

RIGHT TO CANCEL

You have a right to cancel this transaction, without penalty, by midnight on January 20, 2009. No funds will be disbursed to you or to your school until after this time. You may cancel by calling us at 800-555-5555.

BORROWER:

Christopher Smith Jr.
1492 Columbus Way
Plymouth, MA 02360

CREDITOR:

First ABC Bank
12345 1st St
Anytown, CA 93120
(800) 555 - 5555

Loan Rates & Estimated Total Costs

Amount Financed

\$10,000.00

The amount of credit provided to you or on your behalf.

Interest Rate

7.375%

Your current interest rate

Finance Charge

\$15,506.74

The estimated dollar amount the credit will cost you.

Total of Payments

\$ 25,506.74

The estimated amount you will have paid when you have made all payments.

YOUR RATE IS VARIABLE

A variable rate means that your actual rate could be higher or lower than the interest rate indicated on this form. There is **no maximum rate**. The variable rate is calculated using a publicly available index. For more information on this variable rate, see notes on next page.

Based on the current interest rate, your **estimated annual percentage rate (APR)**, which is the cost of your loan as a yearly rate, is **7.059%**.

ITEMIZATION OF AMOUNT FINANCED

Loan Amount	\$10,000.00
Lender Fee to make the loan (Origination Fee)	\$0.00
Total Amount Financed	\$10,000.00

OTHER FEES

- **Late Charge:** 5% of the amount of the past due payment, or \$25, whichever is greater.
- **Returned check charge:** up to \$25.

Estimated Repayment Schedule & Terms

PAYMENT SCHEDULE	MONTHLY PAYMENTS	
	at 7.375% the current rate of your loan	at 21% Your loan has no maximum rate. Your payments will be higher if the rate increases above 21%.
20 Year Loan Term		
Sep 1, 2009 - Feb 28, 2014 deferment period	No payment required (\$3,318.75 in interest will accrue during this time)	No payment required (interest will accrue during this time)
Mar 1, 2014 - Feb 28, 2034 239 monthly payments	\$106.28	\$345.75
Mar 1, 2034 1 monthly payment	\$105.82	\$353.14

◀ The estimated **Total of Payments** if your rate rises to 21% would be **\$82,987.39**. Your Total of Payments will be higher if rate increases above 21%.

REFERENCE NOTES

Variable Interest Rate:

- Your loan has a variable interest rate, that is based on a publicly available index, the London Interbank Offered Rate (LIBOR), which is currently 4.375%. Your rate is calculated each month by adding a margin of 3% to the LIBOR. The interest rate may be higher or lower than your Annual Percentage Rate (APR) because the APR accounts for the Interest Rate and certain fees you must pay to obtain this loan, and whether you defer (postpone) payments while in school.
- The rate will not increase more than once a month, but there is no limit on the amount that the rate could increase at one time. Your loan has no maximum rate.
- Any increase will take the form of higher monthly payments.

Bankruptcy Limitations

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

Repayment Options:

- Although you elected to defer (postpone) payments, you can still make payments during this time. You can also choose to change your deferment choice to: Pay Interest Only or Make Full Payments.

Prepayments:

- If you pay off early, you will not have to pay a penalty. You will not be entitled to a refund of part of the finance charge.

See your contract documents for any additional information about non-payment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.