

PENNSYLVANIA HIGHER EDUCATION ASSISTANCE AGENCY (PHEAA)

PA FORWARD EDUCATION REFINANCE LOAN

PROMISSORY NOTE

Borrower:	Borrower Name	Cosigner:	Cosigner Name
	Borrower Address 1		Cosigner Address 1
	Borrower Address 2		Cosigner Address 2
	City, State, Zip Code		City, State Zip Code

Lender: **Pennsylvania Higher Education Assistance Agency (PHEAA)**
 PO Box 2254
 Harrisburg, PA 17102-2254

A. DEFINITIONS.

In this Promissory Note ("Note"), "I", "**me**", "**my**", "**mine**", "**we**" and "**us**" mean each and every person who signs this Note as Borrower or as Cosigner, jointly and severally unless the applicable language specifically refers to only one or the other or specifies a different meaning, each of whom has an independent, as well as a joint, obligation to fulfill the terms of this Note.

"**Lender**", "**you**", and "**your**" mean the Pennsylvania Higher Education Assistance Agency ("PHEAA"), its agents, successors and assigns, and any subsequent holder of this Note, and its agents.

"**Application**" means the application for a Loan submitted to you by me or us for this Loan.

"**Application Disclosure**" or "**Application and Solicitation Disclosure**" means a written statement providing general information regarding loan interest rates, fees and other terms, as required pursuant to the federal Truth In Lending Act ("TILA").

"**Approval Disclosure**" means a written statement sent at the time my Loan is approved providing the amount of the Loan, the applicable interest rate, fees and other information required pursuant to TILA, including my right to accept the Loan within thirty (30) days after receipt of, or the date indicated on, the Approval Disclosure.

"**Disbursement Date**" means the date or dates on which you lend money to me under this Note and will be the date(s) shown on any Loan check you prepare or the date(s) on which you initiate any electronic funds transfer for a Loan.

"**Disclosure Statement**" refers to any disclosures required by law including the Application Disclosure, Approval Disclosure and the Final Disclosure pursuant to TILA that may be provided with or separately from this Note. The Approval Disclosure and Final Disclosure are incorporated by reference as part of this Note. In the event of any conflict between the terms of this Note and the Final Disclosure, the Final Disclosure shall govern.

"**Eligible Borrower**" means an applicant or parent of such applicant who was the borrower under the Underlying Loan(s);

"**Final Disclosure**" means a written statement required pursuant to TILA, sent prior to the first disbursement of my Loan, providing the final terms of the Loan, including my right to cancel the Loan within three (3) days of receipt of, or

the date indicated on, the Final Disclosure. I understand that certain terms shown on such Final Disclosure may be estimates. Estimates will be identified.

"Immediate Repayment" means my Repayment Period will begin immediately upon the final Disbursement Date of my Loan. Immediate Repayment is the only available repayment plan for this Loan.

"Loan" means any and all amounts advanced by the Lender under the terms of this Note, in one or more disbursements, plus accrued interest and fees and other charges, if any, due on the advanced amounts.

"Note" means this agreement and all documents incorporated herein.

"Qualifying Higher Education Expenses" are the costs of attending any eligible undergraduate or graduate educational institution under Title IV of the Higher Education Act of 1965 (as amended) (generally tuition, room, board, books, supplies and related expenses). See IRS Publication 970 for additional information.

"Repayment Calculation Date" means the date my required monthly payment is determined.

"Repayment Period" means the time period that begins on the final Disbursement Date of a Loan and ending when the Loan is required to be paid in full, unless I pay the Loan in full in advance of that date, in which case the Repayment Period will end on the date on which the Loan is actually paid in full.

"Underlying Loan(s)" means an educational loan owed by an Eligible Borrower to be refinanced into this Loan. Underlying Loans are identified by the information provided on the application or information I provide to you during the application process and prior to disbursement of the Loan proceeds. The Lender will verify the existence of and current balance of all Underlying Loans prior to disbursement of the Loan proceeds to the then current servicer(s) of the Underlying Loan(s).

B. PROMISE TO PAY. I promise to pay to the order of Lender the total amount advanced to me or paid on my behalf by you, plus applicable fees, if any (together, the "Principal Sum"), any interest that accrues on the Principal Sum, any interest on any unpaid interest that is capitalized (see Paragraph D.3), and any other fees and costs that become due as required under this Note, including, in the event of my default, all attorneys' fees and other collection costs (see Paragraph G).

C. Approval and Acceptance.

1. I understand that when you accept my signed Note, you are not agreeing to lend me money and I am not bound by the terms and conditions set forth in this Note, and there is no such agreement until the Disbursement Date and you have funded the Loan. If you decide to make a Loan to me, I hereby authorize you at your option and on my behalf to either transfer the Loan funds electronically or via check to the servicers of each Underlying Loan to be refinanced. You have the right not to make the Loan or not make a disbursement on the Loan, as permitted by applicable law. Further, you have the right to lend an amount different from the amount requested in my Application based upon information received from the servicer reflecting that the Underlying Loan balance is higher or lower than stated in my Application. I agree to accept an amount more or less than the amount I requested on the Application and to repay the entire Loan amount that you actually lend to me based upon information from the servicer reflecting that the Underlying Loan balance is higher or lower than state in my Application.

I expressly acknowledge that you are disbursing proceeds to the servicers of the Underlying Loans in reliance upon information that I have provided on my Application and via subsequent documentation. I also expressly acknowledge that any outstanding balances that exist on an Underlying Loan after you disburse proceeds to the servicer of that loan will continue to be my sole responsibility and that you make no representation as to the full satisfaction of any Underlying Loan being consolidated. Therefore, any fees, penalties or other charges that I may incur after the disbursement of proceeds to the servicer of any Underlying Loan are my sole responsibility. I also expressly

acknowledge that the Underlying Loans are loans made under a federal education loan program, under a state loan program or are a private student loan and that if a loan was from a state loan program or is a private student loan, the loan does not exceed the difference between my total cost of attendance and my other forms of student assistance (not including certain Parent loans under 428B(a)(1) of the HEA of 1965 or student assistance loans under Title VII of the Public Health Services Act) and the principal amount of this loan may not exceed the sum of the refinanced original loan principal, including capitalized interest, and accrued, unpaid interest.

2. I understand that I am not legally obligated to repay any amounts owed under this Note until such amounts are disbursed by the Lender. I understand that I accept your Loan offer by giving my notice of acceptance prior to the date indicated on the Approval Disclosure using a method set forth in the Approval Disclosure. By signing this Note and submitting it to you, I understand that I am accepting the Loan terms disclosed to me in the Approval Disclosure. I understand that when you receive my signed Note, you are not agreeing to lend me money and I am not bound by the terms and conditions set forth in this Note. Once I accept the terms as stated in the Approval Disclosure and sign this Note, you will provide me with the appropriate Final Disclosure showing the principal amount that has been approved and other important information about the Loan. Upon receipt of the Final Disclosure, I will review it and if I am not satisfied with the terms of my Loan as approved, I may cancel this Note and all disbursements.

3. Right to Cancel. If I accept your Loan offer, you will provide me with a Final Disclosure before any disbursements are made. If I am not satisfied with the terms of the Loan as described in the Final Disclosure, I have the right to cancel this Note and any pending Loan disbursements by the deadline for cancellation set forth in my Final Disclosure. To cancel this Note, I must give you notice of cancellation using a method set forth in the Final Disclosure, together with any verification of identity and authorization that you may require, no later than the deadline for cancellation set forth in my Final Disclosure. If I cancel this Note and the Loan during this cancellation period, no disbursements will be made and the Loan will be canceled. I understand that no Loan proceeds will be disbursed until after the cancellation period has expired. If I give notice of cancellation but do not comply with the requirements of this Paragraph C.3, this Note will not be canceled and I will be in default of this Note. (See Paragraph G.)

4. Qualified Higher Education Expenses. By signing this Note, I certify to Lender that all of my Underlying Loans are student loans incurred by me or an Eligible Borrower solely to pay for my Qualifying Higher Education Expenses, or those of a dependent student. If I do not sign the Note, the Lender may not issue or file Form 1098-E for student loan interest on my behalf. Do not sign the Note for an Underlying Loan that is a mixed use loan because such a loan is not used solely for Qualifying Higher Education Expenses. However, I may sign the Note for a revolving line of credit or similar loan if I used the line of credit or similar loan solely to pay for Qualifying Higher Education Expenses. I agree to return to the Lender any proceeds not attributable to Qualifying Higher Education Expenses.

5. Disbursements. I acknowledge that Lender will disburse my Loan (in Lender's sole discretion) either by transmitting loan proceeds via check or electronically to the servicer of the Underlying Loans. If a charge is imposed on Lender for the transfer of the funds to the servicer of any Underlying Loan for my benefit, I agree to pay that charge when asked by Lender except where prohibited by law. If the servicer of any Underlying Loan returns all or part of the Lender's disbursement for whatever reason, Lender will apply any amount it receives to what I owe under this Note (as described in Paragraph E.5), and if I have paid Lender in full, Lender will then refund any excess to me.

6. Returning Funds. If all or any part of the Loan funds disbursed on the Disbursement Date are returned to you directly by the servicer of an Underlying Loan, or if a Loan check is not endorsed, deposited and cleared within ninety (90) days of that Disbursement Date, Lender will charge no interest with respect to the funds returned or the funds represented by the uncashed Loan check.

D. INTEREST.

1. Accrual. Interest accrues on the outstanding principal balance of the Loan from the first Disbursement Date until the Loan is paid in full. Interest will be calculated on a daily simple interest basis on the outstanding principal balance

each day until the Loan is paid in full. The daily interest rate will be equal to the fixed annual interest rate on the Loan set forth on my Final Disclosure, divided by the number of days in that calendar year (365 or 366). Interest accrues on capitalized interest beginning on the day that it is added to the unpaid principal balance until the Loan is paid in full.

2. Fixed Rate. Interest accrues on the unpaid principal balance at the fixed annual interest rate on the Loan set forth on my Final Disclosure (the "Interest Rate").

3. Capitalization. I understand that you will add all accrued and unpaid interest to the principal balance of my Loan on the last day of any deferment or forbearance period that I request on my Loan, and in the event of default. If I request a deferment and/or forbearance and any accrued interest is outstanding, the outstanding interest may be capitalized.

4. Interest Upon Default. If I default on my Loan or if Lender obtains a judgment against me under this Note, interest will continue to accrue as set forth above.

E. REPAYMENT.

1. Repayment Plans. Immediate Repayment is the only available repayment plan under this Note. Under Immediate Repayment, my Repayment Period will begin immediately upon the final Disbursement Date of my Loan and my first payment will be due 30-45 days after the final Disbursement Date of my Loan.

2. Repayment Period and Payment Schedule.

- a. During the Repayment Period, you will send me monthly statements at the address I have provided to you showing the amounts of my required monthly payments and payment due dates, and I will make consecutive monthly payments at least equal to the required payment amounts by the payment due dates until I have paid all principal, interest and other charges owing under this Note. Failure to receive a monthly statement does not relieve me from my obligation to make payments as required by the terms of this Note.
- b. My required monthly payment will be calculated as of the date the Repayment Period begins ("Repayment Calculation Date") and will be recalculated, following any deferment or forbearance, upon any request by me to change the monthly payment due date (each of which events is a new "Repayment Calculation Date") or as necessary to ensure my loan is repaid in accordance with my repayment term. The initial and each subsequent required monthly payment amount will be disclosed to me after each recalculation by you.
- c. My required monthly payment amount will equal the amount necessary to pay in full, over the number of months remaining in the Repayment Period, the amount I owe in equal monthly installments of principal and interest at the Interest Rate on my Loan. I understand that this may result in an increase to or reduction of my monthly payment as calculated on each Repayment Calculation Date. I understand that you may change the due date of future monthly payments for the administrative convenience in servicing this Loan or to coordinate the due dates of all of my Loans serviced by a servicer of this Loan.

3. Minimum Monthly Payment. Unless otherwise specified with respect to a specific repayment option, the minimum monthly payment on my Loan during the Repayment Period will be the lesser of \$50.00 or the remaining unpaid principal and interest amount of my Loan.

4. Amounts Owed at the End of the Repayment Period. Since interest accrues daily upon the unpaid principal balance of my Loan, if I make payments after my payment due dates, I may owe additional interest. If I have not paid my late charges, I will also owe additional amounts for those late charges. In such cases you will increase the amount of my last monthly payment to the amount necessary to repay my Loan in full.

5. Application of Payments. Payments will be applied first to late charges, then to any other fees and charges, then to accrued interest, then to billed principal, and last to principal in excess of the amount of billed principal. I understand that all accrued interest and fees must be paid before the outstanding principal can be reduced.

6. Late Fees and Other Charges. If any part of a monthly payment remains unpaid for a period of more than fifteen (15) days after the payment due date, I may pay a late charge not exceeding \$5.00 or 4% of the overdue payment amount, whichever is less. To the extent permitted by applicable law, I agree to pay you all amounts you incur in enforcing the terms of this Note, including reasonable collection agency and attorneys' fees, court costs and other collection costs. I understand this may include costs to cover a payment (to include a negotiable instrument, debit, electronic funds transfer or other method of payment) returned for insufficient funds as permitted by applicable law.

7. Right to Prepay. I may, at my option, pay more than my required monthly payment at any time without penalty. Because of the way interest is calculated, I will not receive any interest refund or rebate if I prepay in full. Prepayments of more than the total monthly amount due will be applied to future monthly payments unless I clearly direct in writing submitted with such prepayment that I do not want such prepayments applied to future monthly payments. If I instruct you not to apply a prepayment to future monthly payments, the prepayment will not reduce the amount of my required monthly payment and will not excuse me from having to make all previously scheduled future monthly payments on their due date. However, prepayment of more than the monthly installment amount on my Loan may reduce the number of payments I must make to pay the Loan in full or the amount of my final payment.

8. Deferment and Forbearance. You may, in your sole discretion, allow a deferment or forbearance of payments on my Loan. I will contact the servicer to determine my eligibility and the requirements to defer or forbear my payments. I understand that interest will continue to accrue during any period of deferment or forbearance and that unpaid interest will be capitalized in accordance with Paragraph D.3.

9. Late Payments, Partial Payments, and "Payment in Full". To the extent permitted by applicable law, you may accept late payments, partial payments, or payments marked "Payment in Full" or having similar language, without waiving any of your rights under this Note or under applicable law. If I want to pay you in full with a check or similar instrument that has special notations or instructions on or with the check (such as "Payment in Full" or similar language), I agree to send the payment (including special notations or instructions) to you at the special address specified for such payments on my monthly billing statement. If I send a payment with such notations or instructions to any other address, I agree that (i) you may ignore the special notations or instructions, and (ii) the crediting by you of any such check or other instrument to amounts I owe under this Note does not mean that you have agreed to the special notations or instructions.

F. CREDIT REPORTING AGENCY NOTIFICATION. I authorize you to investigate my creditworthiness and to receive credit information about me (and my spouse if I live in a community property state) from others, including other lenders, credit reporting agencies, and educational loan information clearinghouses. You may also furnish information about my Loan including but not limited to late payments, missed payments or other defaults on my account, to credit reporting agencies and other persons who may legally receive such information.

G. DEFAULT / LENDER REMEDIES AFTER DEFAULT. To the extent permitted by applicable law, I will be in default of this Note if: (1) payment of any amount required to be paid by me has not been received by you when due; (2) I break any of my other promises in this Note; (3) any bankruptcy proceeding is begun by or against me, or I assign any of my assets for the benefits of my creditors; or (4) I make any false statement or omit any fact necessary to make the written statements I have made not misleading in applying for this Loan or at any time prior to when the Loan is paid in full. If I default, you have the right to give me notice that the whole outstanding principal balance, accrued interest, and all other amounts payable to you under the terms of this Note, are due and payable at once. You also have the right to cancel any disbursements not yet made. If I default, I will be required to pay interest on this Loan accruing after default. You may also, at your option, capitalize all accrued and unpaid interest to the principal balance of my Loan upon default. If I default, I understand you may outsource collection of this Loan.

To the extent permitted by applicable law, if I am in default of this Note, I further understand that you have the right to commence administrative loan collection proceedings against me pursuant to applicable Pennsylvania law and regulation.

H. NOTICES. I will send written notice to you, or any subsequent holder of this Note, within ten (10) days after: (a) any change in my name, primary address, email address, or telephone number. Any notice I send to you will be sent to the address you have most recently provided me for that purpose. If you have not provided any address to me, notices may be sent to the address shown on my most recent monthly statement. Except as otherwise provided by applicable law, any notice you are required to give to me will be effective when mailed by first class mail to the latest address you have for me. If I have agreed to receive notices and communications electronically, such notice will be effective when transmitted electronically in any manner that I have agreed to. To the extent permitted by applicable law, any notice you send to any one of us will be considered sent to all of us.

I. PRIVACY MATTERS.

1. Communicating with Me; Call Recording: I authorize Lender (which for purposes of this Section also includes its affiliates and both Lender and its affiliates' respective service providers, agents or any person calling on their behalf) to use automated telephone dialing, text messaging and email systems to communicate with me at the telephone number(s) and email address(es) I have provided in this Note, or any application for credit with Lender and at any telephone numbers or email addresses that I subsequently provide to Lender, with information relating to this Note, my other agreement(s) or account(s) maintained now or in the future by Lender, or other important information regarding my relationship with Lender ("Communications"). Communications might include, for example, messages relating to scheduled payments or missed payments. I also agree that Communications that Lender sends may contain prerecorded or artificial voice messages.

I understand that Communications to a telephone may be played by a machine automatically when the telephone is answered. These messages may also be recorded by my answering machine. I understand that anyone with access to my telephone may be able to listen to the messages, notwithstanding Lender's efforts to communicate only with me. I also understand and agree that, subject to applicable law, Lender may monitor and/or record any of my phone conversations with any Lender representatives for training, quality control, evidentiary, and any other purposes. However, Lender is not under any obligation to monitor, record, retain, or reproduce such recordings, unless required by applicable law.

I acknowledge that, when I receive Communications from Lender, I might incur a charge from the company that provides me with telecommunications services. I agree that Lender will not be liable for any fees, inconvenience, annoyance or loss of privacy in connection with any Communications. If any telephone number I have provided to Lender changes, or if I cease to be the subscriber or customary user of any such telephone number, I agree to immediately give Lender notice of such facts so that Lender may update its records. I understand that this consent to receive automated Communications is an essential provision of this Note. To the extent I have the right under applicable law to revoke this consent, I may do so by contacting PHEAA at 1-(800) 233-0557 or in writing at PO Box 2461, Harrisburg, PA 17105-2461, or at any telephone number or address subsequently provided by Lender.

2. Communications Regarding Loan and Release of Loan Information. To the extent authorized by applicable law, I authorize any lender or holder of any of my outstanding educational loans to release any information on any of my outstanding education loans to any other lender or holder of any of my other educational loans as necessary to obtain information on Underlying Loans and to process and disburse this Loan. I authorize you to: (a) respond to inquiries from subsequent lenders or holders with respect to my Application, this Note, and related documents; (b) release information and make inquiries to the persons I have given you as references, for the purposes of learning my current address and telephone number; and (c) unless I submit written directions otherwise, to release information relating to this Loan to members of my immediate family, including my spouse.

3. Social Security Number. You may verify my Social Security number with the Social Security Administration ("SSA"). If the number on my Loan records is incorrect, then I authorize the SSA to disclose my correct Social Security number to you.

4. Department of Education Information. I authorize the Department of Education to send any information about me that is under its control, including information from the Free Application for Federal Student Aid, to you.

J. ADDITIONAL PROVISIONS.

1. Governing Law. I understand that PHEAA is located in the Commonwealth of Pennsylvania and that this Note will be entered into in Pennsylvania. I also understand that my Application and this Note will be reviewed by PHEAA and that PHEAA will make the credit decision and disburse the proceeds in Pennsylvania. Both the Borrower and Cosigner are legal residents of Pennsylvania or a PHEAA-approved state (New York, New Jersey, Ohio, Virginia, Delaware, Maryland, or West Virginia). CONSEQUENTLY, THE PROVISIONS OF THIS NOTE WILL BE GOVERNED BY FEDERAL LAW AND THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, WITHOUT REGARD TO CONFLICT OF LAW RULES. I agree that any suit I bring against you (or any subsequent holder of this Note) must be brought in a court of competent jurisdiction within the Commonwealth of Pennsylvania (the Commonwealth Court of Pennsylvania, Court of Common Pleas in Dauphin County, or the Middle District of Pennsylvania).

2. Waivers. My responsibility for paying the Loan evidenced by this Note is unaffected by the liability of any other person to me or by your failure to notify me that a required payment is due or has not been made. You may delay, fail to exercise, or waive any of your rights on any occasion without losing your entitlement to exercise the right at any future time, or on any future occasion. To the extent permitted by applicable law, I waive my rights to require you to demand payment of amounts due (known as "presentment"), to give notice that amounts due have not been paid (known as "notice of dishonor"), to obtain an official certification of non-payment (known as "protest"), and to give any other notices or demands, before suing to collect on this Note if I am in default.

3. Assignment. I may not assign this Note or any of its benefits or obligations. You may assign this Note at any time.

4. Entire Agreement; Changes. The terms set forth in this Note (including the Approval Disclosure and Final Disclosure, which have been incorporated by reference) constitute the entire agreement between you and me. Except as otherwise provided herein, no provision of this Note may be modified unless agreed upon in writing by you and me. No modification will affect the validity or enforceability of the remainder of the Note.

5. Correction of Errors. All parties to this Note agree to fully cooperate and adjust all typographical, computer, calculation or clerical errors discovered in any or all of the loan documents including the Application, Note, Application and Solicitation Disclosure, Approval Disclosure, Final Disclosure, and any Notice to Cosigner. Errors in the names and/or addresses of the parties will be corrected by notice to all parties. In the event this procedure is used for any other errors, all parties involved will be notified and receive a corrected copy of the changed document.

6. Severability. If any provision of this Note is held invalid or unenforceable, that provision shall be considered omitted without affecting the validity or enforceability of the remainder of the Note.

7. Unsecured Agreement. Lender waives any right it may have under any other document to claim a security interest in property to secure this Note. This Note is unsecured.

8. Not a Negotiable Instrument. THIS PROMISSORY NOTE IS NOT A NEGOTIABLE INSTRUMENT UNDER ARTICLE 3 OF THE UNIFORM COMMERCIAL CODE ("UCC").

9. Savings Clause. If this Note is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Note exceeds the permitted amounts, then: (a) any such charge shall be reduced by the amount necessary to reduce the charges to the permitted limit; and (b) any sums already collected from me in excess of permitted limits will be refunded to me. You may choose to provide this refund by reducing the principal balance I owe under this Note or by making a direct payment to me.

10. Signatures. If I sign this Note and transmit such signed Note to you via facsimile, electronically transmitted portable document format, or via electronic signature and submission, such transmission shall be treated in all manner and respects as an original signature (or counterpart thereof) and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. I agree not to raise the use of a facsimile machine, electronic transmission in portable document format, or electronic signature and submission to deliver a signature or the fact that any signature was transmitted or communicated through the use of facsimile machine, electronic transmission in portable document format or electronic signature and submission as a defense to enforceability of this Note and I forever waive any such defense.

11. Electronic Signatures. If I consented to sign this Note using an electronic signature, I intend: (i) my electronic signature to be an electronic signature under applicable federal and state law; (ii) any printout of your electronic record of this Note and related notices to be an original document; (iii) to conduct business with the Lender by electronic records and electronic signatures; and (iv) that this Note will not be governed by Article 3 of the UCC, and that my obligations under this Note will not be subject to, but any transfer of my obligations will be subject to, Article 9 of the UCC.

12. Joint and Several Liability. Borrower and Cosigner are jointly and severally obligated on this Note. Borrower is obligated to repay all amounts under this Note. Cosigner is obligated to repay all amounts under this Note. You are entitled to collect all amounts due and owing from Borrower without attempting to collect any amounts from Cosigner, and to collect all amounts due and owing from Cosigner without attempting to collect any amounts from Borrower. Borrower and Cosigner obligations include the obligation to repay all principal, interest, late fees and all other fees and collection costs as permissible under this Note. Borrower and Cosigner agree that any notice sent to one of us will be binding on all of us, and that all provisions of this Note shall apply to all of us individually and collectively. In the case of a default, you may sue one or more of Borrower and Cosigner separately, or all of us together, at your option. We understand that the failure of any or all of us to receive a monthly billing statement does not relieve any of us from the obligation to remit payments when due.

13. Bankruptcy. I understand that my Loan may not be dischargeable in bankruptcy. If I file for bankruptcy, I may still be required to pay back my Loan.

14. State and Local Taxes and Fees (if applicable). I understand that I am responsible for payment of any and all taxes and/or fees imposed by any state or local government authority arising as a result of the indebtedness evidenced by this Note.

15. Section Headings. Section and paragraph headings and captions in this Note are for convenience and reference purposes only, and are not intended to limit the meaning of any provision of this Note.

K. FEDERAL LAW NOTICES.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT: To help the government report the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for me: When I apply for a Loan, you will ask for my name, address, date of birth and other information that will allow you to identify me. You may also ask to see my driver's license or other identifying documents.

REPORTING INFORMATION TO A CREDIT BUREAU:

NOTICE: 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.

If I believe that any information about my Loan that you have furnished to a consumer reporting agency is inaccurate, or if I believe that I have been the victim of identity theft in connection with any other loan made by you, I should write to you at PO Box 2461, Harrisburg, PA 17105-2461. **In my letter, I will (i) provide my name and the loan or account number; (ii) identify the specific information that is being disputed; (iii) explain the basis for the dispute; and (iv) provide any supporting documentation I have that substantiates the basis of the dispute. If I believe that I have been the victim of identity theft, I will submit an identity theft affidavit or identity theft report.**

MILITARY LENDING ACT DISCLOSURE: Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: the costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account).

Payments are a function of the amount borrowed and the applicable interest rate for the Loan. Please refer to the Approval Disclosure for information regarding monthly payments. To hear important disclosures and payment information about this Promissory Note, please call 1-(844)-PAFORWD (1-844-723-6793) before the deadline for cancellation set forth in the Final Disclosure expires.

COMMUNICATIONS UNDER THE FEDERAL BANKRUPTCY CODE: Any communication with you required or permitted under the Federal Bankruptcy Code must be in writing, must include my account number and must be sent to Lender at: PHEAA, PO Box 8183 Harrisburg PA 17105-8183.

L. STATE LAW NOTICES.

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

Maryland Residents. You and I have agreed that this Note is governed by federal law and the laws of Pennsylvania without regard to conflict of laws rules; if any court should nevertheless determine that this Note is subject to Maryland laws concerning credit, then only to the extent that Maryland law applies, you and I agree and elect that this Loan is made under and governed by Subtitle 10, Credit Grantor Closed-End Credit Provisions, of Title 12 of the Commercial Law Article of the Annotated Code of Maryland, only to the extent not inconsistent with federal law.

New Jersey Residents. The section headings of this Note are a table of contents and are not contract terms. Portions of this Note with references to actions taken to the extent of applicable law apply to acts or practices

that New Jersey law permits or requires. In this Note, acts or practices (i) by you which are or may be permitted by "applicable law" are permitted by New Jersey law; and (ii) that may or will be taken by you unless prohibited by "applicable law" are permitted by New Jersey law.

New York Residents. I understand and agree that you may obtain a consumer credit report in connection with my Application and in connection with any updates, renewals or extensions of any credit as a result of my Application. If I ask, I will be informed whether or not such a report was obtained and, if so, the name and address of the agency that furnished the report. I also understand and agree that you may obtain a consumer credit report in connection with the review or collection of any Loan made to me as a result of my Application or for other legitimate purposes related to such Loans. If any debt incurred on my account is ever in default, that fact may become part of my credit record.

Ohio Residents. The Ohio laws against discrimination require that all creditors make credit equally available to all credit-worthy customers and that consumer credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

M. NOTICE TO ALL COSIGNERS.

I understand that the following notice is also required by federal law and state law (if applicable) and that for the purposes of this notice, the words "you" and "yours" mean the Cosigner(s) who signed this Note:

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 part of *your* credit record.

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

Signatures on Following Page

PLEASE SIGN BELOW:

CAUTION: IT IS IMPORTANT THAT EACH BORROWER AND COSIGNER THOROUGHLY READS THIS NOTE BEFORE SIGNING BELOW. This Note (including the Approval Disclosure and Final Disclosure, which have been incorporated by reference) contains all of the terms and conditions that apply to the Loan. This Note completely replaces any earlier understandings or communications any Borrower or Cosigner may have had with the Lender or any other party about the Loan.

Before signing this Note, I declare under penalty of perjury under the laws of the United States of America that the following is true and correct:

I and each of us have read, understood and agree to all provisions of this Note. I and each of us agree to the terms of this Note and acknowledge receiving a completed copy of this Note. I and each of us also acknowledge receiving and reviewing the Approval Disclosure provided by you. I understand that the amount and certain other terms of my Loan and my right to cancel will be described to me in a separate Final Disclosure. By signing this Note and submitting it to you, I and each of us agree to be bound by this Note. I and each of us understand that consummation of this transaction does not occur upon signing this Note, but rather upon the disbursement of funds by you, meaning that my obligations under this Note only arise once funds are disbursed. I and each of us agree that any and all proceeds of this Loan will be used to repay Underlying Loans for Qualifying Education Expenses. All information provided to you in connection with this Loan, including without limitation, the information contained in my Application, is true, complete and correct to the best of my knowledge and belief and is made in good faith.

If I am signing this Note as Cosigner, I also acknowledge that (a) Lender may proceed directly against me without first proceeding against the Borrower, and (b) I am fully responsible for paying all amounts due under this Note, in full, even if the Borrower is released from liability on this Note for any reason.

By signing below, I further acknowledge that, as of the Disbursement Date of this Loan, both the Borrower and Cosigner are residents of Pennsylvania or PHEAA-approved states (New York, New Jersey, Ohio, Virginia, Delaware, Maryland, or West Virginia).

Borrower Name: _____

Borrower Signature: _____ Date: _____

Cosigner Name: _____

Cosigner Signature: _____ Date: _____

Please mail to:

PA Forward Student Loans
PO Box 2254
Harrisburg, PA 17105-2254

Or email to: refinance@pa-forward.org

If you have additional questions please call 1-844-PA-FORWD (1-844-723-6793)

