Loan Interest Rate & Fees

Your starting interest rate will be between 4.67% and 11.17%.

After the starting rate is set, your rate will then vary with the market.

Your Starting Interest Rate (upon approval)

The starting interest rate you pay will be determined after you apply. Your rate is determined by your or your cosigner's credit history and may be affected by the presence of a cosigner. If approved, we will notify you of the rate you qualify for within the stated range.

Your Interest Rate during the life of the loan

Your rate is variable. This means that your rate could move lower or higher than the rates on this form. The variable rate is based upon the three month LIBOR as published in The Wall Street Journal. For more information on this rate, see the Reference Notes.

Although the rate will vary after you are approved, it will never exceed 18.00% (the maximum allowable for this loan).

Loan Fees

Late Charge: $7.50 or 5% of the overdue payment, whichever is less.

Loan Cost Examples

The total amount you will pay for this loan will vary depending upon when you start to repay it. These examples provide estimates based upon the three different repayment options available to you while in school.

<table>
<thead>
<tr>
<th>Repayment Option</th>
<th>Amount Provided (amount provided directly to you or your school)</th>
<th>Interest Rate (highest possible starting rate)</th>
<th>Loan Term (how long you have to pay off the loan)</th>
<th>Total Paid over loan term (includes associated fees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. DEFER PAYMENTS</td>
<td>$10,000.00</td>
<td>10.67%</td>
<td>120 months</td>
<td>$24,252.49</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11.17%</td>
<td>180 months</td>
<td>$31,185.97</td>
</tr>
<tr>
<td>2. PAY ONLY THE INTEREST</td>
<td>$10,000.00</td>
<td>10.67%</td>
<td>120 months</td>
<td>$21,108.21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11.17%</td>
<td>180 months</td>
<td>$25,677.37</td>
</tr>
<tr>
<td>3. MAKE FULL PAYMENTS</td>
<td>$10,000.00</td>
<td>10.67%</td>
<td>120 months</td>
<td>$16,306.53</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11.17%</td>
<td>180 months</td>
<td>$20,651.05</td>
</tr>
</tbody>
</table>

About this example

The "Defer Payments" and "Pay Only The Interest" repayment examples assume that you remain in school for 4 years and have a 6 month grace period before you begin payment of both principal and interest.
Federal Loan Alternatives

<table>
<thead>
<tr>
<th>Loan Program</th>
<th>Current Interest Rates by Program Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>STAFFORD for Students</td>
<td>4.45% fixed Undergraduate subsidized &amp; unsubsidized</td>
</tr>
<tr>
<td></td>
<td>6.00% fixed Graduate unsubsidized</td>
</tr>
<tr>
<td>PLUS for Parents and Graduate/Professional Students</td>
<td>7.00% fixed Federal Direct Loan</td>
</tr>
</tbody>
</table>

You may qualify for Federal education loans.

For additional information, contact your school’s financial aid office or the Department of Education at:

www.studentloans.gov

Next Steps

1. **Find Out About Other Loan Options.**
   Some schools have school-specific loan benefits and terms not detailed on this form. Contact your school’s financial aid office or visit the Department of Education's web site at: http://federalstudentaid.ed.gov for more information about other loans.

2. **To Apply for this Loan, Complete the Application and the Self-Certification Form.**
   The Self-Certification form is provided as part of the online application. If you are approved for this loan, the loan terms will be available for 30 days (Terms will not change during this period, except as permitted by law, and the variable interest rate may change based on the market).

REFERENCE NOTES

**Variable Interest Rate**
This loan has a variable interest rate that is based on a publicly available index, the three month LIBOR as published in The Wall Street Journal. Your rate will be calculated on the first day of each calendar quarter by adding your margin (ranging from 2.49% and 8.99%) to the index.

The rate will not increase more than once a calendar quarter, but there is no limit on the amount that the rate could increase at one time. Your rate may increase or decrease quarterly if the three month LIBOR index changes, which will affect your monthly payment.

A cosigner is not required, but rates may be higher without a cosigner who has better credit than the borrower.

Higher Education Servicing Corporation (HESC) has operated as a federal and private student loan servicer since its inception in 1978. As a Texas-based private, non-profit organization, HESC was created to ensure Texas students and families had access to low-cost education loans in order to achieve a higher education.

**Borrower and Cosigner Eligibility Criteria**
You must be a U.S. citizen or permanent resident who meets the required credit criteria. You must be a permanent resident of Texas. You must be the age of majority in Texas at the time you apply.

Borrower must be enrolled in an approved school at least half time.

**Bankruptcy Limitations**
If you file for bankruptcy, you may still be required to pay back this loan.

More information about loan eligibility and repayment deferral or forbearance options is available in your loan application and credit agreement.
Loan Interest Rate & Fees

Your starting interest rate will be between 5.49% and 11.99%

Your Starting Interest Rate (upon approval)
The starting interest rate you pay will be determined after you apply. Your rate is determined by your or your cosigner's credit history and may be affected by the presence of a cosigner. If approved, we will notify you of the rate you qualify for within the stated range.

Your Interest Rate during the life of the loan
Your rate is fixed. This means that your interest rate will never change during the life of your loan. For more information on this rate, see the Reference Notes.

Your rate is fixed. This means that your rate will not change during the life of the loan.

Loan Fees
Late Charge: $7.50 or 5% of the overdue payment, whichever is less.

Loan Cost Examples
The total amount you will pay for this loan will vary depending upon when you start to repay it. These examples provide estimates based upon the three different repayment options available to you while in school.

<table>
<thead>
<tr>
<th>Repayment Option (while enrolled in school)</th>
<th>Amount Provided (directly to you or your school)</th>
<th>Interest Rate (highest possible starting rate)</th>
<th>Loan Term (how long you have to pay off the loan)</th>
<th>Total Paid over loan term (includes associated fees)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. DEFER PAYMENTS</strong></td>
<td>$10,000.00</td>
<td>11.49%</td>
<td>120 months</td>
<td>$25,713.53</td>
</tr>
<tr>
<td>Make no payments while enrolled in school. Interest will be charged and added to your loan.</td>
<td></td>
<td>11.99%</td>
<td>180 months</td>
<td>$33,414.33</td>
</tr>
<tr>
<td>Loan Term: starting after the deferment period</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2. PAY ONLY THE INTEREST</strong></td>
<td>$10,000.00</td>
<td>11.49%</td>
<td>120 months</td>
<td>$22,034.95</td>
</tr>
<tr>
<td>Make interest payments but defer payments on the principal amount while enrolled in school.</td>
<td></td>
<td>11.99%</td>
<td>180 months</td>
<td>$26,987.82</td>
</tr>
<tr>
<td>Loan Term: starting after the deferment period</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3. MAKE FULL PAYMENTS</strong></td>
<td>$10,000.00</td>
<td>11.49%</td>
<td>120 months</td>
<td>$16,864.45</td>
</tr>
<tr>
<td>Immediately pay both the full amount of principal and interest.</td>
<td></td>
<td>11.99%</td>
<td>180 months</td>
<td>$21,592.14</td>
</tr>
<tr>
<td>Loan Term: starting when your loan is first disbursed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

About this example
The "Defer Payments" and "Pay Only The Interest" repayment examples assume that you remain in school for 4 years and have a 6 month grace period before you begin payment of both principal and interest.
Federal Loan Alternatives

<table>
<thead>
<tr>
<th>Loan Program</th>
<th>Current Interest Rates by Program Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stafford for Students</td>
<td>4.45% fixed Undergraduate subsidized &amp; unsubsidized</td>
</tr>
<tr>
<td>Stafford for Students</td>
<td>6.00% fixed Graduate unsubsidized</td>
</tr>
<tr>
<td>PLUS for Parents and Graduate/Professional Students</td>
<td>7.00% fixed Federal Direct Loan</td>
</tr>
</tbody>
</table>

You may qualify for Federal education loans.

For additional information, contact your school's financial aid office or the Department of Education at:

www.studentloans.gov

Next Steps

1. Find Out About Other Loan Options.
   Some schools have school-specific loan benefits and terms not detailed on this form. Contact your school's financial aid office or visit the Department of Education's web site at: http://federalstudentaid.ed.gov for more information about other loans.

2. To Apply for this Loan, Complete the Application and the Self-Certification Form.
   The Self-Certification form is provided as part of the online application. If you are approved for this loan, the loan terms will be available for 30 days (Terms will not change during this period, except as permitted by law, and the variable interest rate may change based on the market).

REFERENCE NOTES

Fixed Interest Rate
This loan has a fixed interest rate that will not change during the life of your loan.

A cosigner is not required, but rates may be higher without a cosigner who has better credit than the borrower.

Higher Education Servicing Corporation (HESC) has operated as a federal and private student loan servicer since its inception in 1978. As a Texas-based private, non-profit organization, HESC was created to ensure Texas students and families had access to low-cost education loans in order to achieve a higher education.

Borrower and Cosigner Eligibility Criteria
You must be a U.S. citizen or permanent resident who meets the required credit criteria. You must be a permanent resident of Texas. You must be the age of majority in Texas at the time you apply.

Borrower must be enrolled in an approved school at least half time.

Bankruptcy Limitations
If you file for bankruptcy, you may still be required to pay back this loan.

More information about loan eligibility and repayment deferral or forbearance options is available in your loan application and credit agreement.