B. "Principal" is the amount disbursed to you or on your behalf as disclosed on the Final Disclosure plus the amount of any interest that is capitalized at any time during the life of the loan(s) made under this Note.

"Capitalization" and "Capitalize" is the addition of accrued and unpaid interest to the outstanding Principal balance of a loan made under this Note. After we Capitalize interest, the outstanding Principal balance of the loan will increase. All amounts that you pay to us under the terms of this Promissory Note, including any amounts paid to us under any other agreements, will be applied first to the interest accrued on the outstanding Principal balance of the loan, then to the late charge, and then to principal. If you do not make the required payments of the Principal and/ or interest, the Principal balance of the loan will continue to increase as interest accrues on the Principal balance of the loan. The Principal balance of the loan will continue to increase as interest accrues on the Principal balance of the loan until you repay all amounts owed under this Promissory Note.

"Deferment Period" is the period of a loan made under this Note during which you may not be required to make any payments of Principal or interest, depending upon the repayment option you selected during the application process. If you do not select an In-School Deferment option, a Deferment Period will begin on the date the loan proceeds are first disbursed and will end after the Grace Period. In certain circumstances, you may be eligible to extend your Deferment Period longer. If you have more than one loan with us, you consent and agree that we may, but are not required to, extend the Deferment Period for your loan(s) in accordance with any such Deferment Period for any of your loans, but we are not required to extend a Grace Period on a loan that has already utilized its Grace Period. The Repayment Period will begin on the day after a Deferment Period ends.

"Final Disclosure" is a Truth-in-Lending Act document that will provide to you as required by federal law prior to your first loan disbursement.

"Grace Period" is a period of six months after you cease to be enrolled at least half-time for undergraduate loans, or nine months after you cease to be enrolled at a School at least half-time for graduate loans.

"In-School Payment" is a repayment option, if offered to you and selected by you in the application for a loan made under this Note, by which you agree to pay a portion of the outstanding Principal balance of a loan during during the life of your education program. Under the In-School Payment, you may be required to make a payment of the interest accrued each month, for the period of In-School Disbursement, and continuing while in school, during your Grace Period, and during any subsequent in-school periods. Such In-School Disbursement is available to select qualified Borrowers. If you do not apply for subsequent loan(s) within either 18 months (right to cancel period) will be provided in the Promissory Note and Final Disclosure for your subsequent loan(s) and may be different from the terms governing your initial loan. We may decline your application for subsequent loan(s). The Multi-Year Option will expire if you: (i) do not apply for subsequent loan(s) within 18 months after submitting your most recent application or 5 years after your initial application is submitted. We may, at our sole discretion, discontinue the Multi-Year Option. If you are an eligible Borrower whose Multi-Year Option has not expired, then we will notify you of any changes to the Multi-Year Option Plan. The "Note" is this Application and Promissory Note for a private education loan.

"Repayment Period" is the period of a loan made under this Note during which you are required to make full payments of Principal and interest. The Repayment Period will end after the last installment payment or any discontinuance of the Multi-Year Option is provided in the Promissory Note and Final Disclosure for your subsequent loan(s) and may be different from the terms governing your initial loan. We may decline your application for subsequent loan(s). The Multi-Year Option will expire if you: (i) do not apply for subsequent loan(s) within 18 months after submitting your most recent application or 5 years after your initial application is submitted. We may, at our sole discretion, discontinue the Multi-Year Option. If you are an eligible Borrower whose Multi-Year Option has not expired, then we will notify you of any changes to the Multi-Year Option Plan. The "Note" is this Application and Promissory Note for a private education loan.

C. IDENTIFICATION AND ENROLLMENT VERIFICATION:

To help the government fight the funding of terrorism and money laundering activities, federal laws require all financial institutions to obtain identifying information from customers and verify the identity of customers when opening a new account. We may require additional information and documents from you to help us verify your identity. If you do not provide this information or verify your identity, we may delay opening your account, or even close your account. If you have more than one loan with us, we may send you a single statement with a single minimum payment amount that will fully amortize your loans over the adjusted Repayment Period. The length of the Repayment Period is subject to limitations on the period of repayment under applicable law.

Deferment Period is no longer appropriate due to reduced 3-Month CME Term SOFR on its website (cmegroup.com/termsofr).

3-Month CME Term SOFR on its website (cmegroup.com/termsofr).
margin. The variable index, whether 3-Month CME Term SOFR or a comparable index, is a pricing index and does not represent the lowest or best interest rate available to you at any bank at any given time. If at any time the fixed or variable interest rate as described in this promissory note is not permitted by applicable law, interest will accrue at the highest rate allowed by applicable law. The interest rate will never be higher than the maximum rate disclosed in your Final Disclosure(s). If the 3-Month CME Term SOFR rate for any given interest rate change date is less than zero percent (0%), the variable index will be deemed to be zero percent (0%) for the applicable interest rate change date.

4) Interest Rate Changes: If your loan has a variable interest rate, we will notify you of any changes in the interest rate as required by law. A change in the interest rate may cause the amount of the final payment to change, may cause the amount of the monthly payments to increase or decrease, or may cause the number of payments to change.

5) Interest after Maturity and Judgment: Unless prohibited by applicable law, interest calculated as described in this Note will continue to accrue on the unpaid balance until it is paid in full, even after the maturity date (whether by acceleration or otherwise) and/or judgment, if a judgment is entered against you for the amount due.

K. MILITARY LENDING ACT:

1) 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, including instalment loans. In general, the cost of consumer credit to a member of the Armed Forces, or a dependent of such a member covered by the federal Military Lending Act, must not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: (a) the costs associated with credit insurance premiums; (b) fees for ancillary products and services, with the exception of any application fee charged (other than certain application fees for specified credit transactions or accounts); and (c) any participation fee charged (other than certain participation fees for a credit card account). If you would like more information about whether this section applies to you, please contact us at 1-844-DPS-4ML if you are calling from outside the US at +1-801-451-3730.

2) Oral Disclosures: If you are a member of the Armed Forces or a dependent of such a member covered by the federal Military Lending Act, before agreeing to this Note, to hear important disclosures about the interest rate, interest-only payments, and any other charges. You must be given notice of whether this section applies to you, please contact us at 1-844-DPS-4ML if you are calling from outside the US at +1-801-451-3730.

L. REPAYMENT TERMS AND CAPITALIZATION OF INTEREST:

1) Deferral Period: Interest will accrue but you are not required to make payments during a Deferral Period, unless you elected to make In-School Payments. If you fail to provide adequate verification of enrollment status, your Grace Period will begin, if any Grace Period remains, followed by your Repayment Period. We will Capitalize any and all unpaid and unpaid interest at the beginning of the Repayment Period.

2) Repayment Period: You are required to make payments during the Repayment Period in consecutive, monthly installments until you pay the Principal, interest, and all other charges owed under this Note.

3) Payment Due Dates: Payments will be due monthly on the same day of each month as determined by us. The first payment will be due approximately 23 days, but not more than 60 days, after the start of the Repayment Period or after the first disbursement if you elected to make In-School Payments.

4) Calculation of Initial Payment Amount and Minimum Payment Amount: At the start of the Repayment Period, we will calculate the payment amount necessary to amortize your outstanding loan balance, including Capitalized interest, at the current interest rate in equal installments over the number of months in the Repayment Period. You agree to pay at least $50 per month across all of your loans unless otherwise required by law or your entire balance for all of your loans is less than $50.

5) Changes in Payment Amount: We may re-amortize your loan at any time to change your minimum monthly payment amount. If the current interest rate will be paid in equal monthly installments by the end of the Repayment Period. This may cause scheduled monthly payments to increase or decrease. We will inform you in advance of any change in the scheduled monthly payment amount.

6) Application of Payments: Your payments will be applied first to accrued interest and then to Principal. Under some circumstances, such as with In-School Payments, the payment amount may not cover the interest that accrues. In those cases, we will Capitalize the unpaid interest and add it to the Principal balance of the loan at the end of a Deferral Period. Any payments you make thereafter may be applied by us differently and until we bring the loan current.

If your loan is not in default, you may direct the amount of your prepayment to the Principal, interest, and all other charges owed under this Note, we may offer certain repayment assistance options such as forbearance or other programs. Interest will continue to accrue during repayment periods. However, the amount of the final payment will not be more than twice the amount of the previous payment. If necessary, we will increase the number of payments.

9) In-School Payments: If you agree to make payments while in school, and you fail to make timely In-School Payments, your loan will be automatically capitalized and we will increase the amount you pay over the life of the loan. If you agree to make interest-only payments while in school and do not make timely payments, your required loan payments will be suspended for up to six months at a time.

The suspension of the interest-only discount will result in an increase to the amount you pay over the life of the loan. When the suspension ends you will again be required to make monthly payments on your loan and the discount will be reapplied if you do so.

You must pay off unpaid accrued interest on your loan before entering the Repayment Period to receive the interest-only discount during the Repayment Period. If your unpaid accrued interest at the start of the Repayment Period exceeds 60 days of accrued interest, you will not receive the interest-only discount during the Repayment Period.

The suspension of your required loan payments while in school and/or during your Grace Period and prior to the Repayment Period will result in the loss of the interest-only discount during the suspension period. Payment suspensions that occur during in-school periods that follow entry into the Repayment Period will not result in the loss of the interest-only discount.

The suspension of the interest-only discount will result in an increase to the amount you pay over the life of the loan. When the suspension ends you will again be required to make monthly payments on your loan and the discount will be reapplied if you do so.

M. YOUR RIGHT TO CANCEL:

Under the Truth-in-Lending Act, the Student has the right to cancel a loan prior to the first disbursement by giving notice to us as described on the Final Disclosure. The Cosigner does not have the right to cancel under the Truth-in-Lending Act, but may have the right to cancel under the next section.

N. ADDITIONAL RIGHT TO CANCEL:

In addition to the Student’s right to cancel under the Truth-in-Lending Act, if, within 120 days after first disbursement date, all future loan disbursements are cancelled and all previously disbursed loan proceeds are returned to us, we will waive any and all interest charges and fees for the first disbursement prior to the loan. If a loan or an individual disbursement is cancelled, it will be treated as if a new loan has been issued.

P. OBLIGATION TO PAY:

You may prepay, in full or in part, the amount owed on your loan(s) at any time without penalty. If you prepay the loan(s) in part, you agree to continue to make regularly scheduled payments until all required payments have been paid. If you have made no interest accrues, you may direct the amount of your prepayment to the Principal, interest, and all other charges owed under this Note.

Q. NO RETURNED PAYMENT CHARGES:

We will not assess any returned payment charges under this Note, but the bank from which you make payments might assess you a returned payment fee pursuant to your agreement with your bank.

R. DEFAULT – WHOLE LOAN:

If you are in default on a loan made under this Note, the entire outstanding balance on the loan will be due immediately at our discretion.

S. DEFAULT AND DISABILITY – LOAN CANCELLATION:

In the event of the Student’s death, any loans evidenced by this Note will be cancelled. The Student has the option to designate an individual to receive the current outstanding balance at the end of the Repayment Period in the event the death of the Student.

In the event of the Student’s total and permanent disability (as reasonably determined by us), any loans evidenced by this Note may be eligible for cancellation in our sole discretion. Loan cancellation may have income tax consequences.

T. GENERAL WAIVER PROVISIONS:

You have waived presentment for payment, demand, protest, notice of protest, dishonor, and all other notices or demands in connection with the delivery, acceptance, performance, default, or enforcement of this Note. We can accept late payments, partial payments, or payments that are made “in payment of” all or any portion of the loan, without restrictive endorsement without losing any of our rights under this Note.

U. ASSIGNMENT:

You may not assign or otherwise transfer your rights under this Note to anyone else. We may, sell, transfer, or assign this Note, without notice to you, unless required by law, and your rights and obligations under this Note will continue unchanged.

V. DELAY IN ENFORCEMENT:

We can delay enforcing any rights under this Note without losing any rights. Our failure to enforce any right under this Note will not act as a waiver of that right or preclude the exercise of that right in the event of a future occurrence of the same event. We can also extend or defer the time allowed for making payments at your request, and such extension will not affect your obligations, whether or not you are given notice of the extension.

W. NOTICES AND ADDRESSES:

1) Government guidelines require us to maintain current information about you. You agree to notify us promptly after any change in your name, address, or other contact information. We also may periodically request that you update or confirm your information, and you agree to do so promptly.

2) Any notice or communication with us required or permitted under this Note or any other agreement must be in writing, must include your loan account number, and must be sent to Discover Student Loans, PO Box 30947, Salt Lake City, UT 84130-0947 or another customer service address that we provide to you on a letter or statement.

3) You will send any other type of notice to the address that we have provided to you in writing, or you may contact us in writing to request a change.

4) Except as otherwise provided by applicable law, any notice that we are required to give you will be effective when mailed by USPS First-Class Mail to your address in our records.

X. ARBITRATION OF DISPUTES:

1) Agreement to Arbitrate: In the event of a dispute between you and us arising out of or relating to this Loan Agreement or any of our relationships resulting from this Loan Agreement or for any other dispute between you or us, including for example, a dispute based on a federal or state statute or local ordinance (“Claim”), either you or we may choose to resolve the Claim by binding arbitration, as described below. All claims must be resolved in the next section. Any Claim (including any dispute challenging the validity or enforceability of this arbitration agreement, including the Class Action Waiver) may be resolved by binding arbitration if either side requests it. THIS MEANS IF EITHER YOU OR WE CHOOSE TO RESOLVE A CLAIM THROUGH ARBITRATION, YOU AGREE TO GIVE UP THE RIGHT TO LITIGATE SUCH CLAIM IN COURT OR TO HAVE A JURY TRIAL. ALSO DISCOVERY AND APPEAL RIGHTS ARE LIMITED IN ARBITRATION.

Even if all parties have opted to litigate a Claim in court, you or we may elect arbitration with respect to any Claim made by a new party that is not a party to this Loan Agreement or any new Claims later asserted by the legal authority to assert this Claim. This section does not apply if, on the date you submit your Application or on the date we seek to invoke this arbitration agreement, you are a member of the Armed Forces or a dependent of such a member covered by the federal Military Lending Act. If you would like more information about whether you are covered

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written notice of rejection within 30 days after consummation of your loan. If you reject arbitration, neither you nor we will be subject to the arbitration agreement for this loan. Rejection of arbitration for this loan will not constitute rejection of any prior or future arbitration agreement between you and us.

5. GOVERNING LAW

The parties agree that any claim or dispute arising out of this Note will be governed by applicable United States federal law and, to the extent state law applies, Delaware law, without regard to its conflict of law rules. All other laws, including the privacy and other laws of other countries and international bodies, are inapplicable.

6. STATE LAW NOTICES:

1) Indiana and Maine Residents: A married applicant may apply for a separate loan. A negative credit report reflecting on your credit may be submitted to a credit reporting agency if you fail to fulfill the terms of this Note.

2) Indiana and Maine Residents: The provisions of this Note regarding the collection of any past due amounts and court costs do not apply to Indiana or Maine residents.

3) Iowa and Kansas Residents: NOTICE TO CONSUMER: a) Do not sign this agreement before you read it; b) You are entitled to a copy of this agreement; c) You may prepay the unpaid balance at any time without penalty and may be entitled to receive a refund of unearned finance charges in accordance with law.

4) Maryland Residents: We elect Subtitle 10, Credit Grantor Closed-End Credit Provision to Title 12 of the Commercial Law Article of the Annotated Code of Maryland, to govern this Note, only to the extent necessary for the application with 12 U.S.C. § 1813d and related regulations and opinions.

5) Massachusetts Residents: Massachusetts law prohibits discrimination based on marital status, or sexual orientation as well as gender identity.

6) Missouri Residents: Oral agreements or commitments to loan money, extend credit, or to forbear from enforcing the terms of a debt, including promises to extend or renew such debts, are not enforceable. To protect you (borrower(s)) and us (creditor) from misunderstanding or disappointment, any agreements we reach covering such matters are contained in this writing, which is the complete and exclusive statement of the agreement between us, except as may later modify it in writing.

7) New Hampshire Residents: If we refer this Note to an attorney for collection, you agree to pay our reasonable attorneys’ fees. However, if you prevail in a) any action, suit, or proceeding we bring, or b) an action brought by you in connection with this Note, or c) if you successfully assert a partial defense or setoff, recoupment, or counterclaim to an action brought by us, the court may withhold from you the entire amount or such portion of the attorneys’ fees as the court considers equitable.

8) New Jersey Residents: This Note applies to residents of multiple states, and certain provisions may be void, unenforceable or inapplicable to residents in states other than New Jersey. None of these provisions are void, unenforceable or inapplicable to New Jersey residents, except that, if you reside in New Jersey, any non-judicial power of attorney contained in this Note is void.

9) New York Residents: A consumer credit report may be ordered on you in connection with your application for credit. If you ask us, we will tell you whether or not one was ordered and if one was, the name and address of the consumer credit reporting agency that provided it. Subsequent consumer credit reports may be requested or used in connection with an update, renewal, or extension of the credit you are applying for. Please let us know how you would like us to apply a payment that is different from the monthly amount due on your Loan(s).

10) Ohio Residents: The Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers without regard to race, color, creed, national origin, sex, familial relationship, or age. Creditors cannot use credit reports to discriminate against any applicant. You have the right to receive written information about a credit report used in connection with your application for credit.”

11) Rhode Island and Vermont Residents: A consumer credit report may be ordered on you in connection with your application for credit. If you ask us, we will tell you whether or not one was ordered and if one was, the name and address of the consumer credit reporting agency that provided it. Subsequent consumer credit reports may be requested or used in connection with an update, renewal or extension of the credit applied for without further notice to you. If you are not comfortable giving us your Social Security number to receive notice of intent to accelerate and notice of acceleration, this means that you give up the right to receive notice that we intend to demand that you pay all that you owe on this contract at once (accelerate) and notice that we have accelerated. This written loan agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements between you and us.

12) Virginia Residents: The Office of the Student Loan Ombudsman was established to provide timely assistance to any student loan borrower of any student education loan in the Commonwealth of Virginia. You can contact the Student Loan Advocate at: Office of the Ombudsman, Federal Student Aid, Office of Student Financial Assistance, 219 E. Main St., 6th Floor, Richmond, VA 23219 or by phone at 1-804-786-4623.

13) West Virginia Residents: Any provision in this Note authorizing the holder of this Note to collect attorneys’ fees in the event of a default being sued for collection is a resident of the State of West Virginia.

14) Wisconsin Residents: If you are a married Wisconsin resident, your signature confirms that this loan obligation is being incurred in the interest of your marriage or family. No provision of any marital law, including the Wisconsin Statutes, is void or inapplicable under §766.59 of the Wisconsin Statutes, or court decree under §766.70 of the Wisconsin Statutes adversely affects our interest unless we, prior to the time that the loan is approved, are furnished with a copy of the marital property agreement, a statement, or a decree or some actual knowledge of the adverse provision. If the loan for which you are applying is granted, you will notify us if you have a spouse who needs to receive notification that credit has been extended to you. Notification provisions to the contrary in Section K (DEFAULT – WHOLE LOAN DUE) of this Note, you will be in default hereunder if you fail to comply with the entire agreement between you and us. Failure to pay the first payment or the last payment within 40 days of its scheduled due date is grounds for default. If the interval between scheduled payments is more than 2 months, and you permit to be outstanding all or any part of 1 scheduled payment that has remained unpaid for more than 60 days after its scheduled due date or deferred due date, you will also be in default if you fail to observe any other provision of this Note, including the breach of which materially impairs your ability to pay the amounts due under this Note.

16) Utah Residents: As required by Utah law, you are hereby notified that a negative consumer credit report reflecting on your credit record may be submitted to a consumer credit reporting agency if you fail to fulfill the terms of your credit obligations.

AA. CORRECTION OF ERRORS:

All parties to this Note agree to fully cooperate and adjust all typographical, computer, calculation, or clerical errors discovered in any or all of the loan documents, including this Note and the Final Disclosure.

BB. EFFECT OF PARTIAL INVALIDITY:

If any provisions of this Note are rendered invalid or unenforceable, those provisions shall be considered omitted from this Note without affecting the validity or enforceability of the remaining provisions of this Note.

CC. OTHER IMPORTANT TERMS:

1) Signatures: This Note will be effective and enforceable when signed and certified as Promissory Note for the Cogener Addendum, as the case may be, and delivered to us. A facsimile, electronic, or scanned copy of your signature that you deliver to us by any means acceptable to us will be deemed signed. If you submit your Application electronically, clicking “E-sign this Note, the breach of which materially impairs your ability to pay the amounts due under this Note.

2) Rewards and Other Options: From time to time we may offer rewards and benefits for which you may become eligible as a Borrower. In the event you are eligible and are accepted by us to receive these rewards and benefits, you agree to abide by applicable terms and conditions as may be published by us, including any amendments to those terms and conditions.

3) Non-negotiable: This is a non-negotiable consumer credit agreement.

Certification: In addition to any certification you make in the application, you certify that your loan and all of the loan proceeds from this loan will be used only for Qualified Higher Education Expenses. These expenses are the costs of attending an eligible educational institution, including graduate school, on at least a halftime basis. Generally, these costs include tuition and certain related expenses. See Internal Revenue Service (IRS) Publication 970, IRS Form W-9S instructions, related guidance or seek professional tax advice for more information. Signing the Application and Promissory Note will be your certification for IRS purposes.