



## Michigan State University Federal Credit Union Private Student Loan (PSL) Agreement and Member's Disclosure Statement

IN THESE AGREEMENTS, THE WORDS "I," "ME," "MY," AND "MINE" WILL MEAN ALL PERSONS WHO COMPLETED A "CREDIT APPLICATION FOR ALL CREDIT," ENDORSED THE LOAN PROCEEDS CHECK, OR MADE USE OF THE LOAN PROCEEDS. THE WORDS "YOU," "YOUR," "YOURS," "MSUFUCU," AND "CREDIT UNION" WILL MEAN MICHIGAN STATE UNIVERSITY FEDERAL CREDIT UNION. THE WORDS "MSU," AND "SCHOOL" WILL MEAN MICHIGAN STATE UNIVERSITY.

The Private Student Loan is available to students of the following MSU Colleges and programs (each an "eligible program"):

- College of Veterinary Medicine – Maximum Credit Limit (\$50,000)
- College of Osteopathic Medicine – Maximum Credit Limit (\$100,000)
- College of Human Medicine – Maximum Credit Limit (\$100,000)

I agree to this Agreement and any future amendments thereto, and promise to pay you all sums advanced under this agreement, plus Interest Charges.

### Private Student Loan Agreement

#### 1. General Information:

- a. I acknowledge that the Private Student Loan (PSL) is available for students of eligible programs that are enrolled at least half-time as a student and are age 18 or older.
- b. I acknowledge that the PSL is an open-end line of credit in accordance with Regulation Z – Truth in Lending and I will have the ability to request advances from time to time up to the established credit limit.
- c. I acknowledge that I must be a member of the Credit Union to be eligible for the PSL.
- d. I acknowledge that I am a U.S. citizen or permanent resident.
- e. I assert that I am eligible for the PSL and that I am a student in good standing with an eligible program.
- f. I acknowledge that my initial interest rate will be determined after I apply. My initial interest rate will be based upon my credit history and other factors (including but not limited to: Co-signer credit, loan type, loan terms, and market factors). If approved, I will receive specific information on my interest rate in the Account Opening Disclosure Statement and other materials.
- g. I acknowledge that there is no origination fee or prepayment fee on this loan.
- h. I acknowledge that I may qualify for interest rate discounts as outlined in Section 8. Interest Rate Discounts.
- i. I acknowledge that I may qualify for Federal education loans or School specific loan benefits and terms not detailed in this agreement. I am aware that I may contact the School's financial aid office or visit the Department of Education's website at: [www.studentaid.ed.gov](http://www.studentaid.ed.gov) for more information about other loans and possible benefits.
- j. I acknowledge that if I file for bankruptcy, I may still be required to pay back this loan.

**2. Advances:** You will make loan advances to me. I understand that all advances must be made for proper purposes and for my qualified higher education expenses (for example, tuition, room, board, books, etc.) at the School. Advances shall be made at my request by means of transfer to School.

**3. Credit Limit:** Unpaid advances against my PSL will at no time, in total, exceed the credit limit established for my loan and communicated to me ("My Credit Limit"). I understand that I may apply for increases in My Credit Limit from time to time and in accordance with any instructions provided by the Credit Union. In no situation will my aggregate unpaid advances exceed the maximum amount stated for my applicable eligible program ("Maximum Credit Limit"). I understand that the Maximum Credit Limit is not My Credit Limit and I will be informed directly of My Credit Limit.

**4. Amount I May Borrow:** The amount I may borrow is limited to My Credit Limit as approved by the Credit Union. I may borrow and take advances, up to My Credit Limit, at any point during an academic calendar year where I am enrolled at least half-time as a student of an eligible program. If I prepay the loan amount or the School refunds all or a portion of the loan amount during an academic calendar, I understand that I am still able to request loan advances up to My Credit Limit during the academic calendar year. For example, if My Credit Limit is \$20,000 and I receive advances of \$20,000 I will not be able to take additional advances until I reduce the unpaid balance below \$20,000. If I subsequently receive a \$2,000 School refund (or, alternatively, make a \$2,000 principal payment), I will be able to obtain a future advance for qualified higher education expenses up to My Credit Limit.

- 5. Election of Loan Terms:** I acknowledge that the loan terms include Payment Type, Loan Repayment Period, and Interest Rate Type and that the Standard PSL Terms will apply but I may elect other loan terms as outlined below.
- a. Standard PSL Terms** are the Credit Union's standard loan terms and are set as: Defer Payments, ten (10) year Repayment Period, and fixed interest rate. I acknowledge that I can elect to change to other loan term options at the time of application, during an established time period prior to the Repayment Period, or as otherwise permitted by the Credit Union.
  - b. My Starting Loan Terms** are the loan terms that are determined at the time of application. My Starting Loan Terms will be in effect from the time My Credit Limit is established until the earlier of: (i) six (6) months after graduation; or (ii) the Repayment Period begins.
  - c. My Loan Terms During the Repayment Period** are the loan terms that may be elected prior to the Repayment Period. These loan terms will be in effect during the Repayment Period.
  - d. My Election to Change Loan Terms During the Repayment Period** is limited to changing the interest rate type. I may elect to change the interest rate type from a variable rate to a fixed rate or from a fixed rate to a variable rate no more than one (1) time per calendar year. I understand that I will pay a processing fee of \$150 (one-hundred and fifty dollars) when I elect to change my interest rate type. I understand the processing fee may be amended from time to time and you will inform me of the current processing fee at the time of my request. I understand and agree I will need to enter into a modification agreement or otherwise acknowledge my voluntary request in order to change the interest rate type. Further, I understand I will begin receiving the applicable interest rate in effect at the time of the change confirmation for the same original Loan Repayment Period that I previously selected. I understand that if I change from a fixed rate to a variable rate that my interest rate may increase after my election.
  - e. Deferment Period** is the date of graduation plus six (6) months or the date of graduation plus the duration of an internship or residency plus (6) months.
  - f. Repayment Period** is when principal and interest payments are required. Principal and interest payments are required at the earliest of: (i) the end of the Deferment Period; (ii) six (6) months after I stop attending school; or (iii) six (6) months after I am enrolled as less than a half-time student (and remain enrolled as less than a half-time student).
  - g. Payment Types available include:**
    - i. Defer Payments** – I will make no payments while enrolled in school and for the Deferment Period. I will be charged interest and this interest will be added to my loan balance at the time the Repayment Period begins. This is known as the capitalization of interest and will result in an increased principal balance and additional Interest Charges.
    - ii. Pay Only the Interest** – I will make interest payments only while enrolled in school and for the Deferment Period.
    - iii. Make Full Payments** – I will pay both principal and interest payments. This option is only available during the Repayment Period.
    - iv. Prepayments at Any Time** – Notwithstanding the above Payment Types, I understand and agree that I may make principal payments on my PSL at any time and without incurring any prepayment fees. I further understand that my prepayments may result in the ability to obtain future advances up to My Credit Limit. Without regard to my description of a particular payment, I understand my payments will be applied in accordance with Section 6. Payments below.
  - h. Loan Repayment Period** is the period of time in which the PSL is scheduled to be paid in full once the Repayment Period has begun. I may elect a five (5), ten (10), or fifteen (15) year Repayment Period. I understand and agree that my Loan Repayment Period will be established at the time of application and that I may only request a change during an established time period prior to the Repayment Period. I understand that I cannot, without the Credit Union's agreement, extend the Loan Repayment Period once the Repayment Period has started.
  - i. Interest Rate Types** are either a fixed interest rate or a variable interest rate.
    - i. Fixed Interest Rate** – If I elect the fixed interest rate type then this rate will be fixed throughout the life of my loan unless I voluntarily elect to change the Loan Repayment Period or Interest Rate Type as permitted. Unless I make a voluntary change, the initial fixed interest rate will be the same for all future advances on My Credit Limit. If I make a voluntary request to change the Loan Repayment Period or Interest Rate Type (from variable interest rate to fixed interest rate), I agree I will begin receiving the applicable fixed interest rate in effect at the time of the change confirmation. I agree the applicable fixed interest rate for my initial fixed interest rate and my voluntary changes will be determined on a periodic basis at the Credit Union's discretion.
    - ii. Variable Interest Rate** – If I elect the variable interest rate type then this rate will be calculated based on an index plus a margin throughout the life of my loan unless I voluntarily elect to change

the Interest Rate Type as permitted. The variable interest rate may change throughout the life of my loan based on changes in the index. Any increase in the index will result in a higher interest rate and, ultimately, increased Interest Charges and higher payments over the life of the loan. The margin will be determined at the time of application and will not change unless we provide you with advanced notice of such a change. The index you use is the Prime Rate as published in the Wall Street Journal. Once My Credit Limit is approved the interest rate may only change one (1) time per year on July 1 based on the Prime Rate as of June 1 and the current margin. The Annual Percentage Rate will never exceed 18% and will never be less than the Minimum Rate of 3.00%. I agree the applicable variable interest rate for my initial variable interest rate and my voluntary changes will be determined on a periodic basis at the Credit Union's discretion.

**iii. Disclosure of Interest Rate** – I understand my actual interest rate will be shown on the Account Opening Disclosure Statement and subsequent disclosures, including periodic statements.

**6. Payments:** I agree to make monthly payments and repay the loan in full in accordance with the Loan Repayment Period that I elected and in accordance with the payment schedule that you will provide to me. Prior to the Loan Repayment Period, I agree to make monthly payments in accordance with the Payment Type I have elected. The minimum monthly payment and the due date on all loan advances will be set and disclosed to me at the time each advance is made on the Confirmation of Advance disclosure or other applicable disclosure relating payment information. The payment amount will not change unless: (i) a subsequent advance is taken; (ii) my loan enters the Repayment Period; (iii) I fail to keep my agreement; (iv) the Index changes or you change the margin and I have a variable interest rate loan; or (v) I voluntarily request a change in my Loan Terms that are accepted by the Credit Union. The Credit Union will inform me of my new minimum monthly payment including through a periodic statement or other notification. In all situations, the minimum monthly payment will be increased by any balance outstanding in excess of My Credit Limit. If I send an amount greater than my minimum monthly payment, you will automatically advance my next payment due date by the number of whole monthly payments satisfied by the extra funds. Each payment is applied first to unpaid late fees and charges, then to the accrued interest due on the loan and the remaining amount is applied to the principal balance. Payments cannot be applied to future interest because interest accrues under the formula disclosed below under "Computation of Finance Charge." I may prepay my balance in full or in part at any time without penalty. Any payment that delays the reduction of my balance will increase the total interest cost. Any payment that accelerates the reduction of my balance will decrease the total interest cost.

I understand that automatic payments are NOT a requirement of this loan. If the automatic payment is not received in time to make a loan payment, if the automatic payment is insufficient to make a full payment, or the automatic payment is returned for any reason, I understand that it is MY RESPONSIBILITY to make the loan payment each month when payment is due.

**7. Computation of Interest Charge:** The unpaid principal balance for each day is multiplied by the Daily Periodic Rate to determine the INTEREST CHARGE for that day. The sum of these daily charges is the INTEREST CHARGE I will pay. The unpaid principal balance is that balance which is in my account at the close of business after all transactions, including payments and new advances, have been entered. INTEREST CHARGES will be imposed from the date of disbursement. There is no grace period.

Interest Charges on the PSL will be computed at the Daily Periodic Rate disclosed in the Account-Opening Disclosure Statement or subsequent disclosure in effect on the date of each advance, which may be different than the rate described in this Agreement or the initial Account-Opening Disclosure Statement.

**8. Interest Rate Discounts:** I may qualify for interest rate discounts.

**a. Active Checking Account Plus Card Discount** - At any time my loan is not in default, I may qualify for a 0.25% interest rate discount if: (i) I maintain an active checking account and debit card; or (ii) I maintain an active checking account and credit card. Active means at least ten (10) debit card or ten (10) credit card purchase transactions each calendar quarter (January – March; April – June; July – September; and October – December). I understand that in addition to having a checking account I must perform the disclosed number of debit card or credit card transactions in order to qualify (and continue qualifying) for the discount.

**b. Automatic Payment Discount** - During the Repayment Period of the loan, I may qualify for a 0.25% interest rate discount if I set up and make automatic payments from a MSUFCU account or originate automatic ACH payments through MSUFCU. Bill payment or other third-party automatic transfers where automatic payments are pushed from an external bank account do not qualify. For example, if I established automatic payments through MSUFCU to pull from an external bank account I may qualify for the discount; however, I understand that automatic payments set up and managed through a provider other than MSUFCU will not qualify.

**c. Aggregate Discount** - These interest rate discounts may be combined for a total interest rate discount of 0.50% during periods where I qualify for both discounts.

**d. Removal of Discounts; Modifications/Terminations** - If I do not maintain an Active checking account with the minimum number of card transactions or fail to make automatic payments as specified, you may remove the applicable interest rate discount(s) at any time. I understand that you reserve the right to modify or discontinue the interest rate discounts at any time.

**9. Late Charges:** If any loan payment is received seven (7) or more days past the due date, I agree to pay a late charge of \$25.00. The late charge will also be assessed if no payment (or an insufficient payment) is received during any given month. In any event, interest is charged for each day a balance is outstanding.

- 10. Default:** I will be in default if I: (i) fail to make any payment when due; (ii) fail to keep or perform any promise made to you or agreement with you; (iii) if any information I have furnished proves to have been false; (iv) if I die, become insolvent or file a bankruptcy case; or (v) if a third party tries by legal process to take any of my property or money. If I am in default then you may, at your option, and without notice to me, declare this account immediately due and payable. I must pay to you at that time the total unpaid balance, as well as the Interest Charge to that date. I will also pay all future Interest Charges, late charges, or other fees and costs incurred until full payment has been made. I further agree to pay your costs of collection, including reasonable attorney's fees. The Interest Charges as described in Section 7 of this Agreement shall accrue and be payable before and after any breach of the Agreement.
- 11. Borrower and Co-signer Responsibility:** I promise to notify you of any change in my name, address, e-mail address, enrollment status or employment. I promise not to apply for a loan or to request an advance under an existing PSL if I know there is a reasonable probability that I will be unable to repay my obligation according to the terms of the credit extension. I promise to inform you of any new information which relates to my ability to repay my obligation. I promise not to submit false or inaccurate information or willfully conceal information regarding my credit worthiness, credit standing or credit capacity.
- 12. Co-signer Release of Liability:** You may, but are not obligated to, release a co-signer from their responsibility to repay the loan after 36 (thirty-six) on-time monthly principal and interest payments made during the Repayment Period. I understand that I must be credit worthy and that I must complete and submit the application for Request for Co-signer Release of Liability.
- 13. Statutory Lien; General Pledge of Shares:** I understand that Federal law gives the Credit Union the right to impress a lien on all funds in any of my accounts at the Credit Union if I am in default or otherwise fail to satisfy a financial obligation owed to the Credit Union. You may exercise this right without prior notice to me. Subject to the last sentence of this Section 13, I understand this lien applies to all accounts that I have with you. I understand and agree that your statutory lien allows you to apply funds in any of my accounts to pay my delinquent loan with you. I further agree you retain the common law right of offset. In addition to your statutory lien, I pledge my shares, deposits, and accrued dividends in any account at the Credit Union as security for every advance under this Agreement. In case I default, you may apply these shares and deposits to the payment of all sums due and payable, including costs of collection and reasonable attorney's fees. I retain full access to any and all shares on deposit not specifically pledged as collateral. No pledge, lien, or right to impress a lien on shares and deposits shall apply to any of my shares which may be held in an Individual Retirement Account (IRA), Health Savings Account (HSA) or any other account, which if pledged, would result in the loss of preferred tax treatment under the Internal Revenue Code.
- 14. Cross-Collateralization:** To the extent permitted by law, any collateral you pledge to secure a loan payable to MSUFCU shall secure your performance of any other obligations owed to MSUFCU. This cross-collateralization means the collateral securing a separate loan may serve as collateral for advances under this Agreement. I understand and agree that collateral securing other loans with MSUFCU, other than real estate that is my primary residence and household goods, will also secure loans made under this Agreement. Additionally, MSUFCU may hold the collateral from a loan until all obligations are paid off. For example, I understand MSUFCU may hold the title to my vehicle as collateral for this loan even if my auto loan has been paid in full.
- 15. Restriction of Future Advances:** I understand that you may reduce My Credit Limit and prevent future advances under this Agreement under any of the following conditions: (1) upon periodic review of my credit worthiness; (2) I am no longer a student of an eligible program or do not have qualified higher education expenses; (3) if I should fail to meet the terms of this Agreement; or (4) if I have conducted or attempted to conduct any transactions the Credit Union determines, in its sole discretion, presents undue risk to me or the Credit Union. I understand that the restriction of my ability to obtain advances will not affect my obligation to pay the outstanding balance and any future Interest Charges, late charges, or other fees or costs.
- 16. Periodic Statements; Electronic Correspondence:** You will send me a periodic statement each month which includes transaction history and other key repayment terms, including my interest rate. I am responsible for promptly accessing and viewing each periodic statement. I understand that electronic correspondence is a requirement for the PSL and I provide my express consent to receive electronic correspondence at any email address I have provided to you. I acknowledge that I have reviewed and accepted the terms and conditions of the Electronic Correspondence Disclosure & Agreement during the loan application process.
- 17. Consent to Contact:** By providing phone number(s) and email addresses to MSUFCU (including any wireless, mobile or VOIP number), I expressly consent to receive autodialed or prerecorded calls, texts messages and electronic correspondence from MSUFCU or any affiliates or agents performing services on your behalf. I give my consent to receive calls, text messages and electronic correspondence to notify me: (i) in regards to my PSL and any other accounts at MSUFCU; (ii) to provide me with transaction and fraud alerts; (iii) to collect a debt or other obligation; or (iv) as otherwise necessary to service any loan or account.
- 18. School Certification and Servicing:** I acknowledge and specifically authorize the School to share my nonpublic personal information with you and for you to share my nonpublic personal information with the School related to the certification, funding, and servicing of this loan. I understand my authorization is a condition of applying for and obtaining a PSL.
- 19. Additional Provisions:**
- a. I agree you may obtain credit reports on me throughout the life of this loan to evaluate my creditworthiness and, if requested by me, to determine whether to increase My Credit Limit.
  - b. I understand you may report information about my loan to credit bureaus and that late payments, missed payments or other defaults on my loan may be reflected in my credit report.
  - c. Each provision of this Agreement must be considered as part of the total Agreement and cannot in any way be severed from it. However, I also agree that should any part of this Agreement be found invalid, it will in no way affect the remainder of this Agreement.

- d. I agree you can delay in enforcing or fail to enforce any of your rights under this Agreement without losing them.
- e. I acknowledge that I have received a copy of this Agreement and that I have fully read and understand all of its terms and conditions.
- f. I agree that you may add to, change, or delete any term or condition of this Agreement at any time, and that you will provide me with written notice of that modification as required by law. You and I may also mutually agree to amend this agreement as it relates to Loan Terms or the timing of scheduled payments.
- g. You may meet all requirements for sending me a notice of any kind if you send it to me by means of United States mail, at my last given address. I agree that you may send notices electronically as indicated in Section 16 and the Electronic Correspondence Disclosure & Agreement.
- h. If there is more than one borrower or co-signer, the obligations under this Agreement are joint and several, each being equally and fully responsible to fulfill the terms of this Agreement.
- i. This Agreement is governed by the Credit Union's bylaws, federal laws and regulations, and the laws of the State of Michigan, as amended from time to time.

By signing below, I promise that everything I have stated in my application is correct to the best of my knowledge and that I understand and agree with the terms in this Agreement. I authorize the Credit Union to obtain credit reports in connection with my application for credit and for any update, increase, renewal, extension, or collection of the credit received. I understand that the Credit Union will rely on the information in my application and my credit report to make credit decisions. I explicitly authorize the Credit Union and the School to share my nonpublic personal information in relation to processing, certifying, funding, servicing and performing any other actions necessary to offer me the PLS.

**X** \_\_\_\_\_  
Signature of Borrower

\_\_\_\_\_  
Date

**X** \_\_\_\_\_  
Printed Name

**X** \_\_\_\_\_  
Signature of Borrower

\_\_\_\_\_  
Date

**X** \_\_\_\_\_  
Printed Name

Note: In the notice below, the words "you" and "your" means the borrower and "our," "us" and "we" means the Credit Union.

## **YOUR BILLING RIGHTS: KEEP THIS DOCUMENT FOR FUTURE USE**

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

### **WHAT TO DO IF YOU FIND A MISTAKE ON YOUR STATEMENT**

If you think there is an error on your statement, contact us online through ComputerLine or write to us at:

Michigan State University Federal Credit Union  
3777 West Road  
East Lansing, MI 48823

In your correspondence, give us the following information:

- *Account information:* Your name and account number.
- *Dollar amount:* The dollar amount of the suspected error.
- *Description of problem:* If you think there is an error on your statement, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors in writing or through ComputerLine. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

### **WHAT WILL HAPPEN AFTER WE RECEIVE YOUR CORRESPONDENCE**

#### **When we receive your correspondence, we must do two things:**

1. Within 30 days of receiving your correspondence, we must tell you that we received your correspondence. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your correspondence, we must either correct the error or explain to you why we believe the statement is correct.

#### **While we investigate whether or not there has been an error:**

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

#### **After we finish our investigation, one of two things will happen:**

- *If we made a mistake:* You will not have to pay the amount in question or any interest or other fees related to that amount.
- *If we do not believe there was a mistake:* You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your statement is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your statement. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your statement is correct.