



CUSTOM CHOICE[®]

Powered by Cognition Financial

The Custom Choice Loan[®]

Private Student Loan Proposal
Academic year 2023-2024

Suny at Fredonia

March 20, 2023

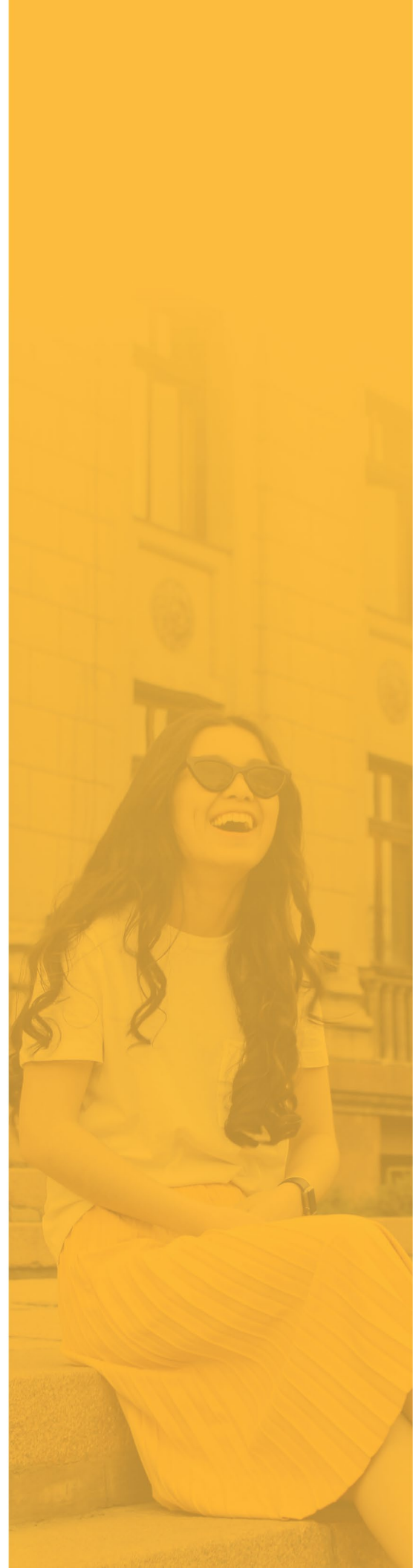
Julie Lawton
Cognition Financial
Regional Manager
JLawton@cogfin.com


Cognition Financial

A leading provider of finance solutions for students and their families

Cognition Financial has over 30 years of experience in facilitating more than \$23 billion in private student loans for dozens of lender clients and thousands of schools.

Since our founding in 1991, Cognition has helped financial aid officers put dreams within reach for over a million students and their families. Our goal is your goal. With distinctive pricing, cost reducing borrower benefits, and flexible deferment and forbearance options, we put education dreams within affordable reach. For three decades and counting, we are by your side.





Cognition Financial provides loan origination, disbursement processing and program management services to our lender partners along with marketing and sales support, including a team of school channel Business Development Managers located strategically throughout the United States. Our team is available to assist you with all your school's loan processing and product information needs.

Cognition Financial has partnered with American Education Services (AES), to service the Custom Choice Loan program. AES is a national provider of student financial aid services, serving millions of students and thousands of schools through its loan guaranty, loan servicing, financial aid processing, outreach, and other student aid programs. AES is a leader in providing quality customer service to millions of student loan borrowers through its highly trained and experienced customer service representatives.

Cognition Financial supports responsible lending and believes in smart borrowing. Before applying for a private student loan, we recommend students compare all aid alternatives including grants, scholarships, and both federal and private student loans.

Custom Choice Loan

The Custom Choice Loan, powered by Cognition Financial, provides families the funding that they need, and the transparency that they deserve. The sophisticated loan platform for the Custom Choice Loan enables families to select between a fixed and a variable interest rate in the same application session. Applicants can compare loan options to find the combination that best meets their individual financing needs.

The Custom Choice Loan is available to undergraduate and graduate students and offers borrower benefits that encourage degree completion.

The Custom Choice Loan requires school certification and can be used to pay for educational expenses as defined by the school.

Custom Choice Loan Overview

Product Name	Custom Choice Loan
Funded by	Citizens Bank
Originated by	Cognition Financial
Lender Code	907799
Guarantor Code	P28
NCHelp Servicer Code	P29
ASD Link	https://www.alternativeloan.com/CustomChoice
Website	www.CustomChoice.com
Loan Servicer	American Education Services (AES) Borrower Information (800) 233-0557 School Information (800) 443-0646 aessuccess.org
School Certification	ELM, ScholarNet, SchoolCertify.com or Fax
Disbursements	Made directly to the school, In up to 4 disbursements, Via ELM NDN, ScholarNet CDS, ACH, or Paper Check

CONTACT INFORMATION

BORROWER:
customchoice@alternativeloan.com
Customer Service: 866.232.3889
Servicer (AES): 800.233.0557
www.aessuccess.org

FINANCIAL AID ADMINISTRATORS:
priorityservice@cogfin.com
Priority Service: 866.296.3637
Servicer (AES): 800.443.0646
www.aessuccess.org

Custom Choice Loan Details

Eligibility

- Available to undergraduate and graduate students attending school full-time, half-time, and less than half-time in a degree granting program.¹
- Student must be the legal age of majority at the time of application, or at least 17 years of age if applying with a cosigner who meets the age of majority requirements in the cosigner's state of residence.² Available to applicants who are U.S. citizens, permanent resident aliens, or Eligible Non-Citizens (DACA residents). Eligible Non-Citizens (DACA residents) must apply with an eligible cosigner who is a U.S. citizen or permanent resident alien.
- Satisfactory Academic Progress (SAP) is not required.
- Available for past due balances for up to 12 calendar months after the academic period end date or graduation date.

Borrowing Amounts

- Minimum Loan Amount: \$1,000²
- Maximum/Annual Loan Amount: lesser of the cost of attendance less aid or \$99,999²
- Aggregate Student Loan Limit (including federal and private student loans): \$180,000²

Credit Criteria

The applicant can get prequalified³ in just minutes with absolutely no impact to their credit. The Custom Choice Loan utilizes a custom scoring model that is not solely based on a commercially available credit score. Although a cosigner is not required, a creditworthy cosigner may increase the likelihood of approval. Credit check is valid for 180 days and the loan must be scheduled for disbursement within 210 days.³

Rates

The variable interest rate for each calendar month is calculated by adding the 30-Day Average Secured Overnight Financing Rate ("SOFR") index, or a replacement index if the SOFR index is no longer available, plus a fixed margin assigned to each loan. The SOFR index is published on the website of the Federal Reserve Bank of New York. The current SOFR index is 4.52% as of 3/1/2023.

- Current fixed APR ranges from **3.65% APR** to **12.47% APR**⁴
- Current variable APR range from **5.67% APR** to **14.19% APR**⁴

Interest Capitalization

Interest is generally capitalized prior to entering repayment of principal and interest and at the end of any deferment or forbearance period. For borrowers who elect the Immediate Repayment option, interest that accrues between the first disbursement and the final disbursement will be capitalized after the final disbursement.

No Fees

No fees! Including no origination or guarantee fees, no late fees, and no prepayment fees.

Borrower Benefits

2% Graduation Reward

Upon graduating with a bachelor's degree or higher, student borrowers can request a **2%** principal reduction to the net disbursement amount of the loan. Proof of graduation is required.⁵

Interest Rate Reduction for Auto Pay

Borrowers can reduce their interest rate by **0.25%** when electing auto pay.⁶

Cosigner Release

Cosigner release is available after making 36 consecutive on-time principal and interest payments.⁷

Loan Forgiveness

In the event of the student borrower's death or total and permanent disability, the loan will be forgiven; proper documentation is required.⁸

Repayment Term

Choice of Repayment Term:

7, 10, or 15-year options⁹

Repayment Options

Choice of Repayment Options:

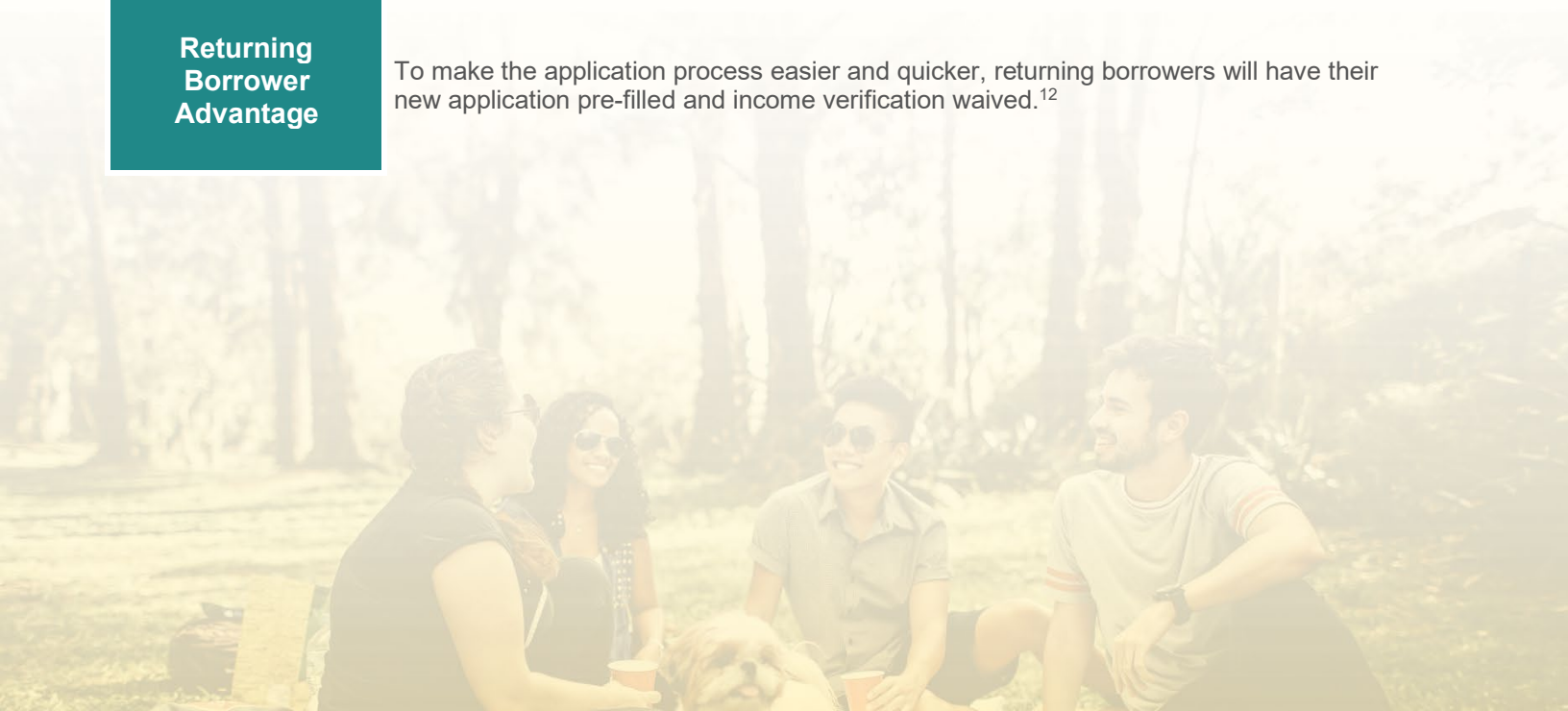
- Full Deferment¹⁰
- Interest Only ¹⁰
- Flat Payment (\$25/month)¹⁰
- Immediate Repayment¹⁰

Grace Period

The grace period is typically six months.¹¹

Returning Borrower Advantage

To make the application process easier and quicker, returning borrowers will have their new application pre-filled and income verification waived.¹²



Borrower Application & Disclosure Process

Now, students can prequalify¹³ and check their rate in minutes, with no impact to their credit!

Application Highlights

The online application process for the Custom Choice Loan provides applicants transparency by displaying, in the same session, an estimated repayment calculation based on the rate an applicant is offered, the repayment term and the repayment option selected. Applicants can see the impact their choices have on their monthly payment over the life of the loan before committing to the final loan terms. Applications are accepted up to 6 months in advance of the student's academic period start date and loan proceeds can also be used to cover a past due balance.

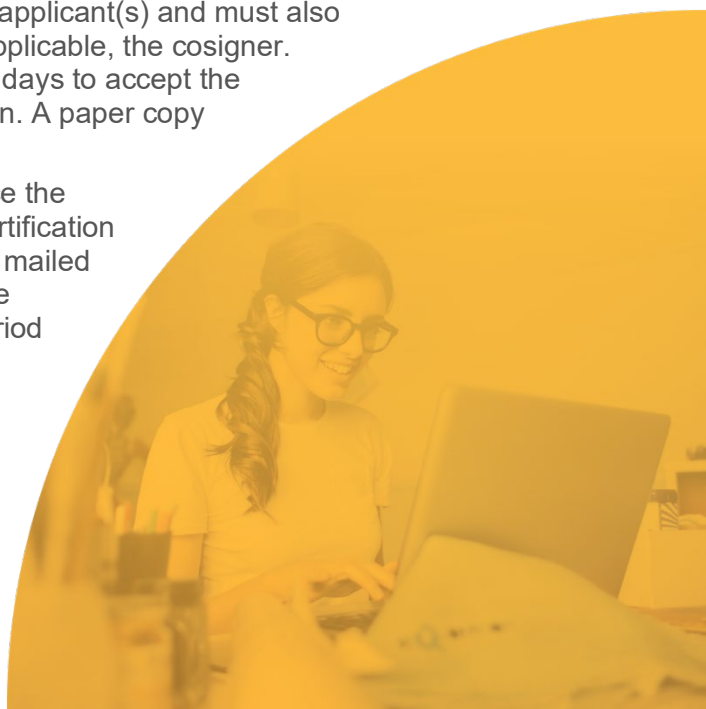
The following processing features are available for applicants:

- Customizable loan options and estimated repayment calculations
- Our EasyInviteSM tool allows applicants to invite a second applicant to apply with them (e.g., a cosigner can invite a student borrower to complete the application and vice versa)
- Online chat feature and phone support are available to help applicants with questions during the application process
- Applicants have the option to electronically sign and submit supporting documents such as the Credit Agreement and Applicant Self-Certification Form, via document upload online, fax or mail

Title X of the Higher Education Opportunity Act – Process

The Custom Choice Loan origination process fully complies with federal requirements under the Higher Education Opportunity Act (HEOA) and Truth in Lending Act (TILA). Disclosure statements are provided at the application, approval and final stages of the loan process as detailed below:

- The **Application & Solicitation Disclosure** is part of the online application and is presented electronically to, and must be acknowledged by, the student and, if applicable, the cosigner. A paper copy can also be mailed to an applicant upon request.
- The **Approval Disclosure** is presented electronically once all required documentation has been received/accepted from an applicant(s) and must also be acknowledged separately by the student and, if applicable, the cosigner. The student and, if applicable, the cosigner, have 30 days to accept the Approval Disclosure before the loan offer is withdrawn. A paper copy can also be mailed to the applicant(s) upon request.
- The **Final Disclosure** is presented electronically once the application is finally approved. This is after school certification has been received. The Final Disclosure can also be mailed to the applicant(s) upon request. The Final Disclosure includes loan specifics and defines the rescission period in which an applicant may cancel the loan.



Status Detail for Applicants

Multiple options are available for applicants to determine the status of a loan application:

- Web: Applicants may access the application via the Custom Choice website (www.customchoice.com) at any time to review application status and to identify what, if any, documentation is outstanding.
- Email/mail communications: Email reminders are sent to applicants every two calendar days for the first 20 days of the application period requesting missing information, such as income verification or any other documents needed to complete the loan process. If there is still outstanding information needed after this time, additional reminders are sent via email and mail.
- Online Chat: Available within the application or on the website.
- Phone: Borrowers can call customer service M-F, between the hours of 9:00 AM and 6:00 PM EST.

Loan Details post disbursement

Once the loan has been disbursed, loan information, account information, and repayment information are available online through the servicer's website at aessuccess.org. Borrowers can also contact AES' customer service M-F, between the hours of 7:30 AM and 9:00 PM ET.

Deferment and Forbearance Options

In-school Deferment

The Custom Choice Loan offers applicants multiple repayment options to choose from. Borrowers can make full principal and interest payments, defer payments entirely, make small \$25 monthly payments, or pay interest only while the student is enrolled at least half-time at an approved school and during the six-month grace period after graduation or dropping below half-time status. The total initial deferment period, including the grace period, may not exceed 66 months from the first disbursement date.

Additional Deferment

An additional 48 months of deferment is offered to borrowers who re-enroll or are continuously enrolled at least half-time in a Title IV eligible following the initial deferment period. This option is also available to borrowers in a medical internship or residency program. Additional deferment for re-enrollment provides additional deferment to borrowers who have exhausted their in-school deferment eligibility as follows:

- Borrowers who elected the Full Deferment¹⁰ repayment option may be eligible for an additional deferment period of up to 24 months (depending on length of enrollment) of deferment from principal and interest payments. After the expiration of the first 24 months of additional deferment, the borrower will be sent monthly interest bills, but the principal amount of the loan will be deferred for an additional consecutive period of up to 24 months (depending on length of enrollment).



- Borrowers who elected the Interest Only¹⁰ repayment option or Flat Payment¹⁰ repayment option may be eligible for an additional deferment period of up to 48 months (depending on length of enrollment) during which the borrower will be sent monthly interest bills, but the principal amount of the loan will be deferred.
- Additional deferment for re-enrollment shall extend the repayment period by the number of months of additional deferment applied to the loan.
- In lieu of receiving written notification from the borrower, the Servicer may treat any notice of new enrollment from the School or the National Student Clearinghouse as written request for additional deferment and apply the deferment automatically.

Alternative Repayment Options

Alternative repayment options are available to assist borrowers who are experiencing financial difficulties as follows:

Natural Disaster Forbearance

If a borrower's home, school, or place of business is impacted by a natural disaster (including COVID-19), the borrower can contact AES to request a 3-month period of natural disaster forbearance.

Unemployment Protection¹⁴/Hardship Forbearance¹⁵

Borrowers may be granted up to 12 months of forbearance for economic hardship during the life of the loan. Forbearance is granted in two-month increments. Borrowers can contact AES to request forbearance.

Loan Modification Plan

A Loan Modification Plan is available to assist borrowers who have utilized all other available payment relief options that they are eligible for (i.e., Hardship Forbearance) and are still experiencing financial difficulties. The Loan Modification Plan allows for reduced payments and a reduced interest rate for a period of up to 12 months, if qualified.

Armed Forces Deferment

U.S. Armed Forces service members are eligible for 48 months of deferment when the borrower or cosigner (if applicable) is on active duty.



School Processing Information

Loan Amount Changes

Requests to change a Loan amount can be made by contacting Priority Service via phone at (866) 296-3637 or email at priorityservice@cogfin.com. A request to change a loan amount can also be submitted via your preferred CommonLine processing method (i.e., ELM or ScholarNet).

Changes to increase the certified loan amount (up to the approved loan amount reflected on the Credit Agreement) may be granted any time after the first disbursement but prior to the last disbursement date.

Disbursements

Funds for Custom Choice Loans are sent to the school. Disbursements can be made daily, in up to four disbursements within the academic period. Before funds can be disbursed, the following will be verified:

- All Title X disclosures have been presented
- Applicant Self-Certification form has been received
- Student and cosigner, if applicable, have accepted the terms of the loan as identified in their Approval Disclosure
- School certification received
- Rescission period, as outlined in the Final Disclosure, has expired

Refunds

For full refunds, the school has 60 days from the original disbursement date to completely cancel the loan. If a full refund is received from the school more than 60 days after the original disbursement, the student is responsible for the accrued interest.

Cancellations

The school, student or cosigner can cancel a specific disbursement, or the entire loan, at any time prior to the disbursement date. To refund or cancel a loan that has been disbursed via EFT, your office has two options:

- Return the funds via EFT
- Issue a check payable to Cognition Financial and send it to one of the following addresses:
Custom Choice Loan
Attention: Loan Disbursement
PO Box 848108
Boston, MA 02284-8108

Overnight:

Cognition Financial
Attn: Funding Department
200 Clarendon Street, 3rd Floor
Boston, MA 02166



The following information is required to be included with the check:

- Student's name and Loan ID number
- Dollar amount of disbursement to be cancelled
- Original disbursement date
- Reason for cancellation

Early Awareness & Default Prevention

We believe it is not only important to provide smart borrowing information at the beginning of the loan process, but to educate borrowers on their repayment responsibilities throughout the process. Historically, the student's very first payment due is often the payment that is late or missed. In the spirit of education and assisting the establishment of a positive credit history, Cognition Financial and AES have developed the following plan to help borrowers understand exactly when their repayment begins and how to effectively manage private student loan debt.

Early Awareness Communications, prior to first payment due date:

- Approximately 45-60 days prior to repayment, a welcome package is mailed to the borrower and, if applicable, the cosigner.
- Approximately 30 days prior to repayment, an email is sent to the borrower and, if applicable, the cosigner advising them that the loan is going into repayment and also explains payment options.
- Prior to repayment, the borrower and, if applicable, the cosigner is called to advise them that their loan is entering repayment.
- Approximately one day after the initial bill is sent, an email is sent to the borrower and, if applicable, the cosigner advising the bill has been sent and that the payment is due.

Default Management

AES has created an informational website, [YouCanDealWithIt.com](https://www.YouCanDealWithIt.com), that guides students and their families through all aspects of the student aid process—prior to attending, during, and post-college. The website offers practical advice about common financial situations students, parents and college graduates may be facing. There are tips, calculators, resources, helpful budgeting guidelines, information about student loans, and more.

YouCanDealWithIt.com also has valuable resources that financial aid offices can take advantage of. It provides information to help schools create a default management prevention plan and educate their students about education loans and debt management to allow for a seamless transition from the classroom to the working world.



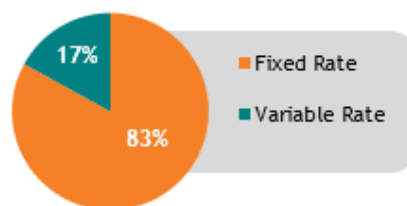
- **Financial Wellness Curriculum:** A series of PowerPoint presentations on topics that are important to today's college student, such as financial wellness, understanding financial aid and how to establish good credit. These presentations are the perfect complement to your current orientation program or exit counseling. This curriculum can help teach your students the basics about money management and arm them with tips and information to help them make smart, educated financial decisions.
- **Creating a Default Prevention Plan:** This includes a three-step letter series, a default aversion roster, knowing your cohort default rate and providing sample call scripts and scenarios to explore the best possible options available for dealing with delinquent student loan borrowers.
- **Calculators and Downloadable Forms:** Estimate monthly student loan payments using the calculator appropriate to the type of repayment plan. Also download and keep on hand deferment and forbearance forms for student borrowers who are interested in and qualify for deferment and forbearance options.

Custom Choice Loan Statistics

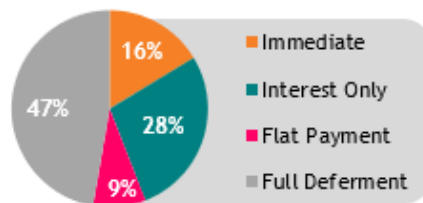
The sophisticated loan platform for the Custom Choice Loan enables families to select between a fixed and a variable interest rate in the same application session. In addition, by selecting from multiple repayment terms and options, families can determine the loan options that best meet their individual financing needs.

The charts below represent the choices families are making. The timeframe used was July 1, 2022-December 31, 2022, and uses Custom Choice Loan national, cosigned volume.

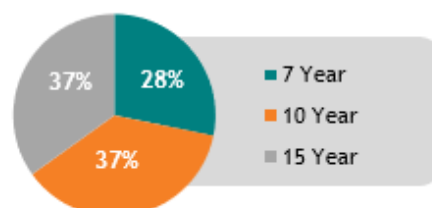
INTEREST RATE



REPAYMENT TERMS



REPAYMENT LENGTH





Disclosures

Before applying for a private student loan, Citizens Bank and Cognition Financial recommend comparing all financial aid alternatives including grants, scholarships, and both federal and private student loans. The Custom Choice Loan® is made by Citizens Bank ("Lender"). All loans are subject to individual approval and adherence to the Lender's underwriting guidelines. Program restrictions and other terms and conditions apply. LENDER AND COGNITION FINANCIAL CORPORATION EACH RESERVES THE RIGHT TO MODIFY OR DISCONTINUE PRODUCTS AND BENEFITS AT ANY TIME WITHOUT NOTICE. TERMS, CONDITIONS AND RATES ARE SUBJECT TO CHANGE AT ANY TIME WITHOUT NOTICE.

The contents of this proposal are confidential and contain information that is proprietary to Cognition Financial. Your school agrees that this proposal and its contents shall be maintained in confidence and may only be disclosed to employees of the school who need to know this information for the purposes of evaluating this proposal. We reserve the right to revise the proposal at any time. This proposal cannot be released beyond your institution unless so required by state or other applicable law. Before release, we request notification so that opportunities for redaction are available under the prevailing statutes.

EasyInviteSM is a registered service mark of Cognition Financial. Cognition Financial is not an affiliate of Lender.

¹ The legal age of majority is 18 years of age in every state except Alabama (19 years old), Nebraska (19 years old, only for wards of the state), and Puerto Rico (21 years old). Available to applicants who are U.S. citizens, permanent resident aliens, or Eligible Non-Citizens (DACA residents). Eligible Non-Citizens (DACA residents) must apply with an eligible cosigner who is a U.S. citizen or permanent resident alien. Students enrolled less than half-time are only offered the Immediate Repayment Option.

² The minimum loan amount is **\$1,000**, except for student applicants who are permanent residents of Iowa in which case the minimum loan amount is **\$1,001**. The maximum annual loan amount to cover in-school expenses for each academic year is determined by the school's cost of attendance, minus other financial aid, such as federal student loans, scholarships, or grants, up to **\$99,999** annually. The loan amount must be certified by the school. The loan amount cannot cause the aggregate maximum student loan debt (which includes federal and private student loans) to exceed **\$180,000** per applicant (on cosigned applications, separate calculations are performed for the student and cosigner).

³ Credit approval is valid for 180 calendar days from the date on which Citizens Bank obtained the borrower's credit report. If the loan is not scheduled for disbursement within this time period, the application will be withdrawn.

⁴ Interest rates and APRs (Annual Percentage Rates) depend upon (1) the student's and cosigner's (if applicable) credit histories, (2) the repayment option and repayment term selected, (3) the expected number of years in deferment, (4) the requested loan amount and (5) other information provided on the online loan application. If approved, applicants will be notified of the rate applicable to your loan. Rates and terms are effective as of 3/1/2023. **The variable interest rate** for each calendar month is calculated by adding the 30-Day Average Secured Overnight Financing Rate ("SOFR") index, or a replacement index if the SOFR index is no longer available, plus a fixed margin assigned to each loan. The SOFR index is published on the website of the Federal Reserve Bank of New York. The current SOFR index is 4.52% as of 3/1/2023. The variable interest rate will increase or decrease if the SOFR index changes or if a new index is chosen. The applicable index or margin for variable rate loans may change over time and result in a different APR than shown. **The fixed rate** assigned to a loan will never change except as required by law or if you request and qualify for auto pay discount(s).

⁵ APRs assume a \$10,000 loan with one disbursement. The high APRs assume a 15-year term with the Full Deferment option, a 31-month deferment period, and a six-month grace period before entering repayment. The low APRs assume a 7-year term, and the Immediate Repayment option with payments beginning 30-60 days after the disbursement via auto pay.

⁶ Earn a 0.25% interest rate reduction for making automatic payments of principal and interest from a bank account ("auto pay discount") by completing the direct debit form provided by the Servicer. The auto pay discount is in addition to other discounts. The auto pay discount will be applied after the Servicer validates the bank account information and will continue until (1) three automatic deductions are returned for insufficient funds during the life of the loan (after which the discount cannot be reinstated) or (2) automatic deduction of payments is canceled. The auto pay discount is not available when reduced payments are being made or when the loan is in a deferment or forbearance, even if payments are being made.

⁷ The principal reduction is based on the total dollar amount of all disbursements made, excluding any amounts that are reduced, cancelled, or returned. To receive this principal reduction, it must be requested from the Servicer, the student borrower must have earned a bachelor's degree or higher and proof of such graduation must be provided to the Servicer. This reward is available once during the life of the loan, regardless of whether the student receives more than one degree.

⁸ A cosigner may be released from the loan upon request to the Servicer, provided that the student borrower has met certain credit and other criteria, and 36 consecutive monthly principal and interest payments have been received by the Servicer within 10 calendar days after their due date. Late payment(s), or the use of a deferment or forbearance will reset the number of consecutive principal and interest payments to zero. Use of an approved alternative repayment plan will disqualify the loan from being eligible for this benefit.

⁸ If the student dies after any part of the loan has been disbursed, and the loan has not been charged off due to non-payment or bankruptcy, then the outstanding balance will be forgiven if the Servicer is informed of the student's death and receives acceptable proof of death. If the student becomes totally and permanently disabled after any part of the loan has been disbursed and the loan has not been charged off due to non-payment or bankruptcy, the loan will be forgiven. If the student borrower dies or becomes totally and permanently disabled prior to the full disbursement of the loan, and the loan is forgiven, all future disbursements will be cancelled. Loan forgiveness for student death or disability is available at any point throughout the life of the loan.

⁹ The 15-year term and Flat Payment Repayment option (paying \$25 per month during in-school deferment) are only available for loan amounts of \$5,000 or more. Certain repayment terms and/or options may not be available depending on the applicant's enrollment status and/or debt-to-income ratio. Making interest only or flat interest payments during deferment will not reduce the principal balance of the loan. Payment examples (all assume a 14-month deferment period, a six-month grace period before entering repayment, no auto pay discount, and the Interest Only Repayment option): **7-year term:** \$10,000 loan, one disbursement, with a 7-year repayment term (84 months) and a 7.69% APR would result in a monthly principal and interest payment of \$154.32. **10-year term:** \$10,000 loan, one disbursement, with a 10-year repayment term (120 months) and a 7.54% APR would result in a monthly principal and interest payment of \$118.91. **15-year term:** \$10,000 loan, one disbursement, with a 15-year repayment term (180 months) and a 7.53% APR would result in a monthly principal and interest payment of \$92.87.

¹⁰ Any applicant who is enrolled less than half-time or who applies for a loan the month of, the month prior to, or the month after the student's graduation date, as stated on the application or certified by the school, will only be offered the Immediate Repayment option. The Interest Only option (defer principal payments), Flat Payment Repayment option (\$25 monthly payment) and the Full Deferment option (defer principal and interest payments) are only available while the student is enrolled at least half-time at an approved school. The Flat Payment Repayment option (\$25 monthly payment) is only available on loans of \$5,000 or more. With the Immediate Repayment option, the first payment of principal and interest is due approximately 30-60 calendar days after the final disbursement date and the minimum monthly payment will be \$50.00. Certain repayment options may not be available depending on the applicant's enrollment status and/or debt-to-income ratio. There are no prepayment penalties. See footnote 9 for payment examples.

¹¹ The grace period is generally the earlier of six months from the date (a) the student graduates, (b) the student drops below half-time status or (c) that is 60 months from the first disbursement date. The Immediate Repayment option does not have a grace period.

¹² A Returning Borrower is a student applicant or a student applicant and cosigner combination with either (a) a prior application that is awaiting school certification, or (b) a prior loan that has a disbursement scheduled or completed.

**Income verification will be waived for Returning Borrowers who report the same employer, employment status, singular income source and an annual income amount within 25% of the annual income amount previously verified from such income source on a prior application or loan with an income verified date within eighteen (18) months of the hard pull decision date of the new application. If more than one prior application or loan with an income verified date within eighteen (18) months of the hard pull decision date for the creditworthy applicant exists, the most recent qualifying application or loan will be used to verify income.

¹³ In order to estimate the rates and loan options they prequalify for, Citizens Bank will perform a soft credit inquiry, as authorized by the borrower. Soft credit inquiries do not affect the borrower's credit. If the borrower prequalifies, the rates and loan options offered to the borrower are estimates only. Once the borrower chooses their loan options and submits their application, Citizens Bank may perform a hard credit inquiry, as authorized by the borrower. Loan approval, options, and final rates depend on the verification of information provided on the borrower's application, and information obtained from the credit inquiry(ies) (and any cosigner's credit inquiry(ies)).

¹⁴ Unemployment Forbearance is available in increments of no more than two months, for a maximum period of 12 months. To be eligible for unemployment protection a required number of monthly principal and interest payments must have been made and the loan cannot be more than fifty-nine (59) days delinquent. During unemployment protection, principal and interest payments are deferred and the interest that accrues during the unemployment protection period may be capitalized at the expiration of such period. To be eligible for more than one incremental period of unemployment protection, (a) at least twelve (12) monthly principal and interest payments must be satisfied following the prior period of unemployment protection and (b) the borrower cannot have utilized more than two (2) periods of unemployment protection in the five (5) years prior to the last day of the most recent unemployment protection period. The number of months of unemployment protection utilized counts towards the total number of months of forbearance permitted on the loan. The repayment term will be extended month-for-month for the number of months of unemployment protection utilized.

¹⁵ Hardship Forbearance is available in increments of no more than two months, for a maximum period of 12 months. To be eligible for forbearance a required number of monthly principal and interest payments must have been made and the loan cannot be more than fifty-nine (59) days delinquent. During a forbearance period, principal and interest payments are deferred and the interest that accrues during the forbearance period may be capitalized at the expiration of such forbearance period. To be eligible for more than one incremental period of forbearance, (a) at least twelve (12) monthly principal and interest payments must be satisfied following the prior period of forbearance and (b) the borrower cannot have utilized more than two (2) forbearance periods in the five (5) years prior to the last day of the most recent forbearance period. The repayment term will be extended month-for-month for the number of months of forbearance applied to the loan.