

Program Disclaimers

Fixed Interest Rates, APRs and Repayment Examples

1 The initial credit review is based on review of all the information the borrower provides during the application process and the information obtained from their credit report. If the borrower passes the initial credit review, they will need to provide acceptable documentation such as income verification and Applicant Self-Certification Form and we will need the certification from the student beneficiary's school before the final loan approval.

Credit Review and Approval

2 The current fixed interest rates range from 3.04% to 8.26% in effect as of 11/18/2022. The fixed interest rate and Annual Percentage Rate (APR) may be higher depending upon (1) the student's and cosigner's (if applicable) credit histories (2) the repayment option and loan term selected, and (3) the requested loan amount and other information provided on the online loan application. If approved, applicants will be notified of the rate qualified for within the stated range. APRs range from 2.79% (with Auto Pay Discount⁵) to 7.60%. Lowest rates are only available for the most creditworthy applicants. The APR reflects the estimated total cost of the loan, including upfront fees, accruing interest and the effect of capitalized interest. The lowest APR example assumes a \$10,000 loan disbursed in a single transaction; the highest APR example assumes a \$10,000 loan disbursed over two transactions. The lowest current APR, based on a 5-year repayment term (60 months), an immediate repayment plan, monthly principal and interest payments of \$178.76, has a 2.79% interest rate which includes a 0.25% interest rate reduction for payments via auto pay⁵. The highest current APR, based on a 15-year repayment term (180 months), a deferred repayment plan with a deferment period of 60 months upon initial disbursement, a six-month grace period before repayment begins, monthly principal and interest payments of \$139.84, has an 8.26% interest rate. The fixed interest rate assigned to a loan will never change except as required by law or if you request and qualify for the ACH reduction benefit. Repayment terms and options available may vary depending upon the amount borrowed.

Past Due Balances

3 Program loans may be used to cover educational expenses for academic periods that end up to 90 days prior to the application date.

Auto Pay Discount - 0.25% Interest Rate Reduction

4 An interest rate reduction of 0.25% is available for borrowers who make monthly electronic funds transfer (EFT) payments of principal and interest from a savings or checking account. To qualify, the borrower needs to arrange with the loan servicer to automatically deduct monthly principal and interest payments from a bank account. The automatic payment benefit may be discontinued and be lost for the remaining repayment period in the event any three payments are returned for insufficient funds over the life of the loan. This benefit is not available for interest payments made during the deferment period for the Interest Only Repayment option. This benefit may be terminated during deferment and forbearance periods but can be re-established if borrower reapplies at the end of the deferment or forbearance period.

Total and Permanent Disability

5 In the event a Borrower becomes Totally and Permanently Disabled, the Borrower, or his/her representative, may contact the Servicer by phone or mail to request information regarding the Lender's Total and Permanent Disability (TPD) discharge. Any Loan that has not previously become a charged off Loan or that is not currently in default may be discharged due to the Borrower's Total and Permanent Disability, as defined by the Lender's TPD Terms and Application. The definition of TPD, the application form for a TPD discharge, the required supporting documentation, and other terms, limitations, conditions and requirements for a TPD discharge ("TPD Terms") can be obtained by contacting the Lender or Servicer by phone or mail. The Servicer must receive a completed TPD Application within the timeframe stated within the application that complies with the requirements set forth by the Lender for a Loan to be discharged. If the Borrower meets the TPD requirements

set forth by the Lender, the Servicer shall write off any outstanding principal and accrued interest balance on the Loan to a zero balance. For additional information regarding TPD or to request an application, contact the Loan Servicer.

Parent Loan Death Forgiveness

6 If the student beneficiary should die while enrolled at least half-time at an eligible institution, and the Loan is not in default, the Borrower will be released from the Loan and the Servicer shall write down any outstanding principal and accrued interest balance on the Loan to a zero balance if the Servicer receives acceptable proof of death and proof of enrollment at an eligible institution at the time of the student beneficiary's death. If the student beneficiary dies and the Loan does not qualify to be written down to zero, the Servicer will inactivate the student beneficiary record on the Loan and continue servicing the Loan in accordance with the Credit Agreement as the Borrower is still obligated to the debt. If the Borrower dies, the Loan will become a charge off Loan. The Servicer may attempt to file a claim against the Borrower's estate for any unpaid debt under this Credit Agreement. Any payments received from the Borrower's estate, less collection costs, will be applied to all applicable Loan(s). If the Borrower is released from obligations under this section, no refund will be paid for prior payments made on the Loan.

Higher Education Servicing Corp.

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