Education Refinance 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 starting 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

This example provides an estimate based on repayment beginning immediately after loan approval.

Repayment Option	**Amount Provided** (amount provided directly to you or your other lenders)	**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	10.64%	60 months	**$12,938.07**
		11.64%	120 months	**$16,967.31**
		12.00%	180 months	**$21,602.04**

About this example

The repayment example assumes a minimum monthly payment of $50. It is based on the **highest starting rate currently charged** and associated fees.

Federal Loan Alternatives

Think carefully before taking out an Education Refinance Loan to pay off your federal loans. If you refinance your federal loans through this Education Refinance Loan, you will not be able to select income contingent repayment or other flexible payment plans that are available to federal student loan borrowers. In addition, federal student loans offer deferment and forbearance options that are not available to you if you take out a private Education Refinance Loan.

You may qualify for a Federal Direct Consolidation loan. For more information visit the Department of Education's website at: www.studentaid.gov for more information.

Next Steps

1. To Apply for this Loan, Complete the Application.
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 9.00% 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. Cosigner is not required, however a cosigner may help you qualify for the loan.

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.

Notice to Active Duty Military
If you are active duty military and qualify for the Servicemembers Civil Relief Act Protection (SCRA), you may forfeit your SCRA rights on the loans you refinance. SCRA provides benefits for debts incurred PRIOR to a qualifying active duty service.

Effects of Refinance
You continue to be responsible for the payments(s) on your current loan(s) until such time that it is (they are) paid off. By choosing to refinance your qualified student loan(s) into a new loan, all terms of your existing loans will be eliminated including, but not limited to, any borrower benefits or deferment eligibility. By extending the term of the loan you may pay more interest.

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