

## Certified Private Loan Application & Solicitation Disclosure

### Loan Interest Rate & Fees

Your **starting interest rate** will be between

**3.75%** and **9.50%**

After the starting rate is set, your rate will then vary with the market.

#### Your Starting Interest Rate (upon approval)

The starting interest rate you pay will be determined after you apply. It will be equal to the Prime Index plus Margin. The value of the Prime Index varies with the market each quarter. The Margin is a fixed value that is set at the time of your application, based on your credit history and other factors including your cosigner's credit history (if applicable). If approved, we will notify you of the rate you qualify for within the stated range.

#### Your Interest Rate during the Life of the Loan

**Your rate is variable.** This means that your rate could move lower or higher than the rates on this form. The variable rate is based upon the Prime Rate (as published in the *Wall Street Journal*). For more information on this rate, see the reference notes.

Although the interest rate will vary after you are approved, the interest rate will **never exceed 18%** (the maximum allowable for this loan).

#### Loan Fees and Charges

|                            |      |                               |   |
|----------------------------|------|-------------------------------|---|
| <b>Application Fee:</b>    | Zero | <b>Late Charge:</b>           | 5% of the amount of the past due payment, or \$5, whichever is greater. |
| <b>Origination Fee:</b>    | Zero |                               |   |
| <b>Loan Guarantee Fee:</b> | Zero |                               |   |
| <b>Repayment Fee:</b>      | Zero | <b>Returned Check Charge:</b> | Up to \$10.   |

#### 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) different repayment options available to you while enrolled in school.

| Repayment Option<br>(While enrolled in school)   | Amount Provided<br>(Directly to your school) | Interest Rate<br>(Highest possible starting rate) | Loan Term<br>(How long you have to pay off the loan) | Total Paid over 15 years<br>(Includes associated fees) |
|--|--|---|--|--|
| <b>1. DEFER PAYMENTS</b><br>Make no payments while enrolled in school at least half-time (automatic in-school deferment). Interest will be charged and added to your loan. | \$10,000                                     | 9.50%   | 15 years starting <u>after</u> the deferment period  | \$26,388   |
| <b>2. PAY ONLY THE INTEREST</b><br>Make interest payments but defer payments on the principal amount while enrolled in school at least half-time.                          | \$10,000                                     | 9.50%   | 15 years starting <u>after</u> the deferment period  | \$22,833   |
| <b>3. MAKE FULL PAYMENTS</b><br>Pay both the principal and interest amounts (required while enrolled in school less than half-time).                                       | \$10,000                                     | 9.50%   | 15 years starting after your first payment           | \$18,796   |

#### About this example

The repayment example assumes that you remain in school for 4 years and have a 6 month grace period before beginning repayment. It is based on the **highest starting rate currently charged** and associated fees. You always have the option to make payments ahead of schedule without penalty. By making payments ahead of schedule you can reduce the total cost of your loan.

## Federal Loan Alternatives

| Loan Program  | Current Interest Rates by Program Type           |
|---|--|
| <b>PERKINS</b><br>for Students  | 4.5% fixed                                       |
| <b>STAFFORD</b><br>for Students                                       | 4.5% fixed Undergraduate Subsidized              |
|   | 6.8% fixed Undergraduate Unsubsidized & Graduate |
| <b>PLUS</b><br>for Parents and<br>Graduate / Professional<br>Students | 7.9% fixed                                       |

### 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](http://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](http://www.federalstudentaid.ed.gov) for more information about other loans.

### 2. Follow These Steps to Apply for This Loan

- Complete the application and consider adding a cosigner. A cosigner may improve your chances for approval and may lower your interest rate.
- Sign your Promissory Note. Log in to your account at [DiscoverStudentLoans.com](http://DiscoverStudentLoans.com) to sign it electronically, or mail your Promissory Note to us with your original signature.
- Verify your cosigner (if you have a cosigner) has completed and signed the Cosigner Addendum. Your cosigner can log in to their account at [DiscoverStudentLoans.com](http://DiscoverStudentLoans.com) to sign it electronically or mail it to us with their original signature.
- Complete and sign the Self-Certification Form. Log in to your account at [DiscoverStudentLoans.com](http://DiscoverStudentLoans.com) to sign it electronically, or mail your Self-Certification Form to us with your original signature.
- Obtain school certification. In most cases, we will contact your school and request school certification on your behalf. Your loan amount will be the lesser of: the amount you request, the amount certified by your school, or the amount we approve.

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 and the variable interest rate may change based on the market).

#### REFERENCE NOTES

#### Variable Interest Rate

- This loan has a variable interest rate that is based on a publicly available index. The Prime Index adjusts quarterly on each Jan 1, Apr 1, Jul 1 and Oct 1, and it is the highest "prime rate" listed in the Money Rates section of the *Wall Street Journal* on the first Friday of the last month of the preceding quarter. Your rate will be calculated each quarter by adding a margin between 0.50% and 6.25% to the Prime Index.
- For more information and the most recent value of the Prime Index, visit [DiscoverStudentLoans.com/policies/prime-index-and-apr.aspx](http://DiscoverStudentLoans.com/policies/prime-index-and-apr.aspx)
- The rate will not increase more than once a quarter, but there is no limit on the amount that the rate could increase at one time.

#### Borrower Eligibility Criteria

- Must be enrolled at an eligible school.
- Must be a US citizen or permanent resident.
- Must be 16 years or older at the time you apply.
- Must pass a credit check.

#### Cosigner Eligibility Criteria

- Rates are typically higher without a cosigner.
- Must be a US citizen or permanent resident.
- Must be 18 years or older at the time of loan application.
- Must pass a credit check.

#### School Disbursement

- Your school will receive the funds, credit your school account, and forward any remaining amount to you.

#### Bankruptcy Limitations

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

**More information about loan eligibility and repayment deferral or forbearance options is available in your Promissory Note, on [DiscoverStudentLoans.com](http://DiscoverStudentLoans.com), or by calling us at 1-877-728-3030.**

## **STUDENT LOAN (CERTIFIED PRIVATE LOAN) IOWA DISCLOSURE**

### **A. COSIGNER REQUIREMENTS**

A cosigner is required for this student loan if you do not meet our credit requirements on your own.

### **B. REPAYMENT OF LOAN INFORMATION**

**Undergraduate Loans:** Repayment of your loan begins 6 months after graduation or enrollment in school is less than half-time.

**Graduate Loans:** Repayment of your loan begins 9 months after graduation or enrollment in school is less than half-time.

You can prepay your loan in whole or part at any time without penalty.

### **C. ADDITIONAL TERMS AND CONDITIONS**

Your loan is subject to all of the terms and conditions of your Promissory Note. Please read your Promissory Note carefully, it may include terms under which the interest rate on the loan may change. To obtain a copy of your Promissory Note, please visit [DiscoverStudentLoans.com](http://DiscoverStudentLoans.com) or call 1-877-728-3030.

### **D. CONSEQUENCES OF LOAN DEFAULT**

There are serious consequences if you default on this loan. For example, under normal circumstances, student loans are not dischargeable in bankruptcy. In order to discharge a loan in bankruptcy, the borrower must prove undue hardship in an adversary proceeding before the bankruptcy court.

Additional consequences of default on this loan include:

- Lender may report the late payment history to credit reporting agencies, which will adversely affect your credit rating and ability to get more credit
- Interest will continue to accrue on the outstanding principal balance
- Lender may take legal action
- Borrower will become ineligible for further loans from the lender

### **E. LENDER / SERVICER CONTACT INFORMATION**

Discover Student Loans

PO Box 30947

Salt Lake City, UT 84130-0947

1-877-728-3030 (phone)

1-877-239-8214 (fax)

[Service@DiscoverStudentLoans.com](mailto:Service@DiscoverStudentLoans.com)

[DiscoverStudentLoans.com](http://DiscoverStudentLoans.com)