



**DISCHARGE THROUGH BANKRUPTCY.** This Loan is made for educational purposes under a program that is funded in part by a nonprofit organization and is not eligible to be discharged in bankruptcy.

**CONSUMER CREDIT REPORTS:** A consumer credit report on me may be requested by you at any time before I repay my loan in full. If I request, you will tell me whether or not a consumer credit report was requested, and if one was, the name and address of the consumer reporting agency that furnished the report. To help the government fight 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 applies for a loan. What this means to 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 other identifying documents.

**OTHER DEFINITIONS.**

**"Principal"** means the amount disbursed to me plus the origination fees charged.

**"Capitalize"** or **"Capitalization"** means that, at the time specified, accrued and unpaid interest and origination fees are added to the outstanding principal balance of this Loan, and thereafter interest will accrue on the new principal balance including the capitalized terms.

**"Deferred Phase"** means the phase of the Loan during which no payment of principal or interest is required. The Deferred Phase will begin on the date the Loan is disbursed and will end on the date described in my Disclosure Statement you will send to me.

**"Repayment Phase"** means the phase of the Loan during which repayment is required. The Repayment Phase will begin on the day after the Deferred Phase ends and will continue for no more than 180 months for non-Medical Students or 240 months for Medical Students. The length of the Repayment Phase is subject to limitations on the period of repayment under applicable law.

**"Disclosure Statement"** means a Truth-in-Lending Disclosure Statement that you will send to me as is required by federal law.

**HOW I AGREE TO THE TERMS OF THIS LOAN:** If you approve my request for this Loan, you will notify me in writing. With respect to each disbursement of Loan proceeds, by endorsing a check which disburses such proceeds or by, without objection within 60 days, otherwise permitting the proceeds to be used by me or on my behalf, I agree to all the terms and promises in this Application and Promissory Note.

**DISBURSEMENT OF LOAN PROCEEDS:** The Loan proceeds will be disbursed as determined by you. Disbursements may be made by a check payable jointly to me and to the School, by check payable only to the School or by electronically transmitting funds directly to the School. I authorize the School to apply the proceeds to my student account at the school and to return any portion of the proceeds that exceeds the amount necessary to pay the actual costs of attendance (less financial aid), whether by reason of overpayment, withdrawal, early termination of enrollment or otherwise, directly to you, to be treated as a partial prepayment of this Loan.

**MY PROMISE TO PAY:** I promise to pay to the order of the Lender the Principal amount, origination fees and interest accrued or capitalized on the Principal amount as described in this Note and all other amounts which may become due under this Note, including late charges and costs of collection. I promise to pay all capitalized amounts, with interest on the capitalized amounts, in accordance with the terms of this Note. I promise to make each payment on or before the date that it is due. I promise to make the payments at the place, or to mail the payments to the address specified by you from time to time. My failure to receive either a coupon book or a statement shall not excuse my obligation to make payments according to this Note. On the date that the last installment of principal becomes due under the terms of this Note I promise to also pay any other accrued and unpaid amounts. I further promise to pay all reasonable costs of collection, as permitted by law, including reasonable attorneys' fees, court costs and the costs of outside collection agencies.

**ORIGINATION FEE:** You may charge me and, if charged, I will pay you an amount equal to the Origination Fee at disbursement of my loan. This fee will be set forth on my Disclosure Statement and will be a percentage of the principal balance of my Loan. At the time you issue any disbursement, you may either deduct from the disbursement or add to the principal loan balance an amount equal to the Origination Fee. I may not be entitled to any reimbursement of this fee after I cash my disbursement check or, if funds are transmitted electronically, 60 days after the funds are disbursed to the School. You may charge me, and, if charged, I will pay you an amount equal to the Origination Fee at the end of the Deferred Phase or at the maturity of the Loan, whichever is earlier. This amount will be disclosed on my Disclosure Statement which you will send me at the end of the Deferred Phase. This fee will be a percentage of the principal balance of the loan (including capitalized interest and fees) and will be Capitalized at the end of the Deferred Phase.

**INTEREST:** I agree to pay interest on the principal amount of the Loan from the time the proceeds are disbursed until the principal balance is paid in full. Interest will be calculated as described in this section.

a) **Interest Calculated Daily.** Interest will be calculated on a daily basis, according to the outstanding principal balance each day of the Loan term. The daily interest rate is equal to the annual interest rate in effect on that day, divided by the number of days in that calendar year. I agree that because interest is calculated on a daily basis, late payments will result in additional interest (and, if applicable, a late charge); early payments will result in less interest being charged.

b) **Variable Interest Rate.** The interest rate for this loan will change quarterly on the first day of each January, April, July and October (the "interest rate change date") if the Current Interest Rate Index changes. Changes in the rate will be announced to me if required by law. The interest rate during the Deferred Phase and the Repayment Phase is the average of the rates for 3-month Eurodollar deposits ("LIBOR") on the first business day of each of the three calendar months preceding the interest rate change date, as published in Federal Reserve Statistical Release H.15, (the "Current Interest

Rate Index") plus the percentage identified on my Disclosure Statement, which is hereby incorporated into this Note, per annum (the "Margin") and rounded to the nearest one-hundredth of one percent (.0001) If the Current Interest Rate Index is no longer available, you will substitute an index which is comparable, in your sole opinion, and may adjust the margin so that the resulting interest rate is comparable to the rate described in this paragraph. The interest rate will never be higher than 18% per year. The interest rate which will initially be applicable to this Loan will be calculated the same way as subsequent changes, and will be based on the index from the calendar quarter prior to the date of the first disbursement. A change in the interest rate may cause the amount of the final payment to change, may cause the amount of the monthly payments to increase and may cause the number of payments to change. The following limitations apply: (1) the amount of the final payment will never be more than twice the amount of the previous payment amount; (2) the amount of the monthly payment will never be less than Fifty Dollars (\$50.00); (3) the amount of the monthly payment will never decrease; and (4) the amount of the monthly payment will not change, due to an interest rate change, more often than once a year.

c) **Interest after Maturity and Judgment.** Unless prohibited by applicable law, interest at the rate provided in this Note shall continue to accrue on the unpaid balance until paid in full, even after (whether by acceleration or otherwise) maturity and/or judgment, if it is entered against me for the amounts due. If at any time the rate of interest as provided for in this paragraph is not permitted by applicable law, interest shall, in that event and at that time, accrue at the highest rate allowed by applicable law.

**REPAYMENT TERMS AND CAPITALIZATION OF INTEREST:**

**Deferred Phase.** I am not required to make payments during the Deferred Phase. Interest will accrue during this phase and you will capitalize the accrued interest at the beginning of the Repayment Phase.

**Repayment Phase.**

a) **Payment Due Dates:** Payments will be due monthly on the same day of each month, as determined by you and as contained in the Disclosure Statement which I will receive just prior to the commencement of the Repayment Phase. The first payment in the Repayment Phase will be due approximately thirty (30), but not more than sixty (60) days after the start of the Repayment Phase.

b) **Calculation of Payment Amount:** I will make payments in consecutive monthly installments until I pay the principal, interest and all other charges owed under this Note. The consecutive monthly installments of principal and interest will be calculated at the beginning of the Repayment Phase to equal the amount necessary to amortize the unpaid principal balance of the Loan (as of the date of calculation) in equal monthly installments of principal and interest at the Variable Rate then in effect over the number of months in the Repayment Phase. The monthly payment due will never be less than Fifty Dollars (\$50.00).

c) **Changes in Payment Amount:** Each year on the "payment change date" you will determine whether it is necessary to increase the amount of the monthly payment, based upon the then outstanding balance, the amount of accrued interest, if any, and any change in the interest rate subject to the limitations set forth in the section entitled "INTEREST" above. The "payment change date" will be on the same date each year. This date will be chosen by you and disclosed to me prior to the beginning of the Repayment Phase. If necessary, the amount of the scheduled monthly payments will increase based on your calculation of the amount necessary to pay the outstanding balance at the interest rate which will then be in effect, so that equal monthly installments will pay the outstanding principal balance and all accrued interest by the end of the Repayment Phase. I will be informed of the payment change.

d) **Application of Payments:** Payments will be applied first to late charges, then to accrued interest, and the remainder to principal.

e) **Amounts Owed at the End of the Repayment Phase:** Since interest accrues daily upon the unpaid principal balance of the Loan, if I make payments after the payment due dates, I may owe additional principal and interest and late charges at the end of the Repayment Phase. In such case, I will pay the additional amounts and you will increase the amount of the last monthly payment in the amount necessary to repay the Loan in full.

f) **Combination:** At your option, all outstanding Loans made under the Program which are then in the Repayment Phase may be combined for the purposes of Repayment, at the start of the Repayment Phase of any Loan made under the Program.

g) **Forbearance:** You may, at your option, grant me a forbearance. Interest will accrue during any period of forbearance and you will capitalize the accrued and unpaid interest at the end of the forbearance period.

**LATE CHARGES:** If a payment or any portion of a payment is not paid within fifteen (15) days of its due date, I agree to pay, as a late charge, the greater of Five Dollars (\$5.00) or five percent (5%) of the entire payment which was not paid in full. No late charges will be due, however, if the reason that the payment is late is either: (a) attributable to a late charge assessed on a prior payment; or (b) because, after default by me, the entire outstanding balance on this Note is due. No more than one (1) late charge will be imposed for any single scheduled payment.

**GENERAL WAIVER PROVISIONS:** I waive presentment for payment, demand, protest, notice of protest, dishonor and all other notices or demands in connection with the delivery, acceptance, performance, default or enforcement of this Note. I further waive any right to require due diligence in collection by you.

**DEFAULT – WHOLE LOAN DUE:** If I am in default, the entire outstanding balance on this Note shall be immediately due, at your option. This will happen without any prior notice to me, or right to cure, except as may be required by law. I will be in default:

a) if I do not make any payment before or on the date it is due; or

b) if I default on any promise made in this Note or any other note, Loan or agreement with you; or

c) if I have made any untrue statement or misrepresentation in this Application or any other certificate or document given or made for this Loan; or

d) if Student is a non-Medical Student upon the death of Student; or

e) if I provide you with false information or forged signatures at any time; or

f) if you in good faith believe that the prospect of my paying this Note is impaired; or

g) if I fail to provide, at your request, adequate verification of enrollment status; or

h) I fail to use the proceeds of the Loan solely for my educational expenses; or

i) if I become insolvent and/or cannot pay my debts as they become due; or

j) if any other creditor tries by legal process to take any of my money or property in your possession; or

k) if I file a bankruptcy petition or if anyone files an involuntary bankruptcy against me; or

l) if I make an assignment for the benefit of creditors, or any insolvency, reorganizations, arrangement, debt adjustment, receivership, trusteeship, liquidation or other legal or equitable proceedings are instituted by or against me; or

m) if any judgment, tax lien, municipal charge or tax levy is filed or writ of execution is issued against me.

A default by me on this Note is a default on every other note, loan or agreement of mine with you. Further, if I am in default and you file suit, or take other action to collect this Loan, I agree to pay costs of suit and costs of collection (to include the costs of outside collection agencies) and, if permitted by law, reasonable attorneys' fees.

**BILLING STATEMENTS:** If you choose to send periodic billing statements or other periodic statements of the Loan, I agree that the information contained on the statement will be considered accepted by me and true unless I notify you to the contrary within sixty (60) days after receipt.

**DELAY IN ENFORCEMENT:** You can delay enforcing any rights under this Note without losing any rights. Your failure to enforce any right under this Note shall not act as a waiver of that right or preclude the exercise of that right in the event of a future occurrence of the same event. You can also extend or defer the time allowed for making payments at my request, and such extension shall not affect my obligations, whether or not I am given notice of the extension.

**PREPAYMENT:** I may prepay, in full or in part, the amount owed on this Note at any time without penalty. If I prepay the Loan in part, I agree to continue to make regularly scheduled payments until all amounts due under this Note are paid. If I have more than one Note outstanding under the Program, unless I otherwise specify, prepayments will be applied to Loans in any order you determine.

**NOTICE AND ADDRESSES:**

a) I agree to send a written notice to you within ten (10) days after any change in my name, address or School enrollment status.

b) Any notice, which I send to you, will be sent to the address that you have most recently provided to me for that purpose. If you have not provided any other address, notices must be sent to you at the address as set forth on the Disclosure Statement or the billing statements.

c) Except as otherwise provided by applicable law, any notice that you are required to give to me will be effective when mailed by first class U.S. Mail to my latest address in your records.

**WISCONSIN RESIDENTS ONLY:** For married Wisconsin residents, my signature confirms that this loan obligation is being incurred in the interest of my marriage or family. No provision of any marital property agreement (premarital agreement), unilateral statement or court decree under Section 766.70 of the Wisconsin Statutes adversely affects the interest of the lender unless the lender, prior to the time that the Loan is approved, is furnished with a copy of the marital property agreement, a statement, a decree or has actual knowledge of the adverse provision. If the loan for which I am applying is granted, I will notify you if I have a spouse who needs to receive notification that credit has been extended to me.

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

**NOTICE TO APPLICANTS REQUIRED BY CALIFORNIA LAW:**

A married applicant may apply for a separate account.

**EFFECT OF PARTIAL INVALIDITY:** Should any of the provisions of this Note be rendered invalid, in whole or in part, by any change in applicable law or regulations, or be declared invalid by order, decree or judgment of a court or government agency of competent jurisdiction, the remaining provisions of this Note shall not be affected thereby, and this Note shall be construed as if such invalid provisions had not been inserted in this Note or as if the new law or regulations were incorporated therein.

**ASSIGNMENT:** I may not assign or otherwise transfer my rights under this Note to anyone else. You may sell, transfer, or assign this Note and my rights and obligations under this Note will continue unchanged.

**GOVERNING LAW PROVISION:** This Note and its validity, construction and enforceability shall be governed by the laws of Minnesota, and, to the extent applicable by federal law.

**JURISDICTION AND VENUE:** To the extent permitted by applicable law, I consent to jurisdiction and the placement of venue in the courts located in Ramsey County, Minnesota in any action to enforce the rights of any of the parties under or relating to this Note and/or Loan.

**NOTICE TO CO-SIGNER (Traducción en Inglés Se Requiere Por La Ley)**

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 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 a part of your credit record.

**AVISO PARA EL FIADOR (Spanish Translation Required By Law)**

Se le está pidiendo que garantice deuda. Piénselo con cuidado antes de ponerse de acuerdo. Si la persona que ha pedido este préstamo no paga la deuda, usted tendrá que pagarla. Esté seguro de que usted podrá pagar si sea obligado a pagarla y de que usted desea aceptar la responsabilidad.

Si la person que ha pedido el préstamo no paga la deuda, es posible que usted tenga que pagar la suma total de la deuda, mas los cargos por tardarse en el pago o el costo de cobranza, lo cual aumenta el total de esta suma.

El acreedor (financiero) puede cobrarle a usted sin, primeramente, tratar de cobrarle al deudor. Los mismos metodos de cobranza que pueden usarse contra el deudor, podran usarse contra usted, tales como presentar una demanda en corte, quitar parte de su sueldo, etc. Si alguna vez no se cumpla con la obligación de pagar esta deuda, se puede incluir esa información en la historia de credito de usted.

**Special notice for residents of Iowa, New York and South Carolina  
NOTICE**

You agree to pay the debt identified below although you may not personally receive any property, services, or money. You may be sued for payment although the person who receives the property, services, or money is able to pay. You should know that the Total of Payments listed below does not include finance charges resulting from delinquency, late charges, repossession or foreclosure costs, court costs or attorney’s fees, or other charges that may be stated in the note or contract. You will also have to pay some or all of these costs and charges if the note or contract, the payment of which you are quaranteeing, requires the borrower to pay such costs and charges. This notice is not the note, contract, or other writing that obligates you to pay that debt. Read the writing (copy attached) for the exact terms of your obligation.

**IDENTIFICATION OF DEBT(S) YOU MAY HAVE TO PAY**

- (Name of Debtor) The Person identified as the Borrower on the THE Application and Promissory Note
- (Name of Creditor) University National Bank
- (Date) The date of the Note evidencing this transaction
- (Kind of Debt) Education Loan (Total of Payments) Set forth on the Disclosure Statement

I have been given a completed copy of this notice and of each writing that obligates me or the Debtor on this debt.

(Date)\_\_\_\_\_ (Signed)\_\_\_\_\_

**Special notice for Wisconsin Residents**

**EXPLANATION OF PERSONAL OBLIGATION**

- (a) You have agreed to pay the total of payments under a consumer credit transaction between the borrower on the THE Application and Promissory Note and University National Bank made on the date of the Note evidencing this transaction for an education loan in the amount set forth in the Note evidencing this transaction.
- (b) You will be liable and fully responsible for payment of the above amount even though you may not be entitled to any of the goods, services or loan proceeds furnished thereunder.
- (c) The undersigned may be sued in court for the payment of the amount due under this consumer credit transaction even though the customer named above may be working or have funds to pay the amount due.
- (d) This explanation is not the agreement under which you are obligated, and the guaranty or agreement you have executed must be consulted for the exact terms of your obligations.
- (e) You are entitled now, or at any time, to one free copy of any document you sign evidencing this transaction.
- (f) The undersigned acknowledges receipt of an exact copy of this notice.

(Date)\_\_\_\_\_ (Signed)\_\_\_\_\_