

ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURE STATEMENT FOR RECURRING DEBIT ENTRY PAYMENTS

A. Preauthorized Recurring Debit Entry Service

EDFINANCIAL SERVICES will transfer preauthorized debits to the student loan account of your designation. Preauthorized debits may only be charged to accounts at recognized Depository Financial Institutions.

B. The Type and Nature of Electronic Transfers

Each preauthorized debit to the student loan account of your designation will be made monthly on the due date of the loan payment in question in an amount equal to your monthly installment plus any additional amount you may have requested. You have the right to receive documentation of all electronic fund transfers.

C. In Case of Errors or Questions About Your Electronic Fund Transfers

All questions about deposit entries made under this agreement must be directed to EDFINANCIAL SERVICES and not to the bank or other financial institution where you have your account. We are responsible for the Electronic Fund Transfer (EFT) and for resolving any errors in transactions. You may write to us at EDFINANCIAL SERVICES, PO Box 36014, Knoxville TN 37930-6014, call us at 1-800-337-6884. In case of errors or questions contact us as soon as possible. We must hear from you no later than sixty (60) days after you have been sent the first statement on which the error appeared. In communicating with us:

1. Tell us your name, student loan account number, and bank account number.
2. Describe the alleged error or the transaction about which you are unsure, and explain why you believe there is an error or why you need more information.
3. Tell us the dollar amount of the suspected error or unauthorized transaction.

If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days. We will determine whether an error occurred within ten (10) business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45) days to investigate your complaint or question. If we decide to do this, we will credit your bank account within ten (10) business days for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not credit your bank account. We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

D. Your Liability for Unauthorized Transfers Arising From This Agreement

If you believe that someone has transferred or may transfer money without your permission from your bank account in violation of your directions to EDFINANCIAL SERVICES under this Agreement, call us at 1-800-337-6884 or write to us at EDFINANCIAL SERVICES, PO Box 36014, Knoxville TN 37930-6014. Our business days are Monday through Friday. Tell us **AT ONCE** if you suspect an unauthorized transfer. A prompt telephone call is the best way to minimize your possible loss. If you tell us within two (2) business days you can lose no more than \$50.00 if an unauthorized transfer has occurred. If you **DO NOT** tell us within two (2) business days after you learn of the loss, and if we can prove that we could have stopped someone from transferring funds without your permission if you had told us, you could lose as much as \$500.00. In addition, if your statement shows preauthorized transfers that you did not make, tell us **at once**. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after the sixty (60) days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason, such as a long trip or a hospital stay, kept you from telling us about an unauthorized transfer, we may extend the time periods mentioned above.

E. How to Stop Preauthorized Payments

If you have preauthorized us to make regular automatic payments from your bank account towards your student loan, you may stop these payments. You must call or write to us in time for us to receive the request five (5) business days or more before the payment is scheduled to be made. If you call, we will also require that you put your request in writing and get it to us within fourteen (14) days after your call. A request to stop payment will only stop a particular payment from being made. If you want all scheduled future payments to be canceled, then you must notify us. If we receive your request to stop a payment five (5) business days or more before the payment was scheduled, and we fail to do so, we may be liable only for your damages, not to exceed the amount in dispute, unless our failure to stop payment was due to circumstances beyond our control.

F. If We Fail to Make a Transfer

If we do not complete a transfer from your bank account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions to this rule. We will not be liable:

1. If, through no fault of ours, you do not have enough money in your bank account to make the transfer; or
2. If the transfer would result in your exceeding the credit line on your overdraft line of credit, if any; or
3. If, through no fault of ours, the information for preauthorized payment transfer is not received as scheduled; or
4. If the money in your bank account is subject to legal process other than encumbrances; or
5. If circumstances beyond our control, such as fire, flood, power or computer failure, prevent the transaction despite reasonable precautions we have taken.
6. There may be other exceptions not mentioned here.

G. Privacy

We may disclose information to third parties regarding your bank account, your student loan account, and/or the transfers that you authorize to your student loan account under the following circumstances:

1. Where it is necessary for completing a transfer; or
2. In order to comply with criminal justice agencies' requests, subpoenas, lawful discovery under federal or state rules of civil and criminal procedure or court orders; or
3. If you give us written permission to do so.

H. Other Agreements and Regulations

Preauthorized transfers are subject to all charges, rules and regulations governing deposits to accounts and all other agreements and disclosures for checking, savings, and overdraft line of credit accounts, and are subject to any future changes. EDFINANCIAL SERVICES will give you at least twenty-one (21) days notice of any changes that increase your expenses or limit your use of our electronic services.

I. Termination, Changes, and Assignment

EDFINANCIAL SERVICES reserves the right to make changes in this Agreement or assign the obligation to process transfers at any time. EDFINANCIAL SERVICES can cancel preauthorization transfer services without cause, and you can terminate this Agreement at any time by giving sufficient notice. EDFINANCIAL SERVICES has the option in its sole discretion to terminate or cancel this agreement for the foregoing reasons if there are ever more than three non-consecutive instances of non-sufficient funds preventing the payment of my student loan(s).

J. Authorization and Agreement

I, hereby authorize EDFINANCIAL SERVICES to initiate funds transfers to the student loan account indicated below and from the bank or financial institution named below pursuant to the terms and conditions set forth herein and as may be modified from time to time. I have read, understand, and agree to be bound by all of the terms and conditions of this agreement. My authorization for the automatic payment of my student loan(s) shall remain in full force and effect until terminated by EDFINANCIAL SERVICES or revoked by me pursuant to Sections E and I of this Agreement.



Automatic Debit Payment Plan

To sign up for our Automatic Debit Payment Plan, please fill out the information below, sign and return to Edfinancial Services.

Please be sure to include a voided check if you prefer that payments be taken from your checking account. If you choose to have the amount deducted from your savings account, please provide documentation from your financial institution that lists the **routing and account number for your savings account**. We will notify you in writing (by means of zero due statement) of the date the automatic debit will begin. **This process may require 2-3 billing cycles to take effect**. Please continue to make your payments until you receive your new information. Edfinancial Services currently provides loan servicing for your student loan lender. A new automatic debit authorization will be required for new or additional loans entering repayment after this form is received by Edfinancial Services.

Please mail or fax to: Edfinancial Services, P.O. Box 36014, Knoxville, TN 37930-6014, fax 865-692-6379.

BORROWER INFORMATION

Borrower Name

Edfinancial Account Number

Email address* **(required for GradPLUS borrowers)**

**By providing your email address, you are authorizing Edfinancial Services to send your monthly statement electronically.*

Please select loan type(s) below:

- Stafford Subsidized/Unsubsidized
- PLUS
- Consolidation Loan
- Private/Alternative Loan
- GradPLUS

Amount to be withdrawn (*please select one*):

- Monthly Installment Amount (based on your current repayment schedule)
- Monthly Installment Amount plus the following ADDITIONAL amount:
*Only indicate the amount that is **above and beyond** your current installment amount. Do **NOT** write the total amount to be withdrawn.*

\$ _____

Borrower Signature / Date

NOTE: The monthly installment amount may change if your repayment terms are adjusted for any reason, such as deferment or forbearance.

CHECKING/SAVINGS ACCOUNT INFORMATION

Name on Checking / Savings Account

Bank or Financial Institution Name

Address

Bank Routing / ABA Number*

City, State, Zip

Bank Account Number*

Account Owner Signature / Date

**Documentation from your financial institution is required.*

- Checking
- Savings
- Other

I authorize Edfinancial Services to debit the account indicated above in the amount listed, on the loan due date. The authority is to remain full force and in effect until all amounts are paid or until the agreement has been revoked due to my written request or upon other notification from Edfinancial Services. I understand that should I default on my student loan(s), I forfeit my interest rate reduction and return to the interest rate required by my promissory note. In the event my account is delinquent at the time of this request, I understand that I **must** resolve the delinquency (by means of payment, deferment or forbearance) before I am eligible for the Automatic Debit program. I agree to the terms and conditions on this form.

Please tape a voided check here.

(Your address must be pre-printed on the check.)

If no check is attached, no payments will be deducted from checking account.