



Vermont Advantage Student Loan for 2017–2018

The **Vermont Advantage Student Loan** is an education loan to supplement costs not met by federal, state, and school aid. Please refer to www.vsac.org/advantage for information on the Vermont Advantage Student Loan and its repayment options.

This PDF package includes:

- cover sheet
- the Vermont Advantage Student Loan Application and Solicitation Disclosure (2 pages)
- the Vermont Advantage Student Loan Application/Credit Agreement (9 pages)
- the Private Education Loan Applicant Self-Certification (2 pages)

TOLL FREE
800-226-1029

BURLINGTON AREA
655-4050

ONLINE
www.vsac.org

EMAIL
info@vsac.org



Critical Information

- IMPORTANT: Blank/incomplete fields will delay the application process and may result in the application being returned to you. Follow these helpful reminders for items commonly missed:**
 - The student borrower must select one of the 3 payment options on page 1 of the application/credit agreement.
 - Cross out any incorrect information, write in the correct information, and initial each change. Do not use correction tape or fluid. The student borrower must initial changes on page 1, and the cosigner must initial changes on page 5.
- The application/credit agreement must be clearly legible and printed on white, standard-sized 8.5 x 11-inch paper.
- The student borrower must complete:
 - page 1 of the Vermont Advantage Student Loan Application/Credit Agreement
 - the Private Education Loan Applicant Self-Certification
- The cosigner must complete page 5 of the Vermont Advantage Student Loan Application/Credit Agreement.
- Return together:
 - all 9 pages of the Vermont Advantage Student Loan Application/Credit Agreement
 - the 2-page Private Education Loan Applicant Self-Certification
- Keep a copy for your records. Photocopies, faxes, and e-mail attachments will not be accepted.

Next Steps

There are a number of steps in the loan application process. VSAC will:

- review the application for completeness and the cosigner's credit rating
- confirm the student's eligibility and contact the school for official certification
- notify the student borrower of the loan terms that he or she must accept in order for the loan to be disbursed

Following the student borrower's acceptance, there is a federally mandated right-to-cancel period during which funds cannot be disbursed. VSAC will wait until after the right-to-cancel period to disburse the loan funds directly to the school.

VERMONT ADVANTAGE LOAN CREDIT
AGREEMENT

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Loan Interest Rate & Fees

Your **interest rate** will be either

5.80%, 6.20% or 7.10%

After the rate is set, it will be fixed for the life of your loan.

Your Interest Rate (upon approval)

The interest rate you pay will be determined when you apply and will be based on which payment option you select and if you are approved for that option. If you choose to make payments of principal and interest while in school, your rate will be fixed at 5.80%. If you choose to make interest-only payments while you are in school your rate will be fixed at 6.20%. If you choose to defer all payments while you are in school your rate will be fixed at 7.10%; this choice is subject to VSAC approval and the availability of funds. If approved, we will notify you of the rate you qualify for based on your payment option.

Your Interest Rate during the life of the loan

Your rate is fixed. This means that your rate will remain the same for the life of your loan. For more information on this rate, see the reference notes.

Your rate will never change during the life of your loan. The rate is determined by your repayment option and will remain constant.

Loan Fees

Origination Fee: The fees that we charge to make this loan range from 0% to 5% of the total loan amount. **Late Fee:** 6% of the amount of the late payment. **Returned Check Charge:** \$10.00.

Loan Cost Examples

The total amount you will pay for this loan will vary depending upon when you start to repay it. This example provides estimates based upon three (3) repayment options that may be available to you while enrolled in school.

Repayment Option (while enrolled in school)	Amount Provided (amount provided directly to you or your school)	Interest Rate (highest possible starting rate)	Loan Term (how long you have to pay off the loan)	Total Paid over the Loan Term (includes associated fees)
1. PRINCIPAL and INTEREST PAYMENT Pay both the principal and interest amounts while enrolled in school.	\$10,000	5.80%	15 years starting <u>after</u> the final disbursement.	\$14,994.08
2. INTEREST-ONLY PAYMENT Make interest-only payments while enrolled in school.	\$10,000	6.20%	15 years starting <u>after</u> the deferment period.	\$17,656.03
3. DEFERRED PAYMENT Make no payments while enrolled in school. Interest will accrue and be added to your loan principal.	\$10,000	7.10%	15 years starting <u>after</u> the deferment period.	\$20,511.78

About this example: All the repayment examples assume that you remain in school for 4 years and that there is no grace period after you leave school. The **Deferred Payment option** assumes that repayment begins after you leave school. The **Interest-Only Payment option** assumes that you will make interest payments while in school and that repayment of the principal and interest begins after you leave school. The **Principal and Interest Payment option** assumes that repayment begins at final disbursement. For loan amounts of less than \$10,000, repayment will last 10 years (120 months) once the initial principal payment is made. For loan amounts of \$10,000 or more, repayment will last 15 years (180 months) once the initial principal payment is made.

Federal Loan Alternatives

Loan Program	Current Interest Rates by Program Type	
PERKINS for Students	5.00 % fixed	
STAFFORD for Students	4.45 % fixed	Undergraduate subsidized & unsubsidized
	6.00 % fixed	Graduate unsubsidized
PLUS for Parents and Graduate/ Professional Students	7.00 % fixed	Federal Direct Loan

You may qualify for Federal education loans.

For additional information, **contact your school's financial aid office or the Department of Education at:**

www.federalstudentaid.ed.gov

Next Steps

1. Find Out About Other Loan Options.

Some schools have school-specific student loan benefits and terms not detailed on this form. Contact your school's financial aid office or visit the Department of Education's web site at: www.federalstudentaid.ed.gov for more information about other loans.

2. To Apply for this Loan, Complete the Application and the Self-Certification Form.

You may get the certification form from your school's financial aid office. If you are approved for this loan, the loan terms will be available for 30 days (terms will not change during this period, except as permitted by law).

REFERENCE NOTES

Interest Rate

• This loan has a fixed interest rate. Your rate is determined based on the repayment option you choose when you apply for the loan.

Eligibility Criteria

Borrower Must:

- Be enrolled or re-enrolling at an eligible post-secondary institution on an at least a half time basis.
- Be attending an eligible Vermont institution or be a Vermont resident attending an eligible institution in another state.
- Be a U. S. citizen or an eligible non-citizen.
- Be eligible for federal student aid.
- Not be in default on an education loan.

Cosigner Must:

- Be a U. S. citizen or an eligible non-citizen.
- Meet VSAC credit requirements.
- Not be in default on an education loan.

Bankruptcy Limitations

• If you file for bankruptcy you may still be required to pay back this loan.

More information about loan eligibility and repayment and forbearance options is available in your Application/Credit Agreement.



COMPLETE THIS APPLICATION/CREDIT AGREEMENT IN ITS ENTIRETY. Print using dark ink or type. Do not leave any blanks. Incomplete applications will cause processing delays. If any information has been pre-printed, review it carefully. Cross out any incorrect information, write in the correct information and initial each change. Do not use correction tape or fluid. The Application/Credit Agreement must be signed and dated by the Borrower and the Cosigner. If a question is not applicable, please mark as N/A.
IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW LOAN ACCOUNT: Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens a loan account. **What this means for you:** Your name, address, date of birth, and other information collected in this form will be used to verify your identity. You may also be asked to provide your driver's license or other identifying documents.

BORROWER INFORMATION

1. Name (First) (MI) (Last)	2. Social Security Number (xxx-xx-xxxx)
3. Permanent Street Address (Street)	4. Mailing Address (if different from Permanent)
(City) (State) (Zip Code)	(City) (State) (Zip Code)
5. Telephone Number * (include area code)	6. Date of Birth (Month/Day/Year)
7. Driver's License State Driver's License #	8. E-Mail Address *
9. Citizenship Status (Check one) <input type="checkbox"/> A. U.S. Citizen <input type="checkbox"/> B. Eligible Non-Citizen Resident Alien ID #	10. School Name and Location (City, State, Zip Code)
11. Loan Period (Month/Year) From: _____ To: _____	12. Anticipated Graduation Date – This is the date you expect to graduate. Enter Month/Date/Year: ____/____/____

13. **BORROWER REFERENCES:** Provide two references (do not include Cosigner) with different U.S. addresses, whom you have known for the last three years.

Name	A. _____	B. _____
Permanent Address	_____	_____
City, State, Zip Code	_____	_____
Area Code/Telephone (_____) _____	(_____) _____	(_____) _____

REQUESTED LOAN AMOUNT (Minimum amount is \$200) \$ _____ .00 **Borrower and Cosigner must apply for the same Requested Loan Amount.** VSAC lends the lesser of this amount or the amount the Borrower's School certifies.

*By submitting this loan application, you agree that VSAC and our agents, service providers and assignees (collectively, "we") may call you, leave you a voice, prerecorded, or artificial voice message, or send you a text, e-mail, or other electronic message concerning your loan, our products and services, or surveys or research. You agree that we may do this at any telephone number you provide to us on this form or in the future, or use to communicate with us, including cellular telephone numbers. You also agree that we may do this using automated telephone dialing technology. You agree that we may include your personal information in a communication to you. We will not charge you for a communication, but your service provider may.

APPLICATION/CREDIT AGREEMENT: Borrower must sign and date below. No alterations or deletions of terms will be accepted on this Application/Credit Agreement.

Payment Options (Must select one): When applying for my Loan, I must choose one of three loan payment options. After I have applied for my Loan, I understand and agree that I will be unable to change my payment option. The loan payment options are as follows:

- (1) **Check this box for the Principal and Interest payment option.** If I select this option, 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. I will not be able to defer repayment of my loan while I am in school if I choose this option. If I choose this payment option, my interest rate will be **5.80%**.
- (2) **Check this box for the Interest Only payment option.** If I select this option, I must make payments of interest only beginning after the final Disbursement Date for this Loan, and continuing while I am in school. Under this payment option, after I leave school or am not continuously enrolled on an at least half time basis, I must make monthly payments of principal and interest over the remaining term of the Loan. If I choose this payment option, my interest rate will be **6.20%**.
- (3) **Check this box for the Deferred payment option.** If I select this option, and you approve my selection, payment of my loan will be deferred while I am in school and interest will accrue on the loan during that time. Under this payment option, after I leave school or am not continuously enrolled on an at least half time basis, I must make monthly payments of principal and interest over the remaining term of the loan. If I select this payment option, and you approve my selection, my interest rate will be **7.10%**. I understand and agree that selecting the Deferred payment option is subject to both your approval and to the availability of funds so designated by VSAC. I understand that VSAC does not guarantee that funds for the Deferred payment option will be available when I submit my application. If I apply for the Deferred payment option, and the funds are not available, I understand that the Loan will not be approved, and I may then choose to re-apply for a Loan with a different Loan payment option. For more information about these payment options, see Section E, "Interest," on page 2.

By my signature, I acknowledge that I have read and understand the information contained in this Application/Credit Agreement, including the terms on the following pages and agree to be bound by those terms, including, but not limited to, the Promise to Pay in Section A. I have completed this Application to obtain credit from VSAC. I certify that the information provided by me is true and accurate to the best of my knowledge and belief, that I am eligible for federal student aid and that I have never defaulted on an education loan. I authorize VSAC from time to time to investigate my creditworthiness and my credit history, to obtain consumer reports on me from consumer reporting agencies, from time to time, and to furnish information concerning my Loan and my repayment status to consumer reporting agencies and other persons who may legally receive such information. My authorization to obtain my credit history and consumer reports from consumer reporting agencies is valid as long as any amounts are owed under this Credit Agreement. I agree that this Credit Agreement provides for the compounding of interest. My signature below attests to my agreement to all the statements above and throughout this Application/Credit Agreement.

I PROMISE TO REPAY THIS LOAN.
Borrower Signature _____ **Today's Date (Month/Day/Year)** _____

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, you will be informed whether or not a consumer report was requested. If a report was requested, you 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, we furnish information about our experience with you to consumer reporting agencies. These consumer reports allow us to make credit and other opportunities available to you. If you believe that we have furnished information to a consumer reporting agency that is inaccurate, please notify us at the address shown below and identify the specific information that is inaccurate.

**Please make and keep a copy for your records. Return the Borrower's signed original with the Cosigner's signed original to:
VSAC Loan Origination Services, P.O. Box 999, Winooski, VT 05404-0999**

VERMONT ADVANTAGE STUDENT LOAN CREDIT AGREEMENT (continued from front)

In this Application/Credit Agreement, the words "I," "me," "my," and "mine" mean the Borrower or Cosigner, as applicable and/or where the context requires. The words "you," "your," and "yours," mean the Vermont Student Assistance Corporation ("VSAC"), its successors and assigns, and any subsequent holder of this Agreement.

A. Promise to Pay: I promise to pay to you, according to the payment option that I have selected, the total principal sum of the Loan, to the extent that it is disbursed, 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 payment option that I have selected as provided in this Agreement and the related Final Disclosure Statement. I understand and agree that you may make multiple disbursements to the School on my behalf, and that you may disburse a lesser amount than that which I had originally agreed to accept based on information that you receive from the School or otherwise.

B. How I Request a Loan for Qualified Education Expenses and Agree to its Terms: When you receive my signed Application, you are not agreeing to lend me money. You have the right not to make a Loan, or to lend less than the Requested Loan Amount, based on my eligibility at the time that I make my request and to cancel any disbursement at any time if I am in default of this Agreement or if I am no longer eligible for this Loan. If you decide to make a loan to me, you will electronically transfer the loan funds to the School, or mail a loan check to the School. I agree to accept an amount that is less than the Requested Loan Amount if my School certifies me for less than the Requested Loan Amount.

This Agreement is for a Vermont Advantage Student 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 my School's certification of my cost-of-attendance minus aid eligibility but will not exceed the Requested Loan Amount on the Application. Approval of this Loan is contingent on my meeting VSAC's credit criteria, certification of my academic and enrollment status at an eligible School, and my submission of a completed Private Education Loan Applicant Self-Certification.

To be eligible for this Loan, I must be eligible for federal student aid and I must file a Free Application for Federal Student Aid (FAFSA). I must use the Loan money 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 signing this Agreement and submitting it to you, I am requesting that you make this Loan to me in the Requested Loan Amount, with the payment option that I have selected and on the terms set forth in this Agreement. If you decide to make a Loan, you will provide me with an Approval Disclosure Statement upon approval of my Application. The Approval Disclosure Statement will tell me the amount of the Loan which you have approved, the length of my Repayment Period, the payment option that I have selected, my interest rate, the amount of the Loan Origination Fee, if any, the date by which I must accept the Loan offer that you have made and other important information. I will let you know that I agree 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 I accept the Loan offer and all certifications have been submitted, you will provide me a Final Disclosure Statement. Among other information, the Final Disclosure Statement will tell me how to cancel my Loan. The Final Disclosure Statement is incorporated herein by reference.

I understand that there are three payment options applicable to this Loan: the Principal and Interest payment option, the Interest Only payment option and the Deferred payment option. I agree that I will pay my Loan according to the payment option that I selected on the Application and if I have selected the Deferred payment option, that my selection is subject to VSAC's approval. I understand and agree that after this Application/Credit Agreement has been submitted, no one may change the payment option selected.

C. Definitions:

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

Application: The written or electronic request that I make to you for a Loan.

Approval Disclosure Statement: The closed-end disclosure statement provided to me at the time that my Application is approved as required by the federal Truth-in-Lending Act.

Disbursement Date: The date on which you lend money to me in consideration for this Agreement and the date or dates of my Loan check or electronic funds transfer.

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

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

Forbearance Period: Short-term postponement or reduction of payments during financial difficulty offered at your sole discretion, and for not more than 36 total months during my Repayment Period.

Loan: All principal sums disbursed, as may be designated by you, 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 I have selected the Principal and Interest payment option, the Repayment Period will begin no later than 45 days after the final Disbursement Date. If I have selected the Interest Only payment option or the Deferred payment option, 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 my Loan was approved for an original principal amount of less than \$10,000, 120 months after the day that the Repayment Period begins; or b) if my Loan was approved for an original principal amount of \$10,000 or more, 180 months after the day that the Repayment Period begins.

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

D. Origination Fee: I agree to pay you the Loan Origination Fee, if any, shown on my Final Disclosure Statement each time that you disburse Loan proceeds. The amount of the Loan Origination Fee will range from 0% to 5% of my approved Loan amount, will depend on the creditworthiness of my Cosigner, and will be deducted proportionately from each disbursement. I 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 you choose 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 you are not open for business. **If I do not pay interest to you before the end of a Forbearance Period or Enrollment Period, such interest will be capitalized and added to my principal balance.**

2. **Capitalization:** You will 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. If I selected the Principal and Interest payment option, my interest rate is **5.80%**. If I selected the Interest Only payment option, my interest rate is **6.20%**. If I selected the Deferred payment option (and you approve my selection), my interest rate is **7.10%**. Under each option, my Final Disclosure Statement will disclose my actual interest rate.

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

F. Repayment: I am obligated to repay the full amount of the Loan and accrued interest.

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

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

3. **Repayment Period.** My monthly principal and interest payment will be established when my Repayment Period begins based on the terms of this Agreement. During the Repayment Period I will make monthly payments by the payment due dates shown in the Final Disclosure Statement, as may be amended. The amount of monthly payments will equal the amount necessary to amortize my Loan over the Repayment Period. You will notify me of my actual repayment schedule including payment amount(s) and due dates when my Repayment Period begins. If

VERMONT ADVANTAGE STUDENT LOAN CREDIT AGREEMENT (continued)

accrued unpaid interest is capitalized during the Repayment Period, you will recalculate my monthly payment, as necessary, to equal the amount required to amortize my Loan balance over the remaining Repayment Period.

I agree that in your sole discretion you may grant Forbearance to me and the Cosigner for purposes of aligning payment dates on this Loan with my other VSAC loans or to eliminate a delinquency that persists even though I am making scheduled payments. The Cosigner and I must sign any requests for a change in the terms or payment amounts on this Loan.

4. Prepayment. I may prepay all or part of the unpaid balance on my Loan at any time without penalty. If my Loan is current, any prepayment that equals or exceeds my monthly payment will be credited against and advance my next payment(s) due, unless I request otherwise.

5. Allocation of My Payments. I agree that you may make proportionate allocations of any of my Loan payments across all of my VSAC Loans if I do not provide other instructions with the payment.

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, I will pay a late payment fee of 6% of the payment due. I will also pay a returned payment fee to reimburse your cost but not more than \$10.00 for each payment on this Agreement returned for any reason, including but not limited to insufficient funds or a stop payment order.

H. Privacy and Information Sharing:

1. You may report information about my account to credit bureaus. Late payments, missed payments or other defaults on my account may be reflected in my credit report.

2. I authorize you or any holder of this Agreement, or their agents, to investigate my credit record and report information concerning my Loan status to proper persons and organizations, and to obtain my credit report.

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

4. I authorize you or any holder of this Agreement, or its agents, to request and receive any information from me or any Cosigner relating to origination, processing, servicing, and collection of payments of the Loan, to the extent permitted by law. I authorize you to share my information with the Cosigner of my Loan.

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

1. I fail to make any payment to you when due;
2. I fail to notify you of a change in my name, address, or school enrollment status within ten days after a change occurs;
3. I fail to enroll at least half time at the School which certified my Loan for the Loan period certified;
4. Any bankruptcy proceeding is begun by or against me or the Cosigner, or I assign any of my assets for the benefit of my creditors;
5. I make any false statement to VSAC in applying for this Loan or at any time thereafter;
6. I break any promise I have made to you in this Agreement or in any other agreement with you;
7. I am no longer eligible for this Loan in any respect; or
8. The Cosigner declines to cosign this Loan.

This Loan may also be in default under the terms of Section I of the Cosigner's section of this Application/Credit Agreement on Page 7, below.

If I default, this will be reported to national credit bureau organizations and may significantly and adversely affect my credit history. This may adversely affect my ability to obtain credit in the future. If I default or am delinquent on payments owed for this Loan, I understand that VSAC has the authority to take and offset my VT State income tax refund.

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

K. Loan Discharge: I 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, I understand that this Loan is made by a nonprofit lender that is a governmental instrumentality of the State of Vermont.

L. Additional Agreements:

1. I certify that the information contained in this Application and Credit Agreement is true, complete and correct to the best of my knowledge and belief and is made in good faith.
2. I authorize the Department to send any information about me that is under its control, including information from the FAFSA, to state agencies and nonprofit organizations that administer financial aid programs.
3. I understand and agree that you may record my telephone conversations for lawful purposes.
4. You, and any subsequent holder of this Agreement, have the right to assign your rights and duties under this Agreement without my consent. The terms and conditions contained herein apply to and bind the successors and assigns of VSAC and any subsequent holder. I may not assign this Agreement or any of its benefits or obligations.
5. Upon my death or proven permanent and total disability, any remaining Loan obligation will be canceled. Upon my Cosigner's death or proved disability the Cosigner will be removed from the Loan but I will remain liable.
6. A failure by you to enforce or insist on compliance with any term of this Agreement shall not be a waiver of any of your rights or those of any subsequent holder. No provision of this Agreement may be modified or waived except in writing and signed by both of us. 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. I 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 I may be given in the future.
8. I authorize you and your agents to verify my Social Security Number (SSN) with the Social Security Administration (SSA) and, if the SSN on my Loan record is incorrect, then I authorize SSA to disclose my correct SSN to these parties. I authorize the School to release, to you and other persons designated by you, any requested information pertinent to each Loan (e.g., enrollment status, prior Loan history, and current address).
9. If requested by you, I 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 your reasonable discretion, to enable you to exercise your rights under this Agreement.
10. Except as otherwise provided in this Agreement, any notice required to be given to me will be effective if sent by first class mail to the latest address you have for me or by electronic means to an address that I have provided, or as provided by applicable law. If you reasonably determine that the address is no longer valid, the notice will be sent to the latest address secured from VSAC, the Department, or other reliable sources.
11. You and I 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 I agree to fill out, sign and send you a Private Education Loan Applicant Self-Certification prior to you disbursing my Loan.
13. I understand that cosigner release may be available upon request, after 48 months of active repayment provided I then meet VSAC's credit criteria.

M. Certification of Borrower and Cosigner: I certify that the proceeds of this Loan will be used for educational expenses at the School for the loan period stated in this Application/ Credit Agreement. I understand that I will be responsible for repaying immediately any funds that I receive which are not to be used or are not used for 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. I understand VSAC, the lender, is located in Vermont and that this Agreement will be entered into in that same state. 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 you and me.

VERMONT ADVANTAGE STUDENT LOAN CREDIT AGREEMENT (continued)

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.



COMPLETE THIS APPLICATION/CREDIT AGREEMENT IN ITS ENTIRETY. Print using dark ink or type. Do not leave any blanks. Incomplete applications will cause processing delays. If any information has been pre-printed, review it carefully. Cross out any incorrect information, write in the correct information and initial each change. Do not use correction tape or fluid. The Application/Credit Agreement must be signed and dated by the Borrower and the Cosigner. If a question is not applicable, please mark as N/A.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW LOAN ACCOUNT: Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens a Loan account. **What this means for you:** Your name, address, date of birth, and other information collected in this form will be used to verify your identity. You may also be asked to provide your driver's license or other identifying documents.

COSIGNER INFORMATION

1. Name (First) (MI) (Last)			2. Social Security Number (xxx-xx-xxxx)	3. Date of Birth (Month/Day/Year)
4. Permanent Street Address (List both Street Address and P.O. Box, if applicable) (Street)				
(City) (State) (Zip Code)			5. Driver's License State and Number State DL #	
6. Telephone Number * (include area code) :			7. E-Mail Address *	
8. Citizenship Status (Check one.) <input type="checkbox"/> A. U.S. Citizen <input type="checkbox"/> B. Eligible Non-Citizen Resident Alien ID #				

9. Employment Information (if not employed, write N/A)
Employer Name: _____ Address: _____
City: _____ State: _____ Zip: _____ Telephone: _____

10. COSIGNER REFERENCES: Provide two references (do not include Borrower) with different U.S. addresses, whom you have known for the last three years.

Name	A. _____	B. _____
Permanent Address	_____	_____
City, State, Zip Code	_____	_____
Area Code/Telephone	(_____) _____	(_____) _____

BORROWER INFORMATION

Name (First) (MI) (Last)	Social Security Number (xxx-xx-xxxx) and/or Date of Birth (Month/Day/Year)
School Name and Location (City, State, Zip Code)	Loan Period (Month/Year) From: _____ To: _____

Requested Loan Amount: Borrower and Cosigner must apply for the same Requested Loan Amount as shown on Page 1 of this Application/Credit Agreement. VSAC lends the lesser of this amount or the amount the Borrower's School certifies.

*By submitting this loan application, you agree that VSAC and our agents, service providers and assignees (collectively, "we") may call you, leave you a voice, prerecorded, or artificial voice message, or send you a text, e-mail, or other electronic message concerning your loan, our products and services, or surveys or research. You agree that we may do this at any telephone number you provide to us on this form or in the future, or use to communicate with us, including cellular telephone numbers. You also agree that we may do this using automated telephone dialing technology. You agree that we may include your personal information in a communication to you. We will not charge you for a communication, but your service provider may.

APPLICATION/CREDIT AGREEMENT Cosigner must sign and date below. No alterations or deletions of terms will be accepted on this Credit Agreement.

By my signature, I acknowledge that I have read and understand the information contained in this Application/Credit Agreement, including the terms on the preceding and following pages and agree to be bound by those terms, including, but not limited to, the Promise to Pay in Section A. I have completed this Application to obtain credit from VSAC. I certify that the information provided by me is true and accurate to the best of my knowledge and belief. I authorize VSAC from time to time to investigate my creditworthiness and my credit history, to obtain consumer reports on me from consumer reporting agencies, from time to time, and to furnish information concerning my Loan and repayment status to consumer reporting agencies and other persons who may legally receive such information. My authorization to obtain my credit history and consumer reports from consumer reporting agencies is valid as long as any amounts are owed under this Credit Agreement. I agree that this Credit Agreement provides for the compounding of interest. My signature below attests to my agreement to all the statements above and throughout this Application/Credit Agreement.

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.

Cosigner Signature _____ Today's Date (Month/Day/Year) _____

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, you will be informed whether or not a consumer report was requested. If a report was requested, you 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, we furnish information about our experience with you to consumer reporting agencies. These consumer reports allow us to make credit and other opportunities available to you. If you believe that we have furnished information to a consumer reporting agency that is inaccurate, please notify us at the address shown below and identify the specific information that is inaccurate.

Please make and keep a copy for your records. Return the Borrower's signed original with the Cosigner's signed original to:
VSAC Loan Origination Services P.O. Box 999, Winooski, VT 05404-0999

VERMONT ADVANTAGE STUDENT LOAN CREDIT AGREEMENT- COSIGNER (continued)

In this Application/Credit Agreement, the words "I," "me," "my," and "mine" mean the Borrower or Cosigner, as applicable and/or where the context requires. The words "you," "your," and "yours," mean the Vermont Student Assistance Corporation ("VSAC"), its successors and assigns, and any subsequent holder of this Agreement.

A. Promise to Pay: I promise to pay to you, according to the payment option that the Borrower has selected, the total principal sum of the Loan, to the extent that it is disbursed, as shown on the Borrower's 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 payment option that the borrower has selected as provided in this Agreement and the related Final Disclosure Statement. I understand and agree that you may make multiple disbursements to the School on the Borrower's behalf, and that you may disburse a lesser amount than that which I had originally agreed to accept based on information that you receive from the School or otherwise.

B. How I Request a Loan for Qualified Education Expenses and Agree to its Terms: When you receive my signed Application, you are not agreeing to lend me money. You have the right not to make a Loan, or to lend less than the Borrower's Requested Loan Amount, based on my eligibility at the time that I make my request and to cancel any disbursement at any time if I am in default of this Agreement or if I am no longer eligible for this Loan. If you decide to make a loan to me, you will electronically transfer the loan funds to the School, or mail a loan check to the School. I agree to accept an amount that is less than the Requested Loan Amount if the Borrower's School certifies less than the Requested Loan Amount.

This Agreement is for a Vermont Advantage Student 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 Page 1 of this Application/Credit Agreement. Approval of this Loan is contingent on my meeting VSAC's credit criteria, certification of the Borrower's academic/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 Borrower must use the Loan money 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 signing this Agreement and submitting it to you, I am requesting that you make this Loan to me in the Requested Loan Amount, with the payment option that the Borrower has selected and on the terms set forth in this Agreement. If you decide to make a Loan, you will provide the Borrower with an Approval Disclosure Statement upon approval of this Application. The Approval Disclosure Statement will include the amount of the Loan which you have approved, the length of the Repayment Period, the payment option the Borrower selected, the interest rate, the amount of the Loan Origination Fee, if any, the date by which the Borrower must accept the Loan offer that you have made and other important information. The Borrower will inform you of his or her 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 the Borrower accepts the Loan offer and all certifications have been submitted, you will send me a notice and will send the Borrower a Final Disclosure Statement. Among other information, the Final Disclosure Statement will explain how the Borrower may cancel this Loan. The Final Disclosure Statement is incorporated herein by reference.

I understand that there are three payment options applicable to this Loan: the Principal and Interest payment option, the Interest Only payment option and the Deferred payment option. I agree that I will pay my Loan according to the payment option that the Borrower selected on the Application and if it is the Deferred payment option, that the selection is subject to VSAC's approval. I understand and agree that after this Application/Credit Agreement is submitted, no one may change the payment option selected.

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 request that I make to you for a Loan.

Approval Disclosure Statement: The closed-end disclosure statement provided to the Borrower at the time that my Application is approved as required by the federal Truth-in-Lending Act.

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

Enrollment Period: If the Borrower has selected the Interest Only payment option or if the Borrower has selected and been approved for the Deferred payment option, my 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 the Borrower before the Loan proceeds are disbursed as required by the federal Truth-in-Lending Act.

Forbearance Period: Short-term postponement or reduction of payments during financial difficulty offered at your sole discretion, and for not more than 36 total months during the Repayment Period.

Loan: All principal sums disbursed, as may be designated by you, 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 borrower has selected the Principal and Interest payment option, the Repayment Period will begin no later than 45 days after the final Disbursement Date. If the borrower has selected the Interest Only payment option or the Deferred payment option, 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 my Loan was approved for an original principal amount of less than \$10,000, 120 months after the day that the Repayment Period begins; or b) if my Loan was approved for an original principal amount of \$10,000 or more, 180 months after the day that the Repayment Period begins.

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

D. Origination Fee: I agree to pay you the Loan Origination Fee, if any, shown on the borrower's Final Disclosure Statement each time that you disburse Loan proceeds. The amount of the Loan Origination Fee will range from 0% to 5% of the approved Loan amount, will depend on my creditworthiness as a Cosigner, and will be deducted proportionately from each disbursement. I 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 Repayment and at the end of any Forbearance Period or Enrollment Period if you choose 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 you are not open for business. **If I do not pay interest to you before the end of a Forbearance Period or Enrollment Period, such interest will be capitalized and added to my principal balance.**

2. **Capitalization:** You will add all accrued and unpaid interest to the principal balance of the Loan on the day of the Final Disbursement 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. If the Borrower selected the Principal and Interest payment option, my interest rate is **5.80%**. If the Borrower selected the Interest Only payment option, my interest rate is **6.20%**. If the Borrower selected the Deferred payment option, my interest rate is **7.10%**. In either option, the Final Disclosure Statement will disclose the actual interest rate.

4. **ANNUAL PERCENTAGE RATE ("APR").** The APR for the Loan will be disclosed to the borrower on the Final Disclosure Statement. The APR may be higher than the Fixed Interest Rate described above because the APR will include any fee that is charged for this Loan as well as the rate at which interest accrues.

F. Repayment: I am obligated to repay the full amount of the Loan and accrued interest.

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

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

3. **Repayment Period.** My monthly principal and interest payment will be established when my Repayment Period begins based on the terms of this Agreement. During the Repayment Period I will make monthly payments by the payment due dates shown in the Final Disclosure Statement, as may be amended. The amount of monthly payments will equal the amount necessary to amortize my Loan over the Repayment Period. You will notify the Borrower of the actual repayment schedule including payment amount(s) and due dates when the Repayment Period begins. If accrued

VERMONT ADVANTAGE STUDENT LOAN CREDIT AGREEMENT- COSIGNER (continued)

unpaid interest is capitalized during the Repayment Period, you will recalculate the monthly payment, as necessary, to equal the amount required to amortize my Loan balance over the remaining Repayment Period.

I agree that in your sole discretion you may grant Forbearance to me and the Borrower for purposes of aligning payment dates on this Loan and the Borrower's other VSAC Loans or to eliminate a delinquency that persists even though I am making scheduled payments. The Borrower and I must sign any requests for a change in the terms or payment amounts on this Loan.

4. Prepayment. I may prepay all or part of the unpaid balance on my Loan at any time without penalty. If my Loan is current, any prepayment that equals or exceeds the monthly payment will be credited against and advance the next payment(s) due, unless I request otherwise.

5. Allocation of My Payments. I agree that you may make proportionate allocations of any of my Loan payments across all of my VSAC Loans if I do not provide other instructions with the payment.

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, I will pay a late payment fee of 6% of the payment due. I will also pay a returned payment fee to reimburse your cost but not more than \$10.00 for each payment on this Agreement returned for any reason, including but not limited to insufficient funds or a stop payment order.

H. Privacy and Information Sharing:

1. You may report information about my account to credit bureaus. Late payments, missed payments or other defaults on my account may be reflected in my credit report.

2. I authorize you or any holder of this Agreement, or their agents, to investigate my credit record and report information concerning my Loan status to proper persons and organizations, and to obtain my credit report.

3. I authorize the release of information pertinent to this Loan to: (a) the Borrower's School, the current holder of my Loan, or its agents, to the Borrower, and to members of my immediate family unless I submit 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. I authorize you or any holder of this Agreement, or its agents, to request and receive any information from me or the Borrower relating to origination, processing, servicing, and collection of payments of the Loan, to the extent permitted by law. I authorize you to share my information with the Borrower of my Loan.

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

1. I fail to make any payment to you when due;
2. I fail to notify you of a change in 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;
4. Any bankruptcy proceeding is begun by or against me or the Borrower, or I assign any of my assets for the benefit of my creditors;
5. I make any false statement to VSAC in applying for this Loan or at any time thereafter;
6. I break any promise I have made to you in this Agreement or in any other agreement with you;
7. I am no longer eligible for this Loan in any respect; or
8. I decline to cosign this Loan.

This Loan may also be in default under the terms of Section I of the Borrower's section of this Application/Credit Agreement on Page 3 above.

If I default, this will be reported to national credit bureau organizations and may significantly and adversely affect my credit history. This may adversely affect my ability to obtain credit in the future. If I default or am delinquent on payments owed for this Loan, I understand that VSAC has the authority to take and offset my VT State income tax refund.

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

K. Loan Discharge: I 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, I understand that this Loan is made by a nonprofit lender that is a governmental instrumentality of the State of Vermont.

L. Additional Agreements:

1. I certify that the information contained in this Application and Credit Agreement is true, complete and correct to the best of my knowledge and belief and is made in good faith.
2. I authorize the Department to send any information about me that is under its control, including information from the FAFSA, to state agencies and nonprofit organizations that administer financial aid programs.
3. I understand and agree that you may record my telephone conversations for lawful purposes.
4. You, and any subsequent holder of this Agreement, have the right to assign your rights and duties under this Agreement without my consent. The terms and conditions contained herein apply to and bind the successors and assigns of VSAC and any subsequent holder. I may not assign this Agreement or any of its benefits or obligations.
5. Upon my death or proven permanent and total disability, I will be removed from the Loan and the Borrower will remain liable. Upon the Borrower's death or proved disability the remaining loan obligation will be canceled.
6. A failure by you to enforce or insist on compliance with any term of this Agreement shall not be a waiver of any of your rights or those of any subsequent holder. No provision of this Agreement may be modified or waived except in writing and signed by both of us. 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. I 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 I may be given in the future.
8. I authorize you and your agents to verify my Social Security Number (SSN) with the Social Security Administration (SSA) and, if the SSN on my Loan record is incorrect, then I authorize SSA to disclose my correct SSN to these parties. I authorize the School to release, to you and other persons designated by you, any requested information pertinent to each Loan (e.g., enrollment status, prior Loan history, and current address).
9. If requested by you, I 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 your reasonable discretion, to enable you to exercise your rights under this Agreement.
10. Except as otherwise provided in this Agreement, any notice required to be given to me will be effective if sent by first class mail to the latest address you have for me or by electronic means to an address that I have provided, or as provided by applicable law. If you reasonably determine that the address is no longer valid, the notice will be sent to the latest address secured from VSAC, the Department, or other reliable sources.
11. You and I 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. I understand that cosigner release may be available upon request, after 48 months of active repayment provided the borrower then meets VSAC's credit criteria.

M. Certification of Borrower and Cosigner: I certify that the proceeds of this Loan will be used for educational expenses at the School for the loan period stated in this Application/Credit Agreement. I understand that I will be responsible for repaying immediately any funds that I receive which are not to be used or are not used for 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. I understand VSAC, the lender, is located in Vermont and that this Agreement will be entered into in that same state. 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 you and me.

VERMONT ADVANTAGE STUDENT LOAN CREDIT AGREEMENT (continued)

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.



FEDERAL 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 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 ADVANTAGE LOAN CREDIT
AGREEMENT

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Private Education Loan Applicant Self-Certification

Submit Form To:
Vermont Student Assistance Corporation
PO Box 999
Winooski, VT 05404-0999
Fax: (802) 654-3765

OMB No. 1845-0101
Form Approved
Exp. Date 07-31-2019

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

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

SECTION 1: NOTICES TO APPLICANT

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

SECTION 2: COST OF ATTENDANCE AND ESTIMATED FINANCIAL ASSISTANCE

If information is not already entered below, obtain the needed information from the school's financial aid office and enter it on the appropriate line. Sign and date where indicated. See Section 5 for definitions of financial aid terms.

- A. Student's cost of attendance for the period of enrollment covered by the loan \$ _____
- B. Estimated financial assistance for the period of enrollment covered by the loan \$ _____
- C. Difference between amounts A and B \$ _____

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 _____

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

Permanent Street Address _____

City, State, Zip Code _____

Area Code / Telephone Number Home () _____ Other () _____

E-mail Address _____

Period of Enrollment Covered by the Loan (mm/dd/yyyy) From ____/____/____ to ____/____/____

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 _____ Date (mm/dd/yyyy) _____

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 Federal Supplemental Educational Opportunity Grant (FSEOG) Program, the Federal Work-Study (FWS) Program, the William D. Ford Federal Direct Loan (Direct Loan) Program, the Federal Perkins Loan Program, and the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program. To apply for Title IV federal grants, loans, and work-study, submit a Free Application for Federal Student Aid (FAFSA), which is available at www.fafsa.gov, by calling 1-800-4-FED-AID, or from the school's financial aid office.

SECTION 6: PAPERWORK REDUCTION NOTICE

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

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

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