

Agreement

As used here, "I," "me", and "my" refer to the borrower. The word "SCSLC" refers to the South Carolina Student Loan Corporation and any successors or assigns.

1. Program Eligibility. I agree that to maintain eligibility under this program, I must be pursuing a course of study leading to certification as described by the SC Department of Education. I agree that I shall:

- (A) Maintain enrollment on at least a half-time basis in a postsecondary institution that is currently accredited by a nationally recognized accrediting agency or association and approved by SCSLC under the regulations governing this program; and
- (B) Pursue a course of study leading to certification as a teacher at the preschool, elementary, or secondary level, as determined by the state in which the postsecondary institution is located; and
- (C) Maintain a cumulative grade point ratio as required by the institution's satisfactory academic progress requirements; and (D) Once certified, teach on a full-time basis in South Carolina in either a critical geographic area to be determined at the time of employment, or in a critical subject area as indicated at the time of application, or subsequently, for a period of five years in a public elementary or secondary school; and (E) Provide SCSLC, or its agents, as it requires, evidence of compliance with the above requirements.

2. Loan Amounts. I understand that state funding is limited, and the amount of my loan is subject to change at any time. Furthermore, I understand that participants in the program may borrow up to the loan maximums identified in the application information, not to exceed that certified by the educational institution.

3. Loan Forgiveness/Cancellation. I understand that upon submission of confirmation that I taught during the same year in which funding is received, I shall be eligible to have my loan amount (up to \$750 per year not to exceed \$5000) plus interest on the unpaid principal balance canceled, as defined by the State Board of Education in an area of critical need. There will be no cancellation for partial terms. I understand that if I do not submit confirmation for the same year in which funding is received, but subsequently do so, I will not be entitled to a refund or credit provided for any amount paid; however, any unpaid balance at the time eligibility is confirmed will be eligible for cancellation subject to all regulations contained herein.

4. Repayment. I agree that if SCSLC determines that I have failed to meet the conditions described in Item 1, I shall:

- (A) Repay the amount of the loan(s) received, prorated according to the fraction of the teaching obligation not completed, as determined by SCSLC.
- (B) Enter repayment status on the first day of the calendar month after six months have elapsed after I cease to carry at least one-half the normal full-time academic workload at an eligible institution.
- (C) SCSLC shall capitalize (add to the principal balance) any accrued unpaid interest at the time my repayment schedule is established. (D) Pay a late charge of 5% of the unpaid amount, not to be less than \$7.40 or more than \$18.50, if a payment is more than 10 days late. These amounts will increase as allowed by Section 37-1-109, Code of Laws, South Carolina (1976).

5. Repayment Assistance. Upon request and agreement between myself and SCSLC, I may be granted a forbearance in which regular payments do not have to be made. Interest that accrues during such a period, as agreed by both parties, may be paid by me or capitalized at the end of the forbearance period.

6. Payments. I agree that if required by Item 4 to repay my loan, I shall:

- (A) Repay the loan in periodic installments during the repayment period that begins as noted in Item 4(B).
- (B) Make payments to SCSLC which cover principal, interest, collection costs and late charges according to a schedule established by SCSLC which calls for complete repayment in not more than ten(10) years from the beginning of the repayment period. This period will be extended by any period of forbearance granted to be as described in Item 4 above. Unless specifically authorized by SCSLC, the monthly installments shall be at a rate of not less than \$50 per month.
- (C) Pay a fee up to \$25.00 if a payment is returned due to insufficient funds or any other reason.

7. Prepayment. I may accelerate repayment of the loan, in whole or in part, without penalty. If I prepay the loan in part, I agree to continue to make regularly scheduled payments until all amounts due under the Promissory Note are paid. If I have more than one loan outstanding, I may direct the amount of my prepayment to one or more particular loans. If I do not specify how to apply my prepayment, SCSLC, or its agents, will apply it to my loans in any order they determine.

8. Interest.

- (A) Interest calculated daily: Interest will be calculated on a daily basis on the outstanding Principal balance until the loan balance is paid in full. The daily interest rate is equal to the annual interest rate in effect on that day divided by 365.25. Because interest is calculated daily, the amount of interest I pay will vary based on the number of days between my previous payment and my current payment.
- (B) Accrual: Interest on this loan accrues at the rate defined below. Interest begins to accrue on the date of each disbursement and continues to accrue until the loan is paid in full. Interest accrues on the unpaid principal sum to the extent it is disbursed, and on the unpaid accrued interest added to the principal balance at the end of any Forbearance Period. If I do not pay interest to SCSLC, or its agents, prior to the start of the Repayment Period, such interest will be capitalized. If I am granted forbearance and if I choose not to pay accruing interest charges, the principal balance will increase each time SCSLC, or its agents, capitalizes unpaid interest. As a result, I will pay more interest charges over the life of the loan. When I leave school and I begin repaying the loan, if required, my monthly payment amount may be higher. If I elect to pay the accrued interest and do not do so, even if capitalized, SCSLC, or its agents, may initiate collection actions against me.
- (C) Fixed Rate: The loan bears interest at a fixed rate as disclosed on the Approval Disclosure. The interest rate will not increase or decrease for the life of the loan. If at any time the fixed interest rate is not permitted by applicable law, interest will accrue at the highest rate allowed by applicable law.
- (D) Interest after Maturity and Judgment: Unless prohibited by applicable law, interest calculated as described in this Promissory Note will continue on the unpaid balance until it is paid in full, even after maturity (whether by acceleration or otherwise) and/or judgment, if a judgment is entered against me for the amount due.

9. Discharge. I understand that SCSLC shall cancel my repayment obligation if it determines:

- (A) On the basis of a sworn affidavit of a qualified physician, I am unable to teach on a full-time basis because of an impairment that is expected to continue indefinitely or result in death; or
- (B) On the basis of a death certificate or other evidence of death that is conclusive under state law that I have died.

I agree that, in order to cancel my obligation as described above, I, my personal representative, or my estate, must submit an Affidavit of Total and Permanent Disability, Death Certificate, or other documentation required by SCSLC in order to render a discharge determination.

10. Statement of the Military Annual Percentage Rate (MAPR). Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: The costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for credit card account). This disclosure and the information regarding MAPR can also be obtained orally by calling 1-888-854-0506.

11. Default. At the option of SCSLC, or its agents, this loan may be in default after any notice required by law, and SCSLC, or its agents, will have the right to give me notice that the whole outstanding principal balance, accrued interest, and all other amounts payable are due and payable at once. If SCSLC chooses to accelerate this Promissory Note, SCSLC does not give up our right to use another remedy later. I will be in default for any of the following reasons:

- (A) I fail to make required payments by the end of the calendar month in which this loan becomes 180 days past due; or
- (B) I made any materially untrue statement or misrepresentation in applying for this loan or at any time thereafter; or
- (C) I fail to comply with the express purpose and terms of this loan.

12. Collection Costs. If I default on the loan and SCSLC, or its agents file suit or take other action to collect this loan, I agree to pay to SCSLC, or its agents, reasonable collection fees, court costs, and attorney fees subject to the Servicemembers Civil Relief Act and other applicable laws.

13. Waiver. I acknowledge and agree that failure by the holder to exercise any right hereunder with respect to any failure or breach of mine shall not constitute a waiver of the rights as to any subsequent breach or failure. I hereby waive presentment, protest, notice of protest, demand, and notice of dishonor.

14. Governing Law and Notices. The terms of this loan will be interpreted in accordance with South Carolina and federal laws. Any notice required to be given to me will be effective if mailed by first class mail to the latest address I have provided. If I am attending a school in South Carolina, this loan will be treated as entered into in the county of South Carolina in which my institution is located.

15. Credit Bureau Notification. SCSLC, or its agents, may report information about your account to credit reporting agencies. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

16. Loan Assignment, Sale or Transfer. I may not assign or otherwise transfer my rights under this Promissory Note to anyone else. SCSLC may sell, or otherwise transfer, one or all of my loans without my consent. Should ownership or servicing of a loan be transferred, I will be notified of the name, address, and telephone number of the new holder if the address to which I make my payments changes. Sale or transfer of my loans to a subsequent holder does not affect my rights and responsibilities.

Borrower Certification and Authorization

I declare that the following is true and correct:

1. The information I have provided on this application is true, complete and correct to the best of my knowledge and belief, and is made in good faith.
2. The proceeds of this loan will be used only for expenses associated with the SC Teacher Loan Program or the SC Career Changers Loan Program.
3. I understand that I am required to notify SC Student Loan Corporation (SCSLC) (or any subsequent holder of my loan(s)) in writing if any of the following events occur before the loan is repaid: (a) I change my address; (b) I change my name (e.g., maiden to married); (c) I change my employer or my employer's address changes; or (d) I have any other change in status that would affect my loan status.
4. I acknowledge that this loan is subject to the limitations on dischargeability in bankruptcy contained in the provisions of the United States Bankruptcy Code, including but not limited to, 11 U.S.C. §523.
5. Telephone Communications Privacy Act: If I have listed a cellular phone number in my application, or later provide a cellular phone number to SCSLC, then I authorize SCSLC, its affiliates or agents, to call my cellular phone or send SMS text messages to me using an automatic telephone dialing system or prerecorded message in order to provide account information and services regarding my account or any of the products or services I request from SCSLC. Receipt of cellular phone calls or SMS text messages may be subject to service provider charges. SCSLC may contact me in order to assist me with the completion of any application I begin, to address any technical problems associated with my account or any product or service I request, or to send me notices regarding my account, approval for any products or services for which I apply, payment reminders, or collection efforts. If I do not want to receive cellular phone calls and SMS text messages about my loan, I can unsubscribe by contacting SCSLC at (800) 347-2752, or in writing at PO Box 102402, Columbia, SC 29224. SCSLC, its affiliates or agents, may contact me using any telephone number provided by me.
6. I authorize SCSLC, or its agents, to investigate my credit record and report information concerning my loan status to proper persons and organizations.
7. I authorize the release of information pertinent to this loan (a) to the school and (b) to members of my immediate family unless I submit written directions otherwise; and (c) to other organizations to the extent permitted by law.