

National Council of Higher Education Loan Programs, Inc.  
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Washington, D.C. 20036-4110

May 26, 2009

VIA EMAIL: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov)

Ms. Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, D.C. 20551

Re: Docket No. R-1353, Proposed amendments to Regulation Z (Truth in Lending) that amend the disclosure and timing requirements and prohibit certain practices for creditors making private education loans (March 24, 2009)

Dear Ms. Johnson:

The National Council of Higher Education Loan Programs (NCHELP) appreciates the opportunity to comment on the proposal by the Federal Reserve Board (the "Board") to amend Regulation Z to implement Title X of the Higher Education Opportunity Act (HEOA). Based in Washington, D.C., NCHELP represents a nationwide network of student loan guaranty agencies, secondary markets, lenders, loan servicers, collectors, schools and other organizations that provide financial assistance to millions of American students and their families each year.

NCHELP appreciates the Board's efforts in preparing these proposed regulations. Private education loans are unique, special purpose loans designed to pay costs associated with obtaining a post-secondary education. They are distinct from federal education loans in that private education loan programs are, with certain exceptions, creations of the lender as opposed to the federal education loan programs, which are creations of federal law. Whereas the major federal education loan programs are not required to comply with Regulation Z, in most cases private loans are considered consumer credit and have no such exemption. This poses special challenges to lenders and servicers, due to a large extent to the in-school, interim period feature of most private education loan programs.

#### DISCUSSION and COMMENTS

NCHELP is pleased to provide the following comments in response to the invitation of the Board.

First, we want to express our genuine appreciation for the Board's efforts to make the proposed rules workable for both consumers and lenders. We respectfully urge the Board to improve the private education loan process by adopting the following provisions contained in the proposed rules:

- Combining the existing closed-end credit TIL Act disclosure with the new private education loan disclosures. This eliminates one form from the process which we believe would be redundant and potentially confusing to the consumer;
- Acknowledging the various state law definitions of the point in time a consumer becomes contractually obligated and allowing flexibility in the timing of the final disclosure (§226.37(d)(3));

- Excepting the co-branding prohibition for creditors that have preferred lender arrangements and creating a safe harbor for those cases where a creditor’s marketing includes a clear and conspicuous disclosure that a covered educational institution does not endorse the creditor’s loans (§§ 226.39(a)(2) and (b));
- Removing the special rules for Interim Student Credit Extensions (§226.17(i)) as this is inconsistent with other disclosures that creditors are required to provide. This section can be confusing and may not always allow for a comparison of loan programs;

In terms of the transition to the new disclosure regime, it is important that those lenders who have issued interim TIL Act disclosures prior to the effective date of the regulations will be instructed to complete the process by issuing the repayment TIL notice pursuant to the Official Staff Commentary to § 226.17(i);

- Clarifying under proposed § 226.37(g) and comment 37(g)-1, that if an event that occurs after consummation renders the final disclosures under § 226.38(c) inaccurate, the inaccuracy would not be a violation of Regulation Z;
- Excepting multi-purpose loans from the application disclosure requirements of § 226.38(a) (Comment 37.4(b)(5) – 2);
- Providing guidance on the assumed deferral period on which to base the total cost example (Comment 38(a)(4)). We believe that the four-year and two-year assumptions will provide consistency in lender computations of the annual percentage rate (APR) and finance charges, thus providing the consumer with a uniform comparison of the cost of credit;
- Permitting lenders to exclude inapplicable items, such as, with respect to consolidation loans, the disclosures required by §§ 226.38(a)(6) and (b)(4). Commentary on §226.38. Also, we support the clarification in Comment 39(e)-1 that the self certification requirement would not apply to loans where the self-certification information would not be applicable, such as loans intended to consolidate existing education loans;
- Creating an exception to the requirement to provide the application disclosures under § 226.38(a) in the case of a telephone application initiated by the creditor and the creditor does not provide oral application disclosures if the creditor provides or places in the mail the approval disclosures in § 226.38(b) no later than three business days after the consumer requests the credit;
- Clarifying that the consumer may accept the loan at any time before the end of the 30-day firm offer period (§226.39(c));
- Making exceptions to the HEOA’s prohibition on making changes to the loan prior to the date of acceptance of the terms of the loan and consummation of the transaction to allow the creditor to make changes that would unequivocally benefit the consumer.

## Recommendations

### Definition of Business Day/Timing of Disclosures (§ 226.2(a)(6)).

Proposed section 226.2(a)(6) contains two definitions of business day for use in different contexts. The Board is proposing employing the “more precise” definition—that is, all calendar days except Sundays and specified legal public holidays—in providing presumptions of when consumers receive mailed disclosures, and for measuring the period during which consumer have a right to cancel a private education loans.

*We recommend creating a new definition that excludes Saturdays from the “business day” definition that would apply to the required timing for certain disclosures.* Because of the seasonal nature of the education loan business, a large percentage of loans is disbursed in a very short time during the late summer. If the proposed definition is employed, creditors could be in jeopardy of missing the 3-day delivery deadline for application disclosures.

**APR and Applicable Rate of Interest (§ 226.17(a)(2)).**

The Board has requested comment on whether the interest rate should be made more prominent than the APR for private student loan disclosures. *We recommend that the Board continue to make the APR more conspicuous than other terms pursuant to §226.17(a)(2).* In terms of accuracy and as a common basis for comparison, we believe that the APR is the more useful number. A less prominent APR may cause consumers to select a loan based on the interest rate without realizing that the lowest interest rate loan might be the most expensive loan considering other loan fees and charges. Moreover, APR has become an important part of our consumer credit culture. If the Board is planning to de-emphasize the APR in its planned review of closed-end credit, then it should make that change to all consumer loan products at the same time. We noted the Board’s statement in its proposal that “... the traditional TIL Act box style of presenting key elements of a loan is effective even with novice consumers.” In light of this, we recommend keeping the APR in its present location on the model forms, display it in a box and increase its size in a manner currently displayed in Regulation Z, Appendix H.

The Board also noted that many consumers did not understand the difference between the APR and interest rate in testing. To help consumers better understand how to use the APR as a comparison, we suggest revising the definition on the model form to read: “The APR is the actual yearly cost of credit, including interest and finance charges.” This language is included in the recommended revised form which is provided as Exhibit A.

**Conditional Approval – (Approval disclosures - § 226.38(b)).**

Many lenders qualify their approval of applications pending the subsequent receipt of specified data. Creditors typically condition approval on a range of factors, including those that affect underwriting, security, identity, school certification, and—for consolidation loans—confirmation of the loan amounts involved. *We request that the regulation make it clear that a qualified or conditional approval may be treated as “approval” for purposes of the disclosure requirements. If the Board adopts this view, it will need also to make clear that changes made to the terms of the approval based on information subsequently provided by either the applicant or a third party are not impermissible changes in terms.*

We believe this approach is in the best interest of the applicant, as the approval disclosure will be provided at a time when the applicant will still have an opportunity to shop for loans with alternative terms from other lenders. As a general matter, conditions are usually not satisfied until close to the time the applicant needs the borrowed funds to pay for educational expenses. This is particularly true, as noted below, in the case of any required school certification. If the approval disclosures were provided only after all conditions were satisfied, the applicant would realistically have little or no opportunity to begin the application process with another lender.

One key condition is school certification. It is very common for a school to deliver its certification late in the application process, once it has finalized the other parts of its financial aid package, such as family contributions, grants and scholarships. The certified amount frequently is less than the amount requested by the applicant, and also can be either higher or lower than the loan amount approved by the lender (which will not be greater than the amount the applicant requested to borrow). A lender that makes school certified loans needs to be able to adjust the loan amount to match the amount of the school certification. Otherwise, the amount of the loan may be greater than the amount the school has determined is needed or may be insufficient to meet educational costs. If a lender were required to make a loan in an amount greater than the school certified amount

it would be possible that both the applicant and the lender could lose the benefit of the loan being a “qualified education loan”. We also note that it would be problematic to require a new 30-day approval period in these cases, as the school certification occurs so close to enrollment in many cases that the time involved notifying the applicant and obtaining approval could very well result in the student not having the funds to pay amounts due.

Other common conditions pertain to underwriting requirements (e.g. proof of identity, proof of income). These are commonly trailing items, but they are critical to the decision of the lender to make the loan. Any interpretation that a lender would need to make a loan that does not meet its underwriting policies would fly in the face of safety and soundness principles. An applicant’s failure to deliver the required information could result in withdrawal of the offer or, in certain cases, a counteroffer (which would trigger another approval disclosure and 30-day acceptance period).

For consolidation loans, the loan amount is dependent on verification of the amounts owing on the loans being paid off. This verification is commonly received close to the time of disbursement, because only then is the information reflective of the pay-off balance at the time the loan will be disbursed. As in the case of school certification, a lender need to be able to adjust the amount of the loan (and perhaps the term, in cases where the term is driven by the loan amount) to match the information provided by the lender on the underlying loan. Also, because of timing considerations, it would be impracticable to require the lender to provide a new approval disclosure with a new 30-day acceptance period. The applicant, however, will receive the final disclosures and will have the option to cancel the loan if he or she has a problem with the loan amount.

#### Covered Educational Institution (§226.37 (b)(1)).

The Board has requested comment on whether there are postsecondary educational institutions not covered by the definition of institution of higher education, other than unaccredited institutions, that should be included in the definition of covered educational institution. Our understanding is that Higher Education Act-eligible, accredited off-shore medical schools are not currently covered within the definition of a covered educational institution. *We believe lenders should have the flexibility to use the new disclosure regime for these loans for operational efficiency.*

#### Definition of Postsecondary Educational Expenses (§ 226.37(b)(3)).

We note that there are some types of loans made by private education lenders that do not appear to qualify as private loans because the loans are used to pay expenses that do not meet the definition of postsecondary educational expenses stated in the proposed regulations. These loans include bar study loans given to students to cover the cost of studying for bar exams and medical residency loans given to students to cover expenses such as relocation to complete a residency program. *We request that the Board clarify that these loans are not private education loans but also specifically allow lenders the option of making disclosures for bar exam and residency loans under either current Regulation Z § 226.18 or proposed § 226.38.* This recommendation would allow lenders to provide a uniform approach to disclosing loans that consumers and schools consider to be obtained for educational purposes.

*We also suggest that the Board clarify that certain disclosures with respect to these loans would not be applicable, as allowed pursuant to the Commentary on §226.38 .*

#### Consolidation Loans (Comment § 37(b)(5)-1).

The Board’s proposed rules conclude that the new private education loan disclosure regime applies to consolidation loans. *We recommend that the Board acknowledge that the principal amount and terms in the approval disclosure for consolidation loans may need to be estimates for the following reasons.* Consumers may include loans from various lenders in a loan consolidation. It is the general practice of private education loan providers to obtain estimated loan balances from the consumer during the consolidation loan application process. The approved loan amount and term is based on the estimated loan balances provided by the

consumer. Prior to issuing the final disclosures, lenders generally require the consumer to provide copies of current education loan statements to obtain a final payoff balance for each loan included in the consolidation. Requiring lenders to re-disclose the approval disclosures after a lender receives final payoff amounts, triggering an additional 30 day acceptance period, would be of no value to the consumer. The final disclosures required under § 226.38(c) will always reflect the final loan amount, and the applicant will have the right to cancel the loan upon receipt of the disclosure. *For the reasons stated above, it should be made clear that lenders need not redisclose the approval disclosure, triggering another 30 day acceptance period, when final payoff amounts are received.*

#### Telephone Applications (§ 226.37(d)).

##### Denied Applications.

We request clarification regarding whether in case of a telephone application a creditor is required to provide application disclosures in the event a consumer is denied credit within three business days of having submitted an application for a private education loan. A consumer receiving both an adverse action notice *and* an application disclosure would be understandably confused as to the status of his or her application for a loan. *We recommend that the Board specifically note in the rules that if such an event were to occur an application disclosure would not be required.*

##### Applications initiated by the consumer. (§226.37(d)(1)(ii)).

As proposed, the exception permitting oral disclosures during telephone applications or solicitations, or mailed within three business days thereafter, applies only to telephone applications “initiated by the creditor.” It is not clear why the Board chose to limit the scope of this exception, but *we strongly recommend that the limitation be removed so that an application initiated by a consumer is treated the same as one initiated by a creditor.*

We believe the majority of telephone applications for private education loans are actually initiated by the *consumer*, not the creditor. Students who are in need of postsecondary educational loans reach out to creditors to obtain financing. Often that is done by phone. There is no reason to treat an application that is taken over the phone differently if the phone call was initiated by the consumer. More importantly, the inability to employ one or both of the enumerated exceptions in section § 226.37(d)(ii) would make compliance with the requirements of the regulation virtually impossible in the case of most telephone applications, and would be a severe hindrance to both creditors and consumers.

#### General Disclosure Requirements (§ 226.38(a)(1)).

##### Interest Rates.

The proposed regulation states that the application disclosures must provide the interest rates actually offered. The Commentary provides specific guidance on how a lender should determine what rates or range of rates to disclose, which guidance is different based on how the disclosures are provided (i.e., whether the disclosures are mailed, provided in printed applications made available to the general public or provided electronically). This guidance, however, pertains only to variable rate loans and not fixed rate loans. *We recommend that the guidance in the commentary be expanded to also cover fixed rate loans. Furthermore, for application disclosures that are part of printed applications made available to the general public but which are not delivered directly by the lender (such as applications that are provided to a school for pick up by interested students), we suggest that the disclosures state the date on which the rates became current (i.e., “as of date”) and information on how the applicant can obtain up-to-date interest rates.*

##### Borrower Benefits.

*We request that the Board make clear that ‘borrower benefits’ for which borrowers receive a lower interest rate based on repayment performance should not be permitted to be a factor in the rates disclosed. Since not*

all consumers qualify for such benefits, disclosing a lower rate assuming the borrower received the benefit could be misleading.

**Cost estimates (§ 226.38(a)(4)).**

This section requires creditors to provide an example of the total cost of the loan "calculated both for any option that allows for deferral of interest payments and for any option that does not allow for deferral of interest payments." We believe the Board intended to require an example for each deferral option that is required to be disclosed under §226.38(a)(3)(iii). *Either the regulation should refer to Section 226.38(a)(3)(iii) or state that an example should be "calculated for any option that allows for deferment of all or a portion of the payment amount."*

**Consumer's Right to Accept (§ 226.39(c)).**

Proposed Comment 39(c)-2 would allow the creditor to specify a method or methods by which acceptance may occur. The only restriction placed on methods of acceptance is that electronic acceptance may not be the sole method offered. We believe however that lenders should be allowed to require electronic acceptance where the applicant has consented to such a method of acceptance. At that point the consumer would have already established his or her ability to access the lender's web site.

*We suggest that, where the applicant has chosen to apply electronically (i.e., in a web-based application) and consented under the federal E-SIGN Act to an electronic transaction with the creditor, it would be reasonable for the lender to require electronic acceptance of the loan if it so chooses.*

**Consumer's Right to Accept (§ 226.39 (c)).**

The HEOA provides consumers with a 30-day period following receipt of the approval disclosures in which to accept a private education loan. It also prohibits creditors from changing the rate of terms of the loan, except for changes based on adjustments to the index used for the loan, until the 30-day period has expired. The Board acknowledged that "there may be limited instances where it would be appropriate for a creditor to withdraw a loan offer prior to disbursement, such as if the creditor learns that the consumer or co-signer has committed fraud in filling out the application." *We request that the Board acknowledge that if a change in the applicant's circumstances which formed the basis of the lender's approval occurs, the lender may withdraw a loan offer at any time prior to disbursement. Examples of such changes include fraud, false statements, a bankruptcy proceeding is begun by or against an applicant, or a revised certification from a school indicating a student no longer has a need for the loan funds.* We believe that there would be safety and soundness issues if a lender were unable to withdraw a loan offer under such conditions.

**Consumer's Right to Accept (§ 226.39 (c)(2)).**

As a practical matter, student award packages may change after they have applied and been school-certified for education funding. *We request that the Board allow lenders to make changes to the approved loan amount at any time prior to disbursement without violating the 30-day firm offer restriction or having to provide new approval disclosures.* The final disclosure required under § 226.38(c) will always reflect the final loan amount.

This approach will permit the lender to make adjustments to the loan amount at any time during the application process based on changes in school-certified aid. Given the fluid nature of the determination of the proper loan amount as the financial aid office puts together a financial aid package for a student, this approach offers the lender flexibility in taking steps to ensure that student borrowers receive the right amount of loan funding at the right time. See also the discussion on Conditional Approval.

**Authority to Rescind Transaction (§ 226.39(d)).** *We request that the Board clarify whether anyone who is a co-borrower or a co-signer on a private education loan has the right to rescind a loan transaction.*

Self Certification Form (§ 226.39(e)).

The self-certification requirement set forth in the HEOA and the proposed rules may be duplicative with the certifications that are provided in many cases to the creditor by the school to ensure that students do not borrow more than the cost of their education. *In order to reduce unnecessary redundancy and time-consuming repetition, we request that the Board use its authority granted by TILA to eliminate the self-certification requirement for “school certified loans.”* Since a lender will not know if a student has worked with his or her school on the self-certification form, lenders who obtain school certification can better meet the intent to prevent over-awards by relying on the school certification to determine the final loan amount. We believe that education lenders who obtain certifications directly from schools should be able to rely on the information from the school as it will almost always be more accurate than the information provided by a borrower on a self certification form. A student may or may not have worked with the student’s school to complete the data required on the self certification form. Hence, *we recommend that the regulation define a school certified loan as any loan where the creditor requires from the school in written or electronic form, as a condition of making the loan, a certification of the student's enrollment in the institution as well as certification of the student's need for the requested loan amount.*

If this preferred approach is not adopted, we request that the Board acknowledge that a lender may provide the student applicant with a self-certification form for completion and signature as part of the loan application process. The lender may provide the applicant with a blank form or a pre-filled form if the lender has received the data required on the form from the school.

*In addition, we request that the lender be given the option to use the school as the custodian of the self certification form so that the school may certify to the lender that it has a signed copy on file, thus allowing the lender to consummate the loan without obtaining a self certification form.* We believe this would result in a more streamlined process for the consumer by allowing the school to obtain and store, on behalf of the lender, a signed self certification form.

Provision of Information by Preferred Lenders (§ 226. 39(f)).

The proposed rules require that a creditor that has a preferred lender arrangement with a school provide the school annually, by January 1, with certain information required to be disclosed on the application form in § 226.38(a), including information about rates, terms and eligibility applicable to each type of private education loan the creditor plans to offer, for the next award year.

Many lenders do not finalize product offerings for the upcoming academic year until April. *We recommend that Board consider require information to schools no later than April 1 of each year or within 30 days after the lender is notified that it has been selected as a preferred lender by a school. Furthermore, we recommend that the proposed rule make clear that this information need only be provided if there is an agreement or arrangement between the educational institution and the lender and that the mere placement of the lender on a preferred lender list by the school without such an agreement or arrangement does not trigger any obligation on the part of the lender.*

Transition Rules.

On the effective date of the new rules, presumably February 14, 2010, lenders will have applications in process. *We request that the new rules be mandatory for applications received on or after the effective date and be optional for applications received before such date but where the loan has not yet been disbursed. Lenders should be able if they so choose to provide applicants of pipeline loans a final disclosure provided under the proposed rule in lieu of the current disclosure under §226.18 and, depending on where the borrower is in the process, the approval disclosure provided under the proposed rule.*

Model Forms.

Application Disclosure.

In order to provide more guidance to the consumer, we propose that the application disclosure be re-arranged in the following manner. In the Private Education Loan Application and Solicitation Sample (H-21), we recommend that in the first section, Rates & Loan Terms, the Board reverse the order of the two columns so that “Your starting rate,” “Maximum Interest Rate” and “Fees” appear on the left-hand side of the page; keep the second section “Repayment Options & Sample Costs” as is, and; under the last section on the front page, Federal Loan Alternatives, move “You may qualify for Federal education loans” to the left-hand side of the page. This will help the consumer understand what the various rates and fees are, since they will read the explanation before they see the terms.

Two-sided printing.

Creditors may want the option to present the disclosures on both sides of a single sheet of paper in order to reduce paper usage and mailing costs. We request that the Board acknowledge that the disclosures may be provided on two sides of a single sheet.

Approval and Final Disclosures.

As previously noted, we recommend that the APR disclosure be more prominent and that the definition of “annual percentage rate” be clearer. We also recommend that the Board provide a sample disclosure that includes a prepaid finance charge using the following format:

<b>Itemization of Amount Financed</b>	
Loan Amount (face amount of note/credit agreement – inclusive of prepaid finance charges)	\$10,000.00
Lender fee to make the loan (Prepaid Finance Charge)	\$800.00
<b>Amount Financed</b>	<b>\$9,200.00</b>
Amount given to you directly	\$ 0.00
Amount paid to others on your behalf	\$9,200.00 to the University of Anytown

We have attached as Exhibit a recommended revision to the Final Model Form Sample which reflects these recommended changes.

APR Equation and Instructions for Model Forms.

*We request that the Board provide its methodology, including an equation and instructions, to accompany its sample education loan disclosure models.* There are no specific instructions in Regulation Z for an annual percentage rate that encompasses both an interim period and a repayment period. We believe that, since the Board is making broad changes to Regulation Z that restrict the lenders annual percentage rate options to a single, full-term computation, this would be a logical time to insert the appropriate equations with instructions.

Effective Date.

The regulations drafted by the Board must become effective no later than February 14, 2010. The Board has solicited comment on whether a shorter implementation date is appropriate.

*Our members have examined the requirements demanded by these proposed regulations from a systematic, programmatic and operational perspective, and believe that they will require each and every minute available to them to implement these proposed rules by February 14, 2010.*

Thank you again for the opportunity to comment on this proposal. If you have any questions, please do not hesitate to call Shelly Repp at (202) 822-2106.

Sincerely,

A handwritten signature in black ink, appearing to read "Brett E. Lief". The signature is written in a cursive, somewhat stylized font.

Brett E. Lief  
President  
National Council of Higher Education Loan Programs, Inc.

## Exhibit A H-23 Private Education Loan Final Sample

### RIGHT TO CANCEL

You have a right to cancel this transaction, without penalty, by midnight on January 20, 2009. No funds will be disbursed to you or to your school until after this time. You may cancel by calling us at 800-555-5555.

### BORROWER:

Christopher Smith Jr.  
1492 Columbus Way  
Plymouth, MA 02360

### CREDITOR:

First ABC Bank  
12345 1<sup>st</sup> St  
Anytown, CA 93120  
(800) 555-5555

## Loan Rates & Estimated Total Costs

### Amount Financed

The amount of credit provided to you on your behalf

### Interest Rate

Your current interest rate

### Finance Charge

The estimated dollar amount the credit will cost you.

### Total of Payments

The estimated amount you will have paid when you have made all payments.

### YOUR RATE IS VARIABLE

A variable rate means that your actual rate could be higher or lower than the interest rate indicated on this form. There is **no maximum rate**. The variable rate is calculated using a publicly available index. For more information on this variable rate, see notes on next page.

### ANNUAL PERCENTAGE RATE

The APR is the actual yearly cost of credit, including interest and finance charges.

### ITEMIZATION OF AMOUNT FINANCED

Loan Amount (face amount of note/credit agreement – inclusive of prepaid finance charges)	
Lender fee to make the loan (Prepaid finance charge)	
Amount financed	
Amount given to you directly	
Amount paid to others on your behalf	

### OTHER FEES

- **Late Charge:** 5% of the amount of the past due payment, or \$25, whichever is greater. **Returned check charge:** up to \$25.

## Estimated Repayment Schedule & Terms

PAYMENT SCHEDULE	MONTHLY PAYMENTS	
20 Year Loan Term	The current rate of your loan	Your loan has no maximum rate. Your payments will be higher if the rate increases above 21%.
deferment period	<b>No payment required</b>	<b>No payment required</b>
239 monthly payments		
1 monthly payment		

◀ The estimated **Total of Payments** if your rate rises to x.xx% would be \$0000.00. Your Total of Payments will be higher if rate increases above 0.00%.

## REFERENCE NOTES

### **Variable Interest Rate:**

- Your loan has a variable interest rate, that is based on a publicly available index, the London Interbank Offered Rate (LIBOR), which is currently 4.375%. Your rate is calculated each month by adding a margin of 3% to the LIBOR. The interest rate may be higher or lower than your Annual Percentage Rate (APR) because the APR accounts for the Interest Rate and certain fees you must pay to obtain this loan, and whether you defer (postpone) payments while in school.
- The rate will not increase more than once a month, but there is no limit on the amount that the rate could increase at one time. Your loan has no maximum rate.
- Any increase will take the form of higher monthly payments.

### **Bankruptcy Limitations**

- If you file for bankruptcy you may still be required to pay back this loan.

### **Repayment Options:**

- Although you elected to defer (postpone) payments, you can still make payments during this time. You can also choose to change your deferment choice to: Pay Interest Only or Make Full Payments.

### **Prepayments:**

- If you pay off early, you will not have to pay a penalty. You will not be entitled to a refund of part of the finance charge.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.