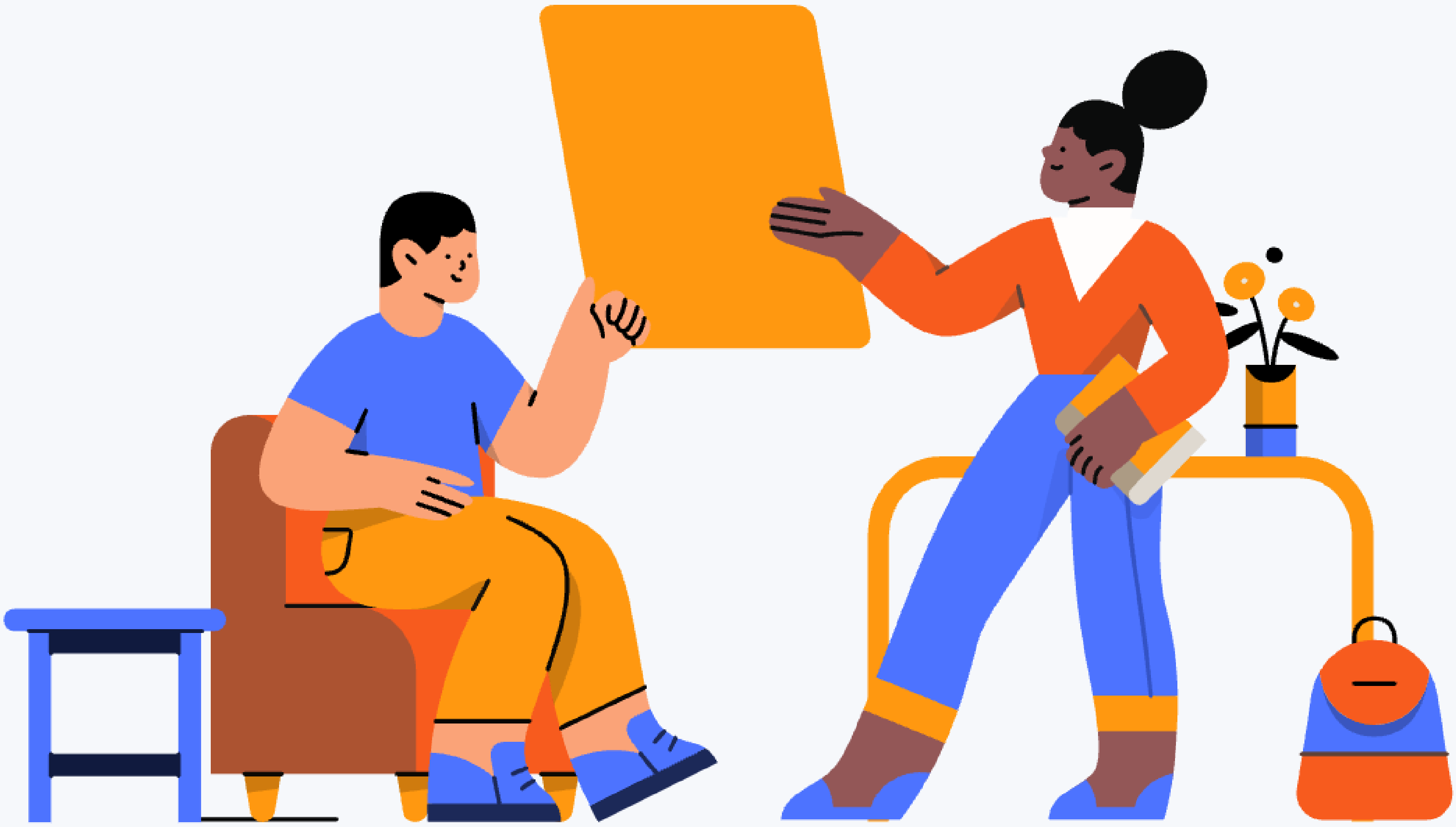
Financial Wellness Key Terms



Loan Example

LOAN AMOUNT:

$10,000

TOTAL COST OF LOAN: **$13,552**	IN SCHOOL: **$57 - $58 /mo**	AFTER GRADUATION: **$150 /mo**
APR: **6.78%**	INTEREST RATE: **6.79%**	FIRST PAYMENT DUE: **10/05/22**
RATE TYPE: **Variable**	REPAYMENT TERM: **7 Year**	REPAYMENT PLAN: **Interest Only**

AUTOMATIC PAYMENTS:

0.25% Discount

NOTE:

Your 0.25% ACH discount will not be applied on the disclosure page (next page) because the discount isn't technically applied until repayment begins.

Your actual student loan interest rate may be different from what is shown in the example [below/above] and will be based on your credit history, selected repayment option, and other factors. Lowest APRs require interest-only payments, the shortest loan term, and a cosigner, and are only available to our most creditworthy applicants and cosigners with the highest average credit scores.

LOAN AMOUNT

The amount of money that you are borrowing, dependent upon certification by your school.

TOTAL COST OF THE LOAN

The estimated, total price you would pay for your loan (total loan amount + interest), based upon the loan options selected and information provided on your application. This may change if you modify your repayment plan, make payments that differ from your scheduled monthly amount, if you defer or otherwise postpone payments beyond what is considered in the estimate, if the rate at which your loan accrues interest changes (for example, if you select a variable interest rate, change your ACH repayment status or otherwise qualify for a temporary reduction in your interest rate), or if your school certifies the loan for a lesser amount.

MONTHLY PAYMENTS IN SCHOOL

The amount of money you will pay each month while you are still enrolled in school at least half-time and during any eligible grace period. With Ascent loans, you can make payments at any time while in school which will have a huge impact on your monthly payments down the road.

MONTHLY PAYMENTS AFTER GRADUATION

The estimated amount of money you will pay each month after you graduate or are no longer enrolled in school at least half-time.

APR

The Annual Percentage Rate ("APR") gives you an "apples-to-apples" comparison between loans with different terms. APR represents an annual rate that take into account your specific repayment plans, repayment terms, interest rate, and any origination or application fees (unlike Ascent, some lenders actually charge application and origination fees). Ascent publishes a range of APR's for our student loan options to help you compare the cost of our loans with other lenders.

INTEREST RATE

The price to borrow money. It is typically expressed as a percentage rate over a period of time.

- **VARIABLE INTEREST RATE:** An interest rate that can change over time based on market conditions. This means your monthly payment can also vary, making budgeting more challenging. Remember that variable-rate loans can offer lower interest rates initially, which can be beneficial if you plan to repay your loan quickly.

- **FIXED INTEREST RATE:** An interest rate that remains the same for the life of the loan, making it easier to budget for your loan payments.

- **CAPITALIZED INTEREST:** Capitalization is when your unpaid interest is added to your outstanding loan balance. Capitalization can happen at the end of your grace period, deferment, or forbearance, or if you choose to leave an income-driven repayment plan or consolidate your loans. When interest is capitalized, it increases your outstanding loan balance. You may end up paying interest on a larger amount. This can significantly increase the total cost of your loan. It's important to note that the frequency of capitalization can vary based on the type of loan and the terms of your loan agreement. For instance, interest on private student loans may be capitalized more often than on federal student loans, sometimes as often as monthly.

FIRST PAYMENT DUE

After entering repayment, this is the date your first monthly payment is due (mark this on your calendar and set-up a reminder). Your first payment due date is dependent on the type of repayment plan you select as well as your enrollment end date as certified by your school.

RATE TYPE

The type of interest rate (fixed or variable) you will pay on your student loan.

REPPAYMENT TERM

The repayment term shows the number of years it will take for you to fully pay off the total cost of your loan (5,7,10,15, or 20 years).

REPPAYMENT PLAN

The repayment plan you select determines the monthly payment amount you will pay while you are enrolled at least half-time at an eligible school and during any grace period, as well as your monthly payment amount thereafter. Your repayment plan selection may also affect the total cost of your loan, so you should choose carefully to make sure it fits with your near-term budget and expectations of total cost .

AUTOMATIC PAYMENT

An automatic payment is a scheduled payment from your bank on a specific date to pay a recurring bill. We will help you set-up automatic payments in your Ascent portal. With Ascent, when you enroll in automatic payments, you can receive a 0.25% discount on our Cosigned and Non-Cosigned Credit-Based Loan, or a 1.00% discount on our Non-Cosigned Outcomes-Based Loan.

FORBEARANCE	This is an agreement between the borrower and the private lender to temporarily suspend or reduce student loan payments. Forbearance for private student loans is typically granted for reasons like financial hardship or illness, but interest usually continues to accrue on the loan during this period, increasing the total amount owed.
DEFERMENT	A deferment in the context of private student loans is a temporary suspension of loan payments, granted under specific circumstances such as returning to school, unemployment, or economic hardship. It's important to note that policies for deferment can vary significantly between private lenders, and interest may continue to accrue during the deferment period.
DELINQUENCY	Delinquency occurs when a borrower fails to make a scheduled payment on their private student loan by the due date. The loan remains delinquent until the borrower makes up the missed payment or arranges an alternative repayment plan with the lender. Delinquency can lead to negative credit reporting and late fees.
DEFAULT	Default happens when a borrower fails to repay their private student loan according to the terms agreed upon with the private lender. The timeline for default can vary based on the lender's policies but usually occurs after a series of missed payments. Default can have severe consequences, including accelerated repayment, legal action, a significant drop in credit score, and potential wage garnishment.