Private Education Loan Application and Solicitation Disclosure

Y-12 Federal Credit Union
115 1ST AVE SW
ABERDEEN, SD 57401
(877) 490-6639

Loan Interest Rate & Fees

Your **starting interest rate** will be between

5.39% and 12.00%

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

Your Starting Interest Rate (upon approval)
The interest rate you pay will be determined after you apply. It will be based upon your credit history and other factors. 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 interest rate is variable. This means that your actual rate varies with the market and could be lower or higher than the rate on this form. The variable rate is based on the 90-day Average Secured Overnight Financing Rate (SOFR) (as published by the Federal Reserve Bank of New York). For more information on this rate, see the Reference Notes.

Although your rate will vary, **it will never exceed 12.00%** (the maximum allowable for this loan).

Loan Fees

Late Charge: None
Returned Check Fee: $15.00

Loan Cost Examples

The total amount you will pay for this loan will vary depending upon when you start to repay it. These examples provide estimates based upon the three repayment options available to you while in school.

Repayment Option (while the student is enrolled in school)	**Amount Provided** (amount provided directly to the school)	**Interest Rate** (highest possible starting rate)	**Loan Term** (how long you have to pay off the loan)	**Total Paid over loan term** (includes associated fees)
1. MAKE FULL PAYMENTS Immediately pay both the full amount of principal and interest. **Loan Term:** starting when your loan is first disbursed	$10,000.00	11.14%	60 months	**$13,087.43**
		12.00%	120 months	**$17,216.61**
		12.00%	180 months	**$21,602.04**
2. PAY ONLY THE INTEREST Make interest payments but defer payments on the principal amount while the student is enrolled in school. **Loan Term:** starting after the deferment period	$10,000.00	12.00%	66 months	**$19,113.16**
		12.00%	126 months	**$23,039.09**
3. DEFER PAYMENTS Make no payments while enrolled in school. Interest will be charged and added to your loan. **Loan Term:** starting after the deferment period	$10,000.00	12.00%	66 months	**$21,216.26**
		12.00%	126 months	**$27,290.06**

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.

Federal Loan Alternatives

Loan Program	Current Interest Rates by Program Type	
STAFFORD for Students	6.52% fixed	Undergraduate subsidized & unsubsidized
	8.07% fixed	Graduate unsubsidized
PLUS for Parents and Graduate/Professional Students	9.07% fixed	Federal Direct Loan

You may qualify for Federal education loans.

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

www.studentaid.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 the school's financial aid office or visit the Department of Education's website at: www.studentaid.gov for more information about other loans.

2. To Apply for this Loan, Complete the Application and the Self-Certification Form.
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 the 90-day Average Secured Overnight Financing Rate (SOFR) (as published by the Federal Reserve Bank of New York). Your rate will be calculated each quarter by adding a margin between 1.75% and 9.50% to the 90-day Average SOFR. The rate will not increase more than once each quarter, but there is no limit on the amount that the rate could increase at one time. If the Interest Rate increases, your monthly payments may be higher.

Eligibility Criteria

Borrower
In order to obtain this loan, you must become a member of Y-12 Federal Credit Union.
Borrower must be age of majority in state of residence at the time you apply.

Cosigners
Cosigner must be age of majority in state of residence at the time you apply.
Rates may be, but are not necessarily, higher without a cosigner.

Borrower Benefits
Interest rate discount of 0.25% for borrowers who are enrolled in recurring ACH payments. This discount is only applied for payments received via the recurring ACH process.

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

More information about loan eligibility and forbearance options is available in your application and Credit Agreement.