selected repayment option, the interest rate, the amount of the Loan Origination Fee, if any, the date by which the Borrower must accept the Loan offer that VSAC has made and other important information. The Borrower and Cosigner show their agreement to the terms of the Loan as set forth in the Approval Disclosure Statement by accepting the Loan offer in the manner specified in the Approval Disclosure Statement. After we accept the Loan offer and all certifications have been submitted, VSAC provides us a Final Disclosure Statement. The Final Disclosure Statement includes the actual amount of the approved Loan, the length of the Repayment Period, the selected repayment option, the interest rate, the amount of any Loan Origination Fee, instruction on how to cancel this Loan and other important information. The Final Disclosure Statement is incorporated herein by reference.

C. Definitions:

Agreement: This Application/Credit Agreement setting forth the terms applicable to this Loan. The term "Agreement" also includes the Application, the Final Disclosure Statement, the state and federal Cosigner Notices and the monthly Loan billing statements.

Application: The written or electronic application requesting that VSAC make a Loan.

Approval Disclosure Statement: The closed-end disclosure statement provided to us at the time that VSAC approves the Application, as required by the federal Truth-in-Lending Act.

Disbursement Date: The date on which VSAC lends money to us in consideration for this Agreement and the date or dates of the Loan check or electronic funds transfer.

Enrollment Period: If either the Interest Only payment option or the Deferred payment option has been selected and approved, this Loan will have an Enrollment Period. The Enrollment Period will begin on the first Disbursement Date and end on the date when the Borrower is no longer continuously enrolled in the School on at least a half-time basis.

Final Disclosure Statement: The closed-end disclosure statement provided to us before the Loan proceeds are disbursed as required by the federal Truth-in-Lending Act.

Forbearance Period: A short-term postponement or reduction of payments during financial difficulty offered at VSAC's sole discretion, and for not more than a total of 24 total months during the entire Repayment Period.

Loan: All principal sums disbursed, as may be designated by VSAC, including any Loan Origination Fee, plus interest on such principal sums, interest on any capitalized interest, and other charges and fees that may become due as provided in this Agreement.

Private Education Loan Applicant Self-Certification: The form required by Section 155 of the Higher Education Act of 1965 and Section 128(e)(3) of the Truth in Lending Act.

Repayment Period: If the Principal and Interest repayment option has been selected, the Repayment Period will begin no later than 45 days after the final Disbursement Date. If the Interest Only payment option has been selected or the Deferred payment option has been selected and approved by VSAC, the Repayment Period will begin no later than 45 days after the Enrollment Period ends. The Repayment Period will end on a date that is a) if the Loan was certified and approved for an amount of less than \$10,000, not including any Loan Origination Fee, 120 months after the day that the Repayment Period begins; or b) if the Loan was certified and approved for an amount of \$10,000 or more, not including any Loan Origination Fee, 180 months after the day that the Repayment Period begins.

Vermont Advantage Student Loan 2022/2023 Credit Agreement

School: The school identified on the Application and eligible for the Vermont Advantage Program under VSAC's program standards.

D. Origination Fee: The Borrower and Cosigner agree to pay VSAC the Loan Origination Fee, if any, shown on the Final Disclosure Statement each time that Loan proceeds are disbursed. The amount of the Loan Origination Fee will range from 0% to 5% of the approved Loan amount, will depend on the creditworthiness of the Cosigner, and will be added proportionately to each disbursement. We understand the Loan Origination Fee is refundable only if a disbursement is canceled or repaid in full within 120 days of disbursement.

E. Interest:

1. **Accrual:** Interest on this Loan accrues at the fixed rate described below. Interest begins to accrue on the first Disbursement Date and continues to accrue until the principal is paid in full. Interest accrues on the unpaid principal sum to the extent it is disbursed, and on the unpaid accrued interest added to the principal balance at the beginning of the Repayment Period and at the end of any Forbearance Period or Enrollment Period if VSAC chooses to capitalize interest at the end of that Forbearance Period or Enrollment Period. Interest is calculated on the basis of the actual number of days in the year and the actual number of days elapsed including holidays and days on which VSAC is not open for business. **If neither the Borrower nor the Cosigner pays any interest to VSAC before the end of a Forbearance Period or Enrollment Period, such interest will be capitalized and added to the Loan's principal balance.**

2. **Capitalization:** VSAC may add all accrued and unpaid interest to the principal balance of the Loan on the final Disbursement Date and the last day of any Enrollment Period and Forbearance Period. The resulting sum is thereafter considered the principal, and interest will accrue on the new principal balance.

3. **Fixed Interest Rate:** This Loan has a Fixed Interest Rate. The Fixed Interest Rate applicable to the Loan depends on the repayment option selected for the Loan. If the Principal and Interest repayment option is selected, the interest rate is **4.99%**. If the Interest Only payment option is selected, the interest rate is **6.60%**. If the Deferred repayment option is selected (and VSAC approves the selection), the interest rate is **7.40%**. Under each option, the Final Disclosure Statement will disclose the Loan's actual interest rate.

4. **ANNUAL PERCENTAGE RATE ("APR").** The APR for the Loan will be disclosed on the Final Disclosure Statement. The APR may be higher than the Fixed Interest Rate described above because the APR calculation will include the Loan Origination Fee as well as the rate at which interest accrues.

F. Repayment: Each of the Borrower and Cosigner is obligated to repay the full amount of the Loan and accrued interest.

1. **Enrollment Period.** If the Deferred payment option has been selected and approved, we may make, but are not required to make, payments of interest or principal during the Enrollment Period. VSAC will add any interest not paid during the Enrollment Period to the principal amount of the Loan as described in Paragraph E.2. If the Interest Only repayment option has been selected, we will make monthly payments of interest only beginning within 45 days of the final Disbursement Date and ending at the end of the Enrollment Period (the "Interest Only Period"). Required payments during the Interest Only Period will equal the amount of interest that has accrued on the outstanding balance of the Loan at the Fixed Interest Rate and as shown on the monthly Loan billing statements.

2. **Forbearance Period.** During any Forbearance Period, we may make additional payments of interest or principal above what may be required as a condition of the Forbearance. VSAC will add any interest that we do not pay during a Forbearance Period to the principal balance of the Loan, as described in Paragraph E.2

3. **Repayment Period.** The required monthly principal and interest payment will be established when the Repayment Period begins based on the terms of this Agreement. During the Repayment Period, we will make monthly payments by the payment due dates shown in the Final Disclosure Statement, as may be amended. The monthly payment amount will equal the amount necessary to amortize (completely repay) the Loan over the Repayment Period. VSAC will notify us of the actual repayment schedule including payment amount(s) and due dates when the Repayment Period begins. If accrued unpaid interest is capitalized during the Repayment Period, and/or if payments are not made on time, VSAC will recalculate the monthly payment amount, as necessary, to equal the amount required to amortize (completely repay) the Loan balance over the remaining Repayment Period.

The Borrower and Cosigner each agree that in VSAC's sole discretion it may grant Forbearance to me and the Cosigner for purposes of aligning payment dates on this Loan with the Borrower's other VSAC loans or to eliminate a delinquency that persists even though the scheduled payments are being made. Both the Borrower and Cosigner must sign any requests for a change in the terms or payment amounts on this Loan.

4: Allocation of Payments. a. In General. Except as provided below in this Section 4, if we have more than one VSAC loan, we agree that VSAC may make proportionate allocations of any Loan payments from the Borrower across all of the Borrower's VSAC Loans unless any of the loans are delinquent or unless other clear, written instructions agreeable to VSAC are submitted with the payment. We also agree that VSAC may make proportionate allocations of any Loan payments from the Cosigner across all of the Borrower's VSAC Loans for which the Cosigner has cosigned, unless any of those cosigned loans are delinquent or unless other clear, written instructions agreeable to VSAC are submitted with the payment.

b. Prepayments: We may prepay all or part of the unpaid balance on this Loan at any time without penalty. A prepayment is any payment on a Loan in an amount greater than the regular monthly payment. If we make a prepayment when all of the Borrower's Loans are current (no past due payments of interest or principal), the prepayment will be prorated across all of my Loans and applied first to any outstanding fees, then to accrued interest and then to principal. A prepayment that is large enough to cover the amount due on the next regular monthly payment date of any of the Borrower's Loans will be credited against and advance the next regular monthly payment(s) due, unless otherwise expressly requested in writing.

c. Partial Payments: We agree that if we make a regular monthly payment that is less than the amount owed, the partial payment will be applied first to any of the Borrower's past due Loans, starting with the most delinquent Loan, and then applied proportionately to current Loans. For each Loan, payments will be applied to outstanding fees, then to accrued interest and then to principal.

G. Late Payment Fee; Returned Payment Fee: If any part of a monthly payment remains unpaid for a period of more than 15 days after the payment due date, a late fee of 6% of the payment will be due. We will also pay a returned payment fee to reimburse VSAC's cost but not more than \$10.00 for each Loan payment returned for any reason, including but not limited to insufficient funds or a stop payment order.

Vermont Advantage Student Loan 2022/2023 Credit Agreement

H. Privacy and Information Sharing:

1. VSAC may report information about the Borrower's and the Cosigner's repayment on this Loan account to credit bureaus. Late payments, missed payments or other defaults on the account may be reflected in our credit reports.

2. We authorize VSAC or any holder of this Agreement, or its agents, to investigate the Borrower's and/or Cosigner's credit record and report information concerning the Loan repayment status of either or both to proper persons and organizations, and to obtain our credit reports.

3. We authorize the release of information pertinent to this Loan to: (a) the Borrower's School, the current holder of this Loan, or its agents, to the Borrower and Cosigner, and to members of the immediate family of either unless the Borrower or Cosigner submits written directions otherwise; and (b) by and among the Borrower's Schools, lenders, subsequent holders, the U. S. Department of Education (the Department) and their agents.

4. We authorize VSAC or any holder of this Agreement, or its agents, to request and receive any information from the Borrower or Cosigner relating to origination, processing, servicing, and collection of payments of the Loan, to the extent permitted by law. We authorize VSAC to share Borrower and Cosigner Loan-related information with each other.

I. Default: We understand and agree that if one or any combination of the following occurs, at VSAC's option this Loan will be in default and VSAC will have the right to notify us that the whole outstanding principal balance, accrued interest, and all other amounts due to VSAC hereunder are due and payable at once:

1. Any payment to VSAC is not made when due;

2. We fail to notify VSAC of a change in Borrower's or Cosigner's name or address within ten days after a change occurs;

3. The Borrower fails to enroll at least half time at the School which certified this Loan for the Loan period certified or fails to notify VSAC of a change in school enrollment status within 10 days after a change occurs;

4. Any bankruptcy proceeding is begun by or against the Borrower, or the Borrower or Cosigner assigns any assets for the benefit of the Borrower's or Cosigner's creditors;

5. Either the Borrower or the Cosigner makes any false statement to VSAC in applying for this Loan or at any time thereafter;

6. Either the Borrower or Cosigner breaks any promise made to VSAC in this Agreement or in any other agreement with VSAC;

7. Either the Borrower or Cosigner is no longer eligible for this Loan in any respect; or

8. The Cosigner declines to cosign this Loan.

If this Loan goes into default, VSAC will report this to national credit bureau organizations; this may significantly and adversely affect the credit history of the Borrower and Cosigner. This may adversely affect the ability to obtain credit in the future. If we default or are delinquent on payments owed for this Loan, we understand that VSAC has the authority to take and offset Vermont state income tax refunds.

J. Collection Costs: If we default on this Loan, we will pay reasonable collection fees and costs, court costs and attorney fees, plus any applicable collection commission paid by VSAC to a third-party collection agent.

K. Loan Discharge: We acknowledge that this Loan is subject to the limitations on dischargeability in bankruptcy contained in Section 523(a)(8) of the United States Bankruptcy Code, as amended. Specifically, we understand that this Loan is made by VSAC, which is a nonprofit lender that is a governmental instrumentality of the State of Vermont.

L. Additional Agreements:

1. We certify that the information contained in this Application and Credit Agreement is true, complete and correct to the best of our knowledge and belief and is made in good faith.

2. We authorize the U.S. Department of Education to send any information about the Borrower that is under its control, including information from the FAFSA, to VSAC and to other state agencies and nonprofit organizations that administer financial aid programs.

3. We understand and agree that VSAC may record telephone conversations with the Borrower or Cosigner for lawful purposes.

4. VSAC, and any subsequent holder of this Agreement, has the right to assign its rights and duties under this Agreement without our consent. The terms and conditions contained herein apply to and bind the successors and assigns of VSAC and any subsequent holder. Neither the Borrower nor the Cosigner may assign this Agreement or any of its benefits or obligations.

5. Upon the Borrower's death or permanent and total disability proven to VSAC's satisfaction, all remaining Loan obligations of the Borrower and Cosigner will be canceled. Upon the Cosigner's death or permanent and total disability proven to VSAC's satisfaction, the Cosigner will be removed from all obligations on the Loan, but the Borrower will remain liable on the Loan.

6. A failure by VSAC to enforce or insist on compliance with any term of this Agreement shall not be a waiver of any of its rights or those of any subsequent holder. No provision of this Agreement may be modified or waived except in writing and signed by VSAC, the Borrower and the Cosigner. If any provision of this Loan is determined to be invalid or unenforceable, the remaining provisions shall remain in force without affecting the validity or enforceability of the remainder of this Agreement.

7. We will not send you partial payments marked "paid in full," "without recourse" or with other similar language unless those payments are conspicuously marked for special handling and sent to VSAC Loan Servicing, PO Box 999, Winooski VT 05404-0999 or to such other address as we may be given in the future.

8. We authorize VSAC and its agents to verify our Social Security Numbers (SSN) with the Social Security Administration (SSA) and, if the SSN on either of our Loan records is incorrect, then we authorize SSA to disclose the correct SSN to VSAC and its agents. We authorize the School to release, to VSAC and other persons designated by VSAC, any requested information pertinent to this Loan (e.g., enrollment status, prior Loan history, and current address).

9. If requested by VSAC, we agree to fully cooperate and adjust for clerical errors or other deficiencies in any or all Loan or disbursement documentation if deemed necessary or desirable in VSAC's reasonable discretion, to enable VSAC to exercise its rights under this Agreement.

10. Except as otherwise provided in this Agreement, any notice required to be given to either the Borrower or Cosigner will be effective if sent by first class mail to the latest addresses VSAC has for them or by electronic means to addresses we have provided, or as provided by applicable law. If

Vermont Advantage Student Loan 2022/2023 Credit Agreement

VSAC reasonably determines that the address is no longer valid, the notice will be sent to the latest address secured by VSAC, the Department, or other reliable sources.

11. All parties to this Agreement agree that this Agreement shall be deemed a credit agreement and shall not be considered a promissory note or a negotiable instrument as defined in Article 3 of the Uniform Commercial Code as enacted in Vermont or any other state, and that the transfer of this Agreement, the Loan or any interest therein, shall be governed by Article 9 of the Uniform Commercial Code as enacted in Vermont.

12. As required under federal law the Borrower agrees to fill out, sign and send VSAC a Private Education Loan Applicant Self-Certification prior to VSAC disbursing this Loan.

13. We understand that Cosigner release from this Loan may be available, after 48 months of active repayment, provided the Borrower then meets VSAC's credit criteria.

M. Certification of Borrower and Cosigner: We certify that the proceeds of this Loan will be used for the Borrower's qualified educational expenses at the School for the loan period stated in this Application/ Credit Agreement. We understand that we will be responsible for repaying immediately any funds that are disbursed and which are not to be used or are not used for qualified educational expenses related to attendance at the School for the loan period stated in this Application/Credit Agreement.

N. Governing Law: The interpretation and enforcement of this Agreement shall be governed by VERMONT law, and FEDERAL law to the extent to which it applies, regardless of conflict of law principles. We understand VSAC, the lender, is located in Vermont and that this Agreement will be entered into in Vermont. CONSEQUENTLY, THE PROVISIONS OF THIS APPLICATION AND CREDIT AGREEMENT WILL BE GOVERNED BY VERMONT LAW, WITHOUT REGARD TO CONFLICT OF LAW RULES.

O. Entire Agreement: The terms and conditions set forth in this Application/Credit Agreement (including the Final Disclosure Statements and the Cosigner Notices) and the monthly Loan billing statements constitute the entire Agreement between VSAC and the Borrower and Cosigner.

P. 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.

By our respective electronic signatures, the undersigned Borrower and Cosigner each acknowledges that he or she has read and understands the information contained in this Application/Credit Agreement, including the above terms, and agree to be bound by those terms, including, but not limited to, the Promise to Pay in Section A. We have completed this Application to obtain credit from VSAC. We certify that the information provided by us is true and accurate to the best of our knowledge and belief and that neither of us has ever defaulted on an education loan, further, if I am the Borrower, that I am eligible for federal student aid. We authorize VSAC from time to time to investigate our creditworthiness and credit history, to obtain consumer reports on us from consumer reporting agencies, from time to time, and to furnish information concerning this Loan and our repayment status to consumer reporting agencies and other persons who may legally receive such information. The authorization to obtain our credit history and consumer reports from consumer reporting agencies is valid as long as any amounts are owed under this Credit Agreement. We agree that this Credit Agreement provides for the compounding of interest. The electronic signatures below attest to the agreement of the Borrower and Cosigner to all the statements above and throughout this Application/Credit Agreement.

I PROMISE TO REPAY THIS LOAN

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

<i>Code needed to E-Sign (Electronically sign) your documents online</i>	<i>Signature of Borrower or Cosigner</i>	<i>Print Name</i>	<i>Date</i>

Primary Borrower:

Primary Borrower Application Date:

If you are physically signing this Credit Agreement because you were unable to e-sign, please be sure **YOUR name** is the name you see in the box above the words "Print Name". Only one person should be signing this document.
The Borrower and the Cosigner should each submit their own Credit Agreement.

Vermont Advantage Student Loan 2022/2023 Credit Agreement

ADDITIONAL INFORMATION

This Loan will appear on your credit report as an extension of credit by Vermont Student Assistance Corporation, identified as “VSAC Loan Services” or “Vermont Secondary LN MKT” or “Vermont Secondary ST LN”. VSAC will notify you if the Loan becomes delinquent. Once in repayment, VSAC provides a monthly billing statement. You will also receive notice if the Loan becomes delinquent. You can cure a delinquency, and avoid negative credit reporting, by paying past due amounts timely.

Cosigner release from this Loan may be available, after 48 months of active repayment, provided the Borrower then meets VSAC’s credit criteria.



FEDERAL NOTICE TO COSIGNER

You are being asked to cosign 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 and collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the Borrower. The creditor can use the same collection methods against you that can be used against the Borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become a part of your credit record.

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

Vermont Choice Loan 2022/2023 Credit Agreement

In this Application/Credit Agreement, the words “I,” “me,” “my,” and “mine” mean each of the Borrower or Cosigner, as applicable and/or where the context requires; the words “we,” “us,” and “our” mean both the Borrower and Cosigner, as applicable and/or where the context requires. “VSAC,” and the words “you,” “your,” and “yours,” mean the Vermont Student Assistance Corporation, its agents, successors and assigns, and any subsequent holder of this Agreement.

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Cosigner Obligated To Repay Loan. If I am signing this Agreement as Cosigner, I understand and agree that I am jointly and severally responsible for repayment of the Loan and that VSAC may seek to enforce this Agreement against me before or after attempting to collect from the Borrower.

Terms and Conditions:

A. Promise to Pay: Each of the Borrower and Cosigner promises to pay to VSAC the total principal sum of the Loan, to the extent that it is disbursed and as shown on the Final Disclosure Statement, as it may be amended; interest on such principal sum (including any prepaid finance charge or Loan Origination Fee); interest on any unpaid interest added to the principal balance; Late Payment Fees, and other fees, charges and costs as provided in this Agreement and the related Final Disclosure Statement. We understand and agree that VSAC may make multiple disbursements to the Institution on the Borrower’s behalf, and that VSAC may disburse a lesser amount than that which the Borrower had originally requested based on information that VSAC receives from the Institution or otherwise.

B. How to Request a Loan for Qualified Education Expenses and Agree to its Terms: Simply by receiving this signed Application, VSAC is not agreeing to make a loan. VSAC has the right not to make a loan, or to lend less than the Borrower’s Requested Loan Amount, based on eligibility of the Borrower and Cosigner at the time that the application is submitted and to cancel any disbursement at any time if we are in default of this Agreement or if we are no longer eligible for this Loan. If you decide to make a Loan, VSAC will electronically transfer the Loan funds to the Institution or mail a Loan check to the Institution. We agree to a disbursed amount that is less than the Requested Loan Amount if the Institution certifies less than the Requested Loan Amount.

This Agreement is for a Vermont Choice Loan (“Loan”), a non-federal education loan from VSAC acting as a governmental instrumentality of the State of Vermont pursuant to Chapter 87 of Title 16, V.S.A. The maximum amount of this Loan is based on the Institution’s certification of the Borrower’s cost-of-attendance minus aid eligibility but will not exceed the Requested Loan Amount on this Agreement plus any Loan Origination Fee. Approval of this Loan is contingent on the Cosigner meeting VSAC’s credit criteria, certification of the Borrower’s academic and enrollment status at an eligible Institution, and the Borrower’s submission of a completed Private Education Loan Applicant Self-Certification.

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The disbursed Loan funds must be used for allowable educational program expenses incurred or for a Qualified Back Balance at the Institution that certifies the Loan and for the time period for which the amount is certified. Allowable expenses include tuition, room, board, fees, books, supplies and equipment and transportation expenses.

By preparing and electronically signing this Agreement and submitting it to VSAC, we are requesting that VSAC make this Loan in the Requested Loan Amount plus any Loan Origination Fee (as defined below in Section D), with the terms set forth in this Agreement. If VSAC decides to make this Loan, VSAC provides us with an Approval Disclosure Statement upon approval of our Application. The Approval Disclosure Statement includes the amount of the approved Loan, the length of the Repayment Period, the interest rate, the amount of the Loan Origination Fee, if any, the date by which the Borrower must accept the Loan offer that VSAC has made and other important information. The Borrower and Cosigner show their agreement to the terms of the Loan as set forth in the Approval Disclosure Statement by accepting the Loan offer in the manner specified in the Approval Disclosure Statement. After we accept the Loan offer and all certifications have been submitted, VSAC provides us a Final Disclosure Statement. The Final Disclosure Statement includes the actual amount of the approved Loan, the length of the Repayment Period, the selected repayment option, the interest rate, the amount of any Loan Origination Fee, instruction on how to cancel this Loan and other important information. The Final Disclosure Statement is incorporated herein by reference.

C. Definitions:

Agreement: This Application/Credit Agreement setting forth the terms applicable to this Loan. The term "Agreement" also includes the Application, the Final Disclosure Statement, the state and federal Cosigner Notices and the monthly Loan billing statements.

Application: The written or electronic application requesting that VSAC make a Loan.

Approval Disclosure Statement: The closed-end disclosure statement provided to us at the time that VSAC approves the Application, as required by the federal Truth-in-Lending Act.

Disbursement Date: The date on which VSAC lends money to us in consideration for this Agreement and the date or dates of the Loan check or electronic funds transfer.

Final Disclosure Statement: The closed-end disclosure statement provided to us before the Loan proceeds are disbursed as required by the federal Truth-in-Lending Act.

Forbearance Period: A short-term postponement or reduction of payments during financial difficulty offered at VSAC's sole discretion, and for not more than a total of 24 total months during the entire Repayment Period.

Institution: The school, program or organization identified on the Application and eligible for the Vermont Choice Program under VSAC's program standards.

Loan: All principal sums disbursed, as may be designated by VSAC, including any Loan Origination Fee, plus interest on such principal sums, interest on any capitalized interest, and other charges and fees that may become due as provided in this Agreement.

Private Education Loan Applicant Self-Certification: The form required by Section 155 of the Higher Education Act of 1965 and Section 128(e)(3) of the Truth in Lending Act.

Qualified Back Balance: An eligible unpaid balance from a prior term at a Title IV Institution.

Repayment Period: The Repayment Period will begin no later than 45 days after the final Disbursement Date. The Repayment Period will end on a date that is a) if the Loan was certified and approved for an amount of less than \$10,000, not including any Loan Origination Fee, 120 months after the day that the Repayment Period begins; or b) if the Loan was certified and approved for an amount of \$10,000 or more, not including any Loan Origination Fee, 180 months after the day that the Repayment Period begins.

D. Origination Fee: The Borrower and Cosigner agree to pay VSAC the Loan Origination Fee, if any, shown on the Final Disclosure Statement each time that Loan proceeds are disbursed. The amount of the Loan Origination Fee will range from 0% to 5% of the approved Loan amount, will depend on the creditworthiness of the Cosigner, and will be added proportionately to each disbursement. We understand the Loan Origination Fee is refundable only if a disbursement is canceled or repaid in full within 120 days of disbursement.

E. Interest:

1. **Accrual:** Interest on this Loan accrues at the fixed rate described below. Interest begins to accrue on the first Disbursement Date and continues to accrue until the principal is paid in full. Interest accrues on the unpaid principal sum to the extent it is disbursed, and on the unpaid accrued interest added to the principal balance at the beginning of the Repayment Period and at the end of any Forbearance Period if VSAC chooses to capitalize interest at the end of that Forbearance Period. Interest is calculated on the basis of the actual number of days in the year and the actual number of days elapsed including holidays and days on which VSAC is not open for business. **If neither the Borrower nor the Cosigner pays any interest to VSAC before the end of a Forbearance Period, such interest will be capitalized and added to the Loan's principal balance.**

2. **Capitalization:** VSAC may add all accrued and unpaid interest to the principal balance of the Loan on the final Disbursement Date and the last day of any Forbearance Period. The resulting sum is thereafter considered the principal, and interest will accrue on the new principal balance.

3. **Fixed Interest Rate:** This Loan has a Fixed Interest Rate of **4.99%**.

4. **ANNUAL PERCENTAGE RATE ("APR").** The APR for the Loan will be disclosed on the Final Disclosure Statement. The APR may be higher than the Fixed Interest Rate described above because the APR calculation will include the Loan Origination Fee as well as the rate at which interest accrues.

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F. Repayment: Each of the Borrower and Cosigner is obligated to repay the full amount of the Loan and accrued interest.

1. **Forbearance Period.** During any Forbearance Period, we may make additional payments of interest or principal above what may be required as a condition of the Forbearance. VSAC will add any interest that we do not pay during a Forbearance Period to the principal balance of the Loan, as described in Paragraph E.2

2. **Repayment Period.** The required monthly principal and interest payment will be established when the Repayment Period begins based on the terms of this Agreement. During the Repayment Period, we will make monthly payments by the payment due dates shown in the Final Disclosure Statement, as may be amended. The monthly payment amount will equal the amount necessary to amortize (completely repay) the Loan over the Repayment Period. VSAC will notify us of the actual repayment schedule including payment amount(s) and due dates when the Repayment Period begins. If accrued unpaid interest is capitalized during the Repayment Period, and/or if payments are not made on time, VSAC will recalculate the monthly payment amount, as necessary, to equal the amount required to amortize (completely repay) the Loan balance over the remaining Repayment Period.

The Borrower and Cosigner each agree that in VSAC's sole discretion it may grant Forbearance to me and the Cosigner for purposes of aligning payment dates on this Loan with the Borrower's other VSAC loans or to eliminate a delinquency that persists even though the scheduled payments are being made. Both the Borrower and Cosigner must sign any requests for a change in the terms or payment amounts on this Loan.

3. Allocation of Payments: a. In General. Except as provided below in this Section 4, if we have more than one VSAC loan, we agree that VSAC may make proportionate allocations of any Loan payments from the Borrower across all of the Borrower's VSAC Loans unless any of the loans are delinquent or unless other clear, written instructions agreeable to VSAC are submitted with the payment. We also agree that VSAC may make proportionate allocations of any Loan payments from the Cosigner across all of the Borrower's VSAC Loans for which the Cosigner has cosigned, unless any of those cosigned loans are delinquent or unless other clear, written instructions agreeable to VSAC are submitted with the payment.

b. Prepayments: We may prepay all or part of the unpaid balance on this Loan at any time without penalty. A prepayment is any payment on a Loan in an amount greater than the regular monthly payment. If we make a prepayment when all of the Borrower's Loans are current (no past due payments of interest or principal), the prepayment will be prorated across all of my Loans and applied first to any outstanding fees, then to accrued interest and then to principal. A prepayment that is large enough to cover the amount due on the next regular monthly payment date of any of the Borrower's Loans will be credited against and advance the next regular monthly payment(s) due, unless otherwise expressly requested in writing.

c. Partial Payments: We agree that if we make a regular monthly payment that is less than the amount owed, the partial payment will be applied first to any of the Borrower's past due Loans, starting with the most delinquent Loan, and then applied proportionately to current Loans. For each Loan, payments will be applied to outstanding fees, then to accrued interest and then to principal.

G. Late Payment Fee; Returned Payment Fee: If any part of a monthly payment remains unpaid for a period of more than 15 days after the payment due date, a late fee of 6% of the payment will be due. We will also pay a returned payment fee to reimburse VSAC's cost but not more than \$10.00 for each Loan payment returned for any reason, including but not limited to insufficient funds or a stop payment order.

H. Privacy and Information Sharing:

1. VSAC may report information about the Borrower's and the Cosigner's repayment on this Loan account to credit bureaus. Late payments, missed payments or other defaults on the account may be reflected in our credit reports.

2. We authorize VSAC or any holder of this Agreement, or its agents, to investigate the Borrower's and/or Cosigner's credit record and report information concerning the Loan repayment status of either or both to proper persons and organizations, and to obtain our credit reports.

3. We authorize the release of information pertinent to this Loan to: (a) the Borrower's Institution, the current holder of this Loan, or its agents, to the Borrower and Cosigner, and to members of the immediate family of either unless the Borrower or Cosigner submits written directions otherwise; and (b) by and among the Borrower's Institutions, lenders, subsequent holders, the U. S. Department of Education (the Department) and their agents.

4. We authorize VSAC or any holder of this Agreement, or its agents, to request and receive any information from the Borrower or Cosigner relating to origination, processing, servicing, and collection of payments of the Loan, to the extent permitted by law. We authorize VSAC to share Borrower and Cosigner Loan-related information with each other.

I. Default: We understand and agree that if one or any combination of the following occurs, at VSAC's option this Loan will be in default and VSAC will have the right to notify us that the whole outstanding principal balance, accrued interest, and all other amounts due to VSAC hereunder are due and payable at once:

1. Any payment to VSAC is not made when due;

2. We fail to notify VSAC of a change in Borrower's or Cosigner's name or address within ten days after a change occurs;

3. The Borrower fails to participate in the program at the Institution which certified this Loan for the Loan period certified or fails to notify VSAC of a change in enrollment status within 10 days after a change occurs;

4. Any bankruptcy proceeding is begun by or against the Borrower, or the Borrower or Cosigner assigns any assets for the benefit of the Borrower's or Cosigner's creditors;

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5. Either the Borrower or the Cosigner makes any false statement to VSAC in applying for this Loan or at any time thereafter;
6. Either the Borrower or Cosigner breaks any promise made to VSAC in this Agreement or in any other agreement with VSAC;
7. Either the Borrower or Cosigner is no longer eligible for this Loan in any respect; or
8. The Cosigner declines to cosign this Loan.

If this Loan goes into default, VSAC will report this to national credit bureau organizations; this may significantly and adversely affect the credit history of the Borrower and Cosigner. This may adversely affect the ability to obtain credit in the future. If we default or am delinquent on payments owed for this Loan, we understand that VSAC has the authority to take and offset Vermont state income tax refunds.

J. Collection Costs: If we default on this Loan, we will pay reasonable collection fees and costs, court costs and attorney fees, plus any applicable collection commission paid by VSAC to a third-party collection agent.

K. Loan Discharge: We acknowledge that this Loan is subject to the limitations on dischargeability in bankruptcy contained in Section 523(a)(8) of the United States Bankruptcy Code, as amended. Specifically, we understand that this Loan is made by VSAC, which is a nonprofit lender that is a governmental instrumentality of the State of Vermont.

L. Additional Agreements:

1. We certify that the information contained in this Application and Credit Agreement is true, complete and correct to the best of our knowledge and belief and is made in good faith.
2. We authorize the U.S. Department of Education to send any information about the Borrower that is under its control, including information from the Free Application for Federal Student Aid, to VSAC and to other state agencies and nonprofit organizations that administer financial aid programs.
3. We understand and agree that VSAC may record telephone conversations with the Borrower or Cosigner for lawful purposes.
4. VSAC, and any subsequent holder of this Agreement, has the right to assign its rights and duties under this Agreement without our consent. The terms and conditions contained herein apply to and bind the successors and assigns of VSAC and any subsequent holder. Neither the Borrower nor the Cosigner may assign this Agreement or any of its benefits or obligations.
5. Upon the Borrower's death or permanent and total disability proven to VSAC's satisfaction, all remaining Loan obligations of the Borrower and Cosigner will be canceled. Upon the Cosigner's death or permanent and total disability proven to VSAC's satisfaction, the Cosigner will be removed from all obligations on the Loan, but the Borrower will remain liable on the Loan.
6. A failure by VSAC to enforce or insist on compliance with any term of this Agreement shall not be a waiver of any of its rights or those of any subsequent holder. No provision of this Agreement may be modified or waived except in writing and signed by VSAC, the Borrower and the Cosigner. If any provision of this Loan is determined to be invalid or unenforceable, the remaining provisions shall remain in force without affecting the validity or enforceability of the remainder of this Agreement.
7. We will not send you partial payments marked "paid in full," "without recourse" or with other similar language unless those payments are conspicuously marked for special handling and sent to VSAC Loan Servicing, PO Box 999, Winooski VT 05404-0999 or to such other address as we may be given in the future.
8. We authorize VSAC and its agents to verify our Social Security Numbers (SSN) with the Social Security Administration (SSA) and, if the SSN on either of our Loan records is incorrect, then we authorize SSA to disclose the correct SSN to VSAC and its agents. We authorize the Institution to release to VSAC and other persons designated by VSAC, any requested information pertinent to this Loan (e.g., enrollment status, prior Loan history, and current address).
9. If requested by VSAC, we agree to fully cooperate and adjust for clerical errors or other deficiencies in any or all Loan or disbursement documentation if deemed necessary or desirable in VSAC's reasonable discretion, to enable VSAC to exercise its rights under this Agreement.
10. Except as otherwise provided in this Agreement, any notice required to be given to either the Borrower or Cosigner will be effective if sent by first class mail to the latest addresses VSAC has for them or by electronic means to addresses we have provided, or as provided by applicable law. If VSAC reasonably determines that the address is no longer valid, the notice will be sent to the latest address secured by VSAC, the Department, or other reliable sources.
11. All parties to this Agreement agree that this Agreement shall be deemed a credit agreement and shall not be considered a promissory note or a negotiable instrument as defined in Article 3 of the Uniform Commercial Code as enacted in Vermont or any other state, and that the transfer of this Agreement, the Loan or any interest therein, shall be governed by Article 9 of the Uniform Commercial Code as enacted in Vermont.
12. As required under federal law the Borrower agrees to fill out, sign and send VSAC a Private Education Loan Applicant Self-Certification prior to VSAC disbursing this Loan.
13. We understand that Cosigner release from this Loan may be available, after 48 months of active repayment, provided the Borrower then meets VSAC's credit criteria.

M. Certification of Borrower and Cosigner: We certify that the proceeds of this Loan will be used for allowable educational expenses at the Institution for the loan period stated in this Application/ Credit Agreement. We understand that we will be responsible for repaying

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immediately any funds that are disbursed and which are not to be used or are not used for allowable educational expenses related to attendance at the Institution for the loan period stated in this Application/Credit Agreement.

N. Governing Law: The interpretation and enforcement of this Agreement shall be governed by VERMONT law, and FEDERAL law to the extent to which it applies, regardless of conflict of law principles. We understand VSAC, the lender, is located in Vermont and that this Agreement will be entered into in Vermont. CONSEQUENTLY, THE PROVISIONS OF THIS APPLICATION AND CREDIT AGREEMENT WILL BE GOVERNED BY VERMONT LAW, WITHOUT REGARD TO CONFLICT OF LAW RULES.

O. Entire Agreement: The terms and conditions set forth in this Application/Credit Agreement (including the Final Disclosure Statements and the Cosigner Notices) and the monthly Loan billing statements constitute the entire Agreement between VSAC and the Borrower and Cosigner.

P. 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.

By our respective electronic signatures, the undersigned Borrower and Cosigner each acknowledges that he or she has read and understands the information contained in this Application/Credit Agreement, including the above terms, and agree to be bound by those terms, including, but not limited to, the Promise to Pay in Section A. We have completed this Application to obtain credit from VSAC. We certify that the information provided by us is true and accurate to the best of our knowledge and belief, further, that neither of us has ever defaulted on an education loan. We authorize VSAC from time to time to investigate our creditworthiness and credit history, to obtain consumer reports on us from consumer reporting agencies, from time to time, and to furnish information concerning this Loan and our repayment status to consumer reporting agencies and other persons who may legally receive such information. The authorization to obtain our credit history and consumer reports from consumer reporting agencies is valid as long as any amounts are owed under this Credit Agreement. We agree that this Credit Agreement provides for the compounding of interest. The electronic signatures below attest to the agreement of the Borrower and Cosigner to all the statements above and throughout this Application/Credit Agreement.

I PROMISE TO REPAY THIS LOAN

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

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*Code needed to E-Sign
(Electronically sign)
your documents
online*

Signature of Borrower or Cosigner

Print Name

Date

Primary Borrower:

Primary Borrower Application Date:

If you are physically signing this Credit Agreement because you were unable to e-sign, please be sure **YOUR name** is the name you see in the box above the words "Print Name". Only one person should be signing this document.
The Borrower and the Cosigner should each submit their own Credit Agreement.

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ADDITIONAL INFORMATION

This Loan will appear on your credit report as an extension of credit by Vermont Student Assistance Corporation, identified as “VSAC Loan Services” or “Vermont Secondary LN MKT” or “Vermont Secondary ST LN”. VSAC will notify you if the Loan becomes delinquent. Once in repayment, VSAC provides a monthly billing statement. You will also receive notice if the Loan becomes delinquent. You can cure a delinquency, and avoid negative credit reporting, by paying past due amounts timely.

Cosigner release from this Loan may be available, after 48 months of active repayment, provided the Borrower then meets VSAC’s credit criteria.



FEDERAL NOTICE TO COSIGNER

You are being asked to cosign 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 and collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the Borrower. The creditor can use the same collection methods against you that can be used against the Borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become a part of your credit record.

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