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Going to School on Robo-signing: How to Help Borrowers and Stop the Abuses in Private Student Loan Collection Cases

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Going to School on Robo-signing: How to Help Borrowers and Stop the Abuses in Private Student Loan Collection Cases¹

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I. Introduction

Predatory private student lending has shattered the dreams of many individuals who sought to better their lives through education. These loans have become a curse, rather than an opportunity, for a large and growing number of private student loan borrowers who are defaulting on their loans. Data is not publicly available on precisely which borrowers are defaulting – we don't know which lenders, loan terms, or types of schools have led to higher defaults. The available data, however, strongly suggests that a large portion of private student loan (PSL) defaults are attributable to irresponsible lending practices that became particularly widespread up until the credit crisis in 2008. PSL origination during these boom years was driven partly by the demand for student loan asset backed securities (SLABS). These loans were characterized by high volume, lax underwriting, loan amounts higher than the cost of attendance, and variable interest rates with very high margins.⁴

Low-income and non-traditional student loan borrowers tend to default at higher rates. The aggressive marketing of PSLs most likely impacted these student borrowers more than others. While there was an overall increase in the percentage of undergraduates with PSLs from 5% in

¹ This paper is a release of the National Consumer Law Center's Student Loan Borrower Assistance Project. The nonprofit National Consumer Law Center® (NCLC®) works for economic justice for low-income and other disadvantaged people in the U.S. through policy analysis and advocacy, publications, litigation, and training. *See* www.nclc.org. NCLC's Student Loan Borrower Assistance Project (SLBA) provides information about student loan rights and responsibilities for borrowers and advocates. We also seek to increase public understanding of student lending issues and to identify policy solutions to promote access to education, lessen student debt burdens, and make loan repayment more manageable. *See* www.studentloanborrowerassistance.org.

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⁴ *See* National Consumer Law Center, *Response to the Consumer Financial Protection Bureau's Request for Information Regarding an Initiative to Promote Student Loan Affordability*, 78 Fed. Reg. 13327 (Feb. 27, 2013), Docket No. CFPB-2013-0004 (submitted Apr. 8, 2013) (information about predatory provisions of PSLs and lack of affordable repayment options).

2003-04 to 14% in 2007-09,⁵ increases were even larger among students at for-profit colleges (from 14.1% in 2003-04 to over 40% in 2007-08)⁶, and among students of color (increasing from 4.1% and 4.6% to 17.3% and 13.2% for African Americans and Hispanics, respectively).⁷ Default rates are high for all PSLs originated during the boom period, and get higher with each vintage of loan originations. Loans that are part of SLABS have particularly high default rates, with some pools of loans expected to experience lifetime default rates higher than 50%.⁸

Private student loan holders have little incentive to modify the terms of PSLs for financially distressed borrowers. Like government loans, PSLs are only dischargeable in bankruptcy if they meet the high undue hardship standard.⁹ In addition, as defaulted PSLs made during the boom are approaching the end of the applicable statute of limitations periods, we are seeing an increase in collection lawsuits. Unfortunately, it is far too easy for private loan holders to obtain default judgments in these cases. Both of these factors most likely contribute to PSL holder unwillingness to work with borrowers unable to make their high loan payments.

The robo-signing scandals related to mortgage foreclosure documents and debt buyers have been widely publicized. Reported abuses include the widespread signing of affidavits by employees of servicers or debt buyers, third party contractors, and foreclosure firms who had no knowledge of the content of the papers they verified. Less publicized, however, is an apparent and growing robo-signing trend related to PSL collection actions. This paper seeks to shed light upon this troubling trend and provide recommendations about how to defend against these abuses in collection lawsuits and stem future abuses.

The plaintiffs in PSL lawsuits are not typically original lenders, such as financial institutions or for-profit colleges. Rather, the loans at issue have usually been transferred, sometimes multiple times, to one or more other entities. Plaintiffs therefore commonly include subsequent transferees or entities that have purchased a portfolio of student loans, such as holders of securitized loan pools or guarantors. They may also be entities that have merged with or acquired loan holders, as well as entities such as loan servicers or debt collection agencies that have been assigned student loan debts for the purpose of collection.

In many of these lawsuits, although the plaintiff may claim to be the holder of the loan at issue, it may not possess or produce admissible evidence that this is in fact the case. Indeed, the plaintiffs in these cases sometimes fail to provide the promissory note between the borrower and original lender, and they often do not provide documentation demonstrating that they have been assigned the borrowers' loans. Based on our review of affidavits and evidence provided in these cases, in repeated instances the plaintiffs' affidavits in support of judicial relief have been "robo-signed" – they often contain misleading or even outright incorrect information and reveal a lack of personal knowledge essential to prove an assignment of the subject loan.

⁵ Consumer Financial Protection Bureau, Private Student Loans: Report to the Senate Committee on Banking, Housing, and Urban Affairs, the Senate Committee on Health, Education, Labor, and Pensions, the House of Representatives Committee on Financial Services, and the House of Representatives Committee on Education and the Workforce at 39 (Aug. 29, 2012).

⁶ *Id.* at Table 6.

⁷ *Id.* at Table 4.

⁸ *Id.* at p. 64.

⁹ 11 U.S.C. § 523(a)(8).

This paper will identify a number of evidentiary deficiencies that may arise in PSL collection actions, based on our review of documents filed in these cases as well as similar problems observed in mortgage and debt buyer cases. The paper will also provide recommendations for stemming robo-signing abuses and protecting unrepresented PSL borrowers from default judgment abuses. Wherever possible, court decisions involving PSLs are cited. However, because these cases are just starting to make their way through the courts, we primarily cite to cases involving robo-signing in mortgage and debt buyer cases.

II. The Plaintiff's Burden of Proof

In order to recover on a promissory note such as a student loan, a plaintiff/loan holder must prove that (1) the defendant signed the note; (2) the plaintiff is the present owner or holder of the note; and (3) the note is in default.¹⁰ The plaintiff must therefore produce the note as well as the documents that show an unbroken chain of assignment from the original creditor to the plaintiff.¹¹

The plaintiff in a PSL collection action is rarely the originating creditor. The plaintiff may be a creditor who purchased the loan, a securitization trust, or an entity that guaranteed the loan, such as an insurance company or non-profit organization (e.g., The Educational Resources Institute). Securitized debt typically involves multiple transfers from originating lenders to various intermediaries and eventually to a trust.¹² Even non-securitized debts, for which the original lender may be a financial institution or a for-profit school, may be transferred more than once. Because of such multiple transfers, PSL plaintiffs may have been careless about maintaining documentation and may not be able to produce the note or document the chain of assignment.

There have been a number of recent lawsuits in which the plaintiff/loan holder has been unable to meet its burden. This section discusses the evidentiary deficiencies that we have observed or that may arise in these cases.

A. Requirement of Producing the Promissory Note

One element of the plaintiff's burden is producing the promissory note. In order to recover on a breach of contract claim, the plaintiff must prove not only that the borrower has assented to a contract but the actual terms of that contract.¹³ This means that the collector must produce the

¹⁰ U.S. v. Carter, 506 Fed. Appx. 853 (11th Cir. 2013); U.S. v. Petroff-Kline, 557 F.2d 285 (6th Cir. 2009); U.S. v. Lawrence, 276 F.3d 193(5th Cir. 2001).

¹¹ See, e.g., Educap, Inc. v. Smith, 362 S.W.3d 451 (Mo. Ct. App. 2012) (reversing trial court decision that plaintiff PSL holder failed to make a submissible breach of contract case; although the assignment between the original lender and plaintiff was not particularly pleaded, evidence of the assignment should have been admitted because plaintiff sufficiently pleaded that it was the legal owner of the note); Student Loan Marketing Ass'n v. Holloway, 25 S.W.3d 699, 704 (Mo. Ct. App. 2000) (remanding federal Health Education Assistance Loan case for lender's failure to lay adequate foundation in connecting endorsement to promissory notes). See generally National Consumer Law Center, Collection Actions §§ 4.3.4, 4.5.3 (2d ed. 2011 and Supp.); National Consumer Law Center, Foreclosures ch. 5 (4th ed. 2012 and Supp.).

¹² See National Consumer Law Center, Foreclosures § 1.3.3.4 (4th ed. 2012 and Supp.) (overview of all parties and documents typically involved in a securitization transaction).

¹³ See, e.g., HICA Educ. Loan Corp. v. Perez, 2012 WL 4336026 (M.D. Fla. Sept. 20, 2012); Student Loan Marketing Ass'n v. Holloway, 25 S.W.3d 699 (Mo. Ct. App. 2000).

actual contract or note that the borrower has agreed to, with some evidence that the borrower has, in fact, agreed to it. Ordinarily, proving that the borrower has agreed to a contract requires little more than producing the actual promissory note bearing the borrower's signature. Surprisingly, some private loan plaintiffs may have difficulty doing this.

In addition, if the plaintiff produces a standard form contract, it must prove it is the version of the contract that the particular consumer agreed to.¹⁴ An unsigned form contract is not sufficient. Indeed, in a variety of contexts, courts have dismissed cases where the collector submits a generic, undated, and unsigned "customer agreement" that does not even contain the consumer's name or any indicia relating the document to the consumer.¹⁵ Moreover, the collector must provide a complete copy of the note, meaning that it should include all pages and all attachments. Evidence of a contract has been found insufficient when the contract contained blanks for several important terms and failed to include referenced attachments, even when a debt buyer's employee testified at trial that the contract was applicable to the consumer's account.¹⁶

Appendix 1 contains an example of a case in which a student loan collector was unable to produce a complete copy of the promissory note.¹⁷ In that case, the plaintiff loan guarantor, Arrowood Indemnity Co., produced only the first page of a multiple page Application and Promissory Note.¹⁸ In order to deal with the missing pages, the plaintiff produced a "Lost or Missing Original Loan Document or Promissory Note Affidavit and Indemnification Agreement" from Arrowood Capital Corp.¹⁹ This form indicates that the promissory note was "Lost in Transfer" and is signed by an "authorized officer" possibly of Sallie Mae. The plaintiff in this case agreed to dismiss the case with prejudice, based on part upon its inability to produce the complete promissory note. Had this case proceeded to a determination on the merits, the plaintiff would have had difficulty meeting its burden of proving the actual terms of the contract the borrower assented to, and the affidavit produced would likely have been insufficient for meeting that burden.

Appendix 2 contains another example.²⁰ In this case, the plaintiff National Collegiate Student Loan Trust 2007-3 provided the first page of the Loan Request/Credit Agreement Signature Page with the borrower's signature.²¹ However, rather than producing a copy of the actual pages that were attached to the Signature Page, the plaintiff produced a standard form contract.²² The trial

¹⁴ See *Henggeler v. Brumbaugh & Quandahl, P.C.*, 894 F. Supp. 2d 1180 (D. Neb. 2012); *Remit Corp. v. Miller*, 5 Pa. D. & C.5th 43 (Pa. Ct. Com. Pl. 2008). See also National Consumer Law Center, *Collection Actions* ch. 4 (2d ed. 2011 and Supp.).

¹⁵ *Capital One Bank v. Mullis*, 15 Fla. L. Weekly Supp. 370a (Fla. Cnty. Ct. Feb. 13, 2008); *N. Star Capital Acquisition, L.L.C. v. Lewis*, 15 Fla. L. Weekly Supp. 72a (Fla. Duval Cnty. Ct. Oct. 23, 2007), available at www.nclc.org/unreported; *Discover Bank v. Sura*, 951 N.Y.S.2d 85 (table), 2012 WL 1450028 (N.Y. City Ct. Apr. 26, 2012).

¹⁶ *Jaramillo v. Portfolio Acquisitions, L.L.C.*, 2010 WL 1197669 (Tex. App. Mar. 30, 2010).

¹⁷ The documents in Appendix 1 were provided by Alysson Snow, Staff Attorney, Legal Aid Society of San Diego, who successfully defended this case.

¹⁸ See Appendix 1 at pp. 26, 28.

¹⁹ *Id.* at p. 30.

²⁰ The documents in Appendix 2 were provided by Rebecca Babarsky, Staff Attorney, AppalReD Legal Aid, who successfully defended this case.

²¹ See Appendix 2 at p. 37.

²² *Id.* at pp. 42-45.

court granted judgment for the defendants, based on the issues identified in the next section. Had the case proceeded and the plaintiff failed to produce a witness who had personal knowledge sufficient to testify that the standard form contract was in fact the contract that plaintiff signed (or would have signed at the time because this, for example, was the only contract the original lender used), it is likely that the plaintiff would have failed to meet its burden.

B. Proving Ownership of the Note

In order to obtain a judgment, the plaintiff must also show that it owns the note. In other words, the plaintiff must establish that it is the real party in interest or that it has the authority to collect on behalf of a loan holder that is the real party in interest. Typically, state civil procedure rules require that actions be brought in the name of the real party in interest if standing to sue is to be conferred.²³

Whether the action is brought on behalf of another or by an entity in its own right, there must be a written assignment to the loan holder giving it the right to sue on the debt. When challenged, the plaintiff must produce such a written assignment. In many instances in the student loan context there may be multiple assignments, in which case the plaintiff must demonstrate a continuous, unbroken chain of assignment from the original creditor to itself in order to prosecute the action.²⁴ Therefore, a borrower sued on a loan should always ascertain whether or not the plaintiff has established such a chain.²⁵

One way to analyze this is to create a flow chart to map out all of the various assignors and assignees and locate defects or breaks in the chain of assignment. In creating this flow chart, a borrower should start with the original creditor on the promissory note, and then try to fill in

²³ See, e.g., Cal. Code of Civ. Proc. § 367 (“Every action must be prosecuted in the name of the real party in interest, except as otherwise provided by statute.”).

²⁴ See, e.g., Student Loan Marketing Ass’n v. Holloway, 25 S.W.3d 699 (Mo. Ct. App. 2000). See also National Consumer Law Center, Collection Actions ch. 4 (2d ed. 2011 and Supp.).

²⁵ There are specialized formal requirements under Article 3 of the Uniform Commercial Code for the transfer of negotiable instruments. If a student loan promissory note meets Article 3’s definition of “negotiable instrument,” then transfers of the note must comply with those requirements. However, a number of courts have held that student loan promissory notes are not negotiable instruments as defined by Article 3. See, e.g., U.S. v. Carter, 2013 WL 27626 (11th Cir. Jan. 2, 2013) (government student loan note does not meet all Article 3 negotiable instrument requirements); Jackson v. Culinary Sch. of Wash., 788 F. Supp. 1233, 1248 n. 9 (D.D.C. 1992) (same), *aff’d in part, rev’d and remanded in part*, 27 F.3d 573 (D.C. Cir. 1994) (on *de novo* review, reversing district court’s decision to issue declaratory judgment on state law issues), *vacated*, 515 U.S. 1139 (1995) (appellate court should have used abuse of discretion standard to review district court’s decision to issue declaratory judgment on state law issues), *on remand*, 59 F.2d 254 (D.C. Cir. 1995) (remanding for district court to exercise its discretion about whether to issue declaratory judgment on state law issues). But see The Educ. Resources Inst., Inc. v. Yokoyama, 2008 WL 3906834 (Cal. Ct. App. Aug. 26, 2008) (PSL note is a negotiable instrument); The Educ. Resources Inst. v. Albert, 2007 WL 1711677 (Cal. Ct. App. June 14, 2007) (same); State *ex rel.* Bd. of Regents for the Univ. of Okla. v. Livingston, 111 P.3d 734 (Okla. Ct. App. Mar. 17, 2005) (state-funded student loan note is a negotiable instrument); *In re Dudley*, 502 B.R. 259 (Bankr. W.D. Va. 2013) (student loan note is negotiable instrument). See generally National Consumer Law Center, Unfair and Deceptive Acts and Practices § 10.5.6.2 (8th ed. 2012) (description of Art. 3 negotiable instrument requirements). If the student loan promissory note at issue is a negotiable instrument, all transfer documents should be reviewed for conformity with the applicable state’s UCC requirements. See National Consumer Law Center, Foreclosures § 5.2.4 (4th ed. 2012 and Supp.) (explaining documents required for the transfer of negotiable instruments); National Consumer Law Center, Unfair and Deceptive Acts and Practices § 10.5.6.3.7 (8th ed. 2012) (requirements for transfer of negotiable instruments).

everything in between from that original creditor to the plaintiff bringing the complaint. This will help the borrower to craft discovery requests and identify possible issues to raise with the court, either through evidentiary or substantive motions.²⁶

For loans that have been securitized, there may also be helpful information on the Electronic Data Gathering, Analysis, and Retrieval system (“EDGAR”) maintained by the Securities and Exchange Commission. For example, SEC Form 8-Ks (current reports) and Form 10-Ks (annual reports) should be available for student loan trusts.

An example of a flow chart is included in Appendix 1.²⁷ In this case, according to the promissory note, the original lender was Richland State Bank.²⁸ Based on the documents produced by the plaintiff, it appears that both SLM Education Credit Finance Corp. and Bank One Trustee for EFG Financing might at some point have been owners of the borrower’s loan.²⁹ In addition, according to the Transfer of Ownership document, the borrower’s loan was eventually transferred from “Sallie Mae” to the plaintiff Arrowood Indemnity Co.³⁰ No other assignment or transfer documents were produced by the plaintiff. The plaintiff therefore failed to produce documentation of the assignments between Richland State Bank and Sallie Mae. Based on part on this lack of assignment documentation, the plaintiff agreed to dismiss this case with prejudice.

Another sample flow chart is included in Appendix 2.³¹ In this case, the Credit Agreement Signature Page identified Union Federal Savings Bank as the original lender.³² The plaintiff, a National Collegiate Student Loan Trust, claimed that the loan was transferred from the original lender to National Collegiate Funding, LLC, via a Note Purchase Agreement, and provided a Pool Supplement which referred to a listing of transferred loans in “Schedule 1.”³³ The plaintiff also provided a Roster claiming to identify the borrower’s loan, although the plaintiff provided no information about how the Roster related to the Pool Supplement or to Schedule 1 (which it did not provide).³⁴ The plaintiff further claimed that National Collegiate Funding, LLC then transferred the borrower’s loan to the plaintiff NCLST, and provided a Deposit and Sales agreement that referred to the Pool Supplement.³⁵ The plaintiff, however, failed to produce any document showing that these transfers involved the individual loan at issue. The court granted judgment to the borrowers based on the plaintiff’s failure to prove it owned the loan at issue.³⁶

When reconstructing and analyzing the chain of assignment from the original creditor to the plaintiff, there is a possibility that documents have been robo-signed. Whenever a case involves any of the robo-signing issues described next, the plaintiff may not be able to prove that it is the

²⁶ Sample discovery requests for private student loan actions are available on the companion website to National Consumer Law Center’s Student Loan Law treatise.

²⁷ Appendix 1 at p. 33.

²⁸ *Id.* at pp. 26, 28.

²⁹ *Id.* at pp. 29, 31, 32.

³⁰ *Id.* at p. 30.

³¹ Appendix 2 at p. 68.

³² *Id.* at p. 38.

³³ *Id.* at pp. 48-51.

³⁴ *Id.* at p. 52.

³⁵ *Id.* at pp. 53-62.

³⁶ *Id.* at pp. 64-67.

real party in interest (among other things). The borrower should be careful not to admit that the plaintiff is the current holder of the loan and should consider raising the real-party-in-interest issues as an affirmative defense.

The issue may also be grounds for a motion to dismiss or to strike, a motion for summary judgment, or a motion for judgment as a matter of law, as well as motions to compel or other evidentiary motions. A borrower may use flow charts in order to show missing links in the chain of ownership to prove that the plaintiff has failed to meet its burden. In educating the court, the borrower should explain why this issue is significant and, in particular, should point out that there is the potential for double liability if the correct holder is not the one pursuing the action and the borrower is then sued a second time by the correct holder.

1. Does the Affidavit Contain Conclusory Statements?

Collectors often use affidavits to aid a motion for summary judgment or default judgment. In the student loan collection context, affidavits are used to demonstrate ownership of the loan at issue. General statements in an affidavit that are simply conclusions of law or fact do not prove a case.³⁷ Thus, an affidavit containing conclusory statements regarding ownership is insufficient; the plaintiff must attach the actual contracts of assignment.³⁸

2. Is the Specific Account Identified?

The plaintiff's documentation of each and every assignment must also reference the specific account at issue.³⁹ For example, debt buyers often produce a detailed contract or bill of sale delineating the relationship between the debt buyer's assignor and the debt buyer, but the document will make reference only generally to thousands of accounts being purchased at the same time and will not identify the consumer's account. This evidence is not enough. Each assignment document must indicate that one of the thousands of accounts the debt buyer has purchased is the account at issue in the lawsuit.⁴⁰

³⁷ Thomas v. OSI Funding Group, Inc., 2004 WL 541519 (Fla. Cir. Ct. Feb. 2, 2004).

³⁸ See, e.g., FIA Card Servs., N.A. v. Saintonge, 70 A.3d 1224 (Me. 2013). See also LVNV Funding, L.L.C. v. Shecter (Fla. Palm Beach Cnty. Ct. June 8, 2009), available at www.nclc.org/unreported; Palisades Collection, L.L.C. v. Thomas (Fla. Broward Cnty. Ct. Apr. 15, 2009), available at www.nclc.org/unreported; Unifund CCR Partners v. Shah, 946 N.E.2d 885 (Ill. App. Ct. 2011); Cach, L.L.C. v. Kulas, 21 A.3d 1015 (Me. 2011); New Century Fin. Serv. v. Sanchez (N.J. Super. Ct. Law Div. Apr. 12, 2002), available at www.nclc.org/unreported; DNS Equity Group Inc. v. Lavalley, 907 N.Y.S.2d 436 (N.Y. Dist. Ct. Feb. 22, 2010); PRA III, L.L.C. v. MacDowell, 841 N.Y.S.2d 822 (table), 2007 WL 1429026 (N.Y. Civ. Ct. Mar. 16, 2007); Remit Corp. v. Potter (Pa. Ct. Com. Pl. June 2, 2008), available at www.nclc.org/unreported; Unifund CCR Assignee of Providian v. Ayhan, 2008 WL 2974639 (Wash. Ct. App. Aug. 5, 2008).

³⁹ See, e.g., FIA Card Servs., N.A. v. Saintonge, 70 A.3d 1224 (Me. 2013). See also New Century Fin. Servs. v. Sanchez (N.J. Super. Ct. Law Div. Apr. 12, 2002), available at www.nclc.org/unreported; Citibank v. Martin, 11 Misc. 3d 219 (N.Y. Civ. Ct. 2005); Palisades Collection, L.L.C. v. Gonzales, 809 N.Y.S.2d 482 (N.Y. Civ. Ct. 2005) (table); Zwick & Zwick v. Suburban Constr. Co., 134 N.E.2d 733 (Ohio Ct. App. 1956); Asset Acceptance, L.L.C. v. Jones (Pa. Ct. Com. Pl. June 10, 2011), reprinted at www.nclc.org/unreported; Unifund CCR Assignee of Providian v. Ayhan, 2008 WL 2974639 (Wash. Ct. App. Aug. 5, 2008).

⁴⁰ *In re Kendall*, 380 B.R. 37 (Bankr. N.D. Okla. 2007); Persolve v. Uribe (Cal. Super. Ct. Dec. 9, 2010); available at www.nclc.org/unreported; Cuda & Assocs., L.L.C. v. Lumpkin, 2011 Conn. Super. LEXIS 3025 (Conn. Super. Ct. Nov. 29, 2011); Arrow Fin. Servs., L.L.C. v. Guiliani, 32 A.3d 1055 (Me. 2011); Unifund CCR Partners v. Riley, 2010 WL 571829 (Mich. Ct. App. Feb. 18, 2010); Palisades Collection, L.L.C. v. Olosunde, 2008 WL

PSL plaintiffs have attempted to use SEC filings downloaded from EDGAR in order to establish they own the loans referenced in a given complaint.⁴¹ However, while a court may take limited judicial notice of documents from the SEC website, it should not take judicial notice for the purposes of establishing a disputed fact – namely, that a PSL was included in that pool of loans if the individual PSL is not clearly identified in the SEC documents.⁴²

3. Are the Affidavits Based Upon Personal Knowledge?

Affidavits must be based on personal knowledge and show affirmatively that the affiant is competent to testify as to the matters stated therein.⁴³ Thus, an affidavit must indicate the source of the affiant’s knowledge⁴⁴ and is not admissible if it states that it is made “on information and belief” or “to the best of my knowledge and belief.”⁴⁵

An employee of a plaintiff loan holder or a third-party custodian of records does not usually have the personal knowledge necessary to authenticate a document memorializing an assignment between other parties in the chain of transfers, even if that document is retained in the loan holder’s or custodian of record’s regular course of business. The affiant must have personal knowledge of the creation, maintenance and transmission of the assignment documents by the generating entity. An employee of a subsequent loan holder or custodian of records typically lacks this kind of firsthand knowledge.⁴⁶ Therefore, a borrower should make queries of any affiant who testifies about the transfer documents, such as: What are the affiant’s job duties? Where is the affiant’s office and how often is s/he there? How many files does the affiant maintain? How many files does the affiant process in a month? In a day? Is such processing, in fact, physically possible?

Indeed, an employee of a custodian of records typically will not be able to certify records created by the original creditor. To certify business records the affiant must be familiar with the record keeping practices of the entity that created them – the habits and customary practices and

5233566 (N.J. Super. Ct. App. Div. Dec. 17, 2008); *Midland Funding, L.L.C. v. Loreto*, 950 N.Y.S.2d 492, 34 Misc. 3d 1232(A) (N.Y. Civ. Ct. 2012); *Arrow Fin. Servs., L.L.C. v. Witmer* (Pa. Ct. Com. Pl. May 13, 2010), *available at* www.nclc.org/unreported; *Unifund CCR Partners v. Vo* (Pa. Ct. Com. Pl. Feb. 17, 2009), *available at* www.nclc.org/unreported; *Palisades Collection, L.L.C v. Grassmyer* (Pa. Ct. Com. Pl. Jan. 15, 2008), *available at* www.nclc.org/unreported; *Unifund CCR Assignee of Providian v. Ayhan*, 2008 WL 2974639 (Wash. Ct. App. Aug. 5, 2008); *see also* *LVNV Funding, L.L.C. v. Guest*, 953 N.Y.S.2d 550 (table), 2012 WL 1957715 (N.Y. City Ct. May 29, 2012); *Premier Capital, L.L.C. v. Baker*, 972 N.E.2d 1125 (Ohio Ct. App. 2012); *Portfolio Recovery Assocs., L.L.C. v. Strifler* (Vt. Super. Ct. Sept. 2, 2011), *available at* www.nclc.org/unreported.

⁴¹ *See, e.g.*, Appendix 2 at pp. 49-51.

⁴² *See, e.g., In re Waters*, 2011 WL 5508657 (Bankr. D. Alaska Mar. 15, 2011) (taking limited judicial notice of documents from SEC website, including Pooling and Servicing Agreement, but refusing to take judicial notice of disputed fact that the mortgage loan was included in this pool of loans because debtor’s loan was not clearly identified in SEC documents).

⁴³ *Palisades Collection, L.L.C. v. Gonzales*, 809 N.Y.S.2d 482 (N.Y. Civ. Ct. 2005) (table); *Citibank v. Martin*, 807 N.Y.S.2d 284 (N.Y. Civ. Ct. 2005); *Unifund CCR Partners v. Dover*, 681 S.E.2d 565 (N.C. Ct. App. 2009); *Luke v. Unifund CCR Partners*, 2007 WL 2460327 (Tex. App. Aug. 31, 2007).

⁴⁴ *Sherman Acquisition II, L.P. v. Garcia*, 229 S.W.3d 802 (Tex. App. 2007).

⁴⁵ *See, e.g., Lopez-Carrasquillo v. Rubianes*, 230 F.3d 409 (1st Cir. 2000); *Sellers v. M.C. Floor Crafters, Inc.*, 842 F.2d 639 (2d Cir. 1988); *Chandler v. Coughlin*, 763 F.2d 110 (2d Cir. 1985).

⁴⁶ *See, e.g., Student Loan Marketing Ass’n v. Holloway*, 25 S.W.3d 699 (Mo. Ct. App. 2000).

procedures utilized in making the documents.⁴⁷ Thus, an employee of a third party must show personal knowledge as to the creation, maintenance, and transmission of the records by the entity generating the original records, as well as how the third party obtained those records and integrated those records into its own business records.⁴⁸ The affiant must be able to certify that the documents were made in generating entity's regular course of business, that it was this entity's regular practice to make the documents, and that this entity created the documents contemporaneously with the facts that were recorded.⁴⁹ When the affiant is not an employee of the company generating the original records, then the affiant has the burden of showing an understanding of the daily operation and firsthand knowledge of the recordkeeping by the other entity.⁵⁰ An affidavit has no probative value when the affiant's claimed familiarity with the assignor's business records is derived solely from the affiant's review of those records after they came into the possession of the custodian of record.⁵¹

One should also watch out for special issues relating to electronic evidence, since electronic records create special authentication issues. Has the record been preserved during the time it was in the electronic file so as to assure that the document being proffered is the same as the document that was originally created? This issue raises questions not only about the computer equipment and programs used but policies for use of the equipment, database and programs, how access is controlled, how changes are recorded, what the audit system is, and the like.⁵² Thus, the affiant must have special knowledge of the computer system, database, access, and related issues before electronic records can be admitted.⁵³ Courts have viewed with favor⁵⁴ an eleven-step foundation for computer records suggested by E. Imwinkelried's *Evidentiary Foundations*, a description of which can be found in National Consumer Law Center's Collection Actions manual.⁵⁵

⁴⁷ *Webb v. Midland Credit Mgmt., Inc.*, 2012 WL 2022013 (N.D. Ill. May 31, 2012); *LHR, Inc. v. Ayree* (Md. Cir. Ct. July 26, 2010), available at www.nclc.org/unreported; *Asset Acceptance v. Lodge*, 325 S.W.3d 525 (Mo. Ct. App. 2010); *C & W Asset Acquisition, L.L.C. v. Somogyi*, 136 S.W.3d 134 (Mo. Ct. App. 2004); *Unifund CCR Partners v. Youngman*, 932 N.Y.S.2d 609 (N.Y. Sup. Ct. 2011); *Rushmore Recoveries X, L.L.C. v. Skolnick*, 841 N.Y.S.2d 823 (N.Y. Dist. Ct. 2007); *Palisades Collection, L.L.C. v. Gonzalez*, 809 N.Y.S.2d 482 (N.Y. Civ. Ct. 2005) (table); *Riddle v. Unifund CCR Partners*, 298 S.W.3d 780 (Tex. App. 2009).

⁴⁸ *Asset Acceptance v. Lodge*, 325 S.W.3d 525 (Mo. Ct. App. 2010); *C & W Asset Acquisition, L.L.C. v. Somogyi*, 136 S.W.3d 134 (Mo. Ct. App. 2004); *Rushmore Recoveries X, L.L.C. v. Skolnick*, 841 N.Y.S.2d 823 (N.Y. Dist. Ct. 2007).

⁴⁹ *Webb v. Midland Credit Mgmt., Inc.*, 2012 WL 2022013 (N.D. Ill. May 31, 2012).

⁵⁰ *Beneficial Maine Inc. v. Carter*, 25 A.3d 96 (Me. Sup. Ct. 2011).

⁵¹ *LHR, Inc. v. Ayree* (Md. Cir. Ct. July 26, 2010), available at www.nclc.org/unreported; *Asset Acceptance v. Lodge*, 325 S.W.3d 525 (Mo. Ct. App. 2010); *C & W Asset Acquisition, L.L.C. v. Somogyi*, 136 S.W.3d 134 (Mo. Ct. App. 2004); *Unifund CCR Partners v. Youngman*, 932 N.Y.S.2d 609 (N.Y. Sup. Ct. 2011); *Rushmore Recoveries X, L.L.C. v. Skolnick*, 841 N.Y.S.2d 823 (N.Y. Dist. Ct. 2007); *Palisades Collection, L.L.C. v. Kalal*, 781 N.W.2d 503 (Wis. Ct. App. 2010).

⁵² *In re Vee Vinhnee*, 336 B.R. 437 (B.A.P. 9th Cir. 2005); see also *Lorraine v. Markel Am. Ins. Co.*, 241 F.R.D. 534 (D. Md. 2007).

⁵³ *In re Vee Vinhnee*, 336 B.R. 437 (B.A.P. 9th Cir. 2005); see also *Lorraine v. Markel Am. Ins. Co.*, 241 F.R.D. 534 (D. Md. 2007).

⁵⁴ See, e.g., *In re Vee Vinhnee*, 336 B.R. 437 (B.A.P. 9th Cir. 2005); see also *Lorraine v. Markel Am. Ins. Co.*, 241 F.R.D. 534 (D. Md. 2007); *In re Vargas*, 396 B.R. 511 (Bankr. C.D. Cal. 2008).

⁵⁵ See § 4.2.4.4 (2d ed. 2011 and Supp.).

4. Does the Material Evince a Lack of Trustworthiness?

Other features of an affidavit may indicate that the affiant's testimony is not trustworthy.⁵⁶ For instance, a standard fill-in-the-blank affidavit indicates a lack of trustworthiness, as it raises the question of whether the affiant actually reviewed the borrower's account or the documents about which the affiant is testifying.⁵⁷ In addition, one should review the documents attached to an affidavit and the statements in the affidavit for inconsistencies. The presence of inconsistencies between the documents and the affidavit itself will call into question the evidence being proffered both by the affidavit and by the documents.⁵⁸ Similarly, look for inconsistencies between the documents attached and the complaint or motions that refer to facts alleged in the affidavit or documents.

One should also check for deficiencies in the affidavit's signature and notarization. Is the name of the individual signing the affidavit disclosed on the affidavit? Is the affidavit properly signed and notarized? It is important to assess the sufficiency of the notarization, since robo-signing operations often can be sloppy on that score. For example, it is not uncommon for an affidavit to assert that it has been signed by the affiant in one state, while asserting that the affiant appeared before the notary in a different state.⁵⁹ One should also review the documentation the notary keeps of his/her notarizations and research whether his/her practice comports fully with state requirements. Such documentation may also provide additional information about the robo-signing practices of the plaintiff or custodian of records.

Some states also require that an affidavit disclose the affiant's employer. In addition, the borrower should research whether there is any evidence that the loan holder or custodian of records previously engaged in robo-signing or other deceptive collection practices (based on previous lawsuits or investigations). If so, this may be enough to persuade a court to question an affiant's trustworthiness.

An example of an affidavit and exhibits demonstrating many of these deficiencies is contained in Appendix 2. The Affidavit of Chandra Alphabet was filed in support of the plaintiff NCSLT's

⁵⁶ See, e.g., *Lubar v. Connelly*, 2014 WL 536998 (Me. Feb. 1, 2014) (original lender's affidavit lacked overall trustworthiness); *Beneficial Maine Inc. v. Carter*, 25 A.3d 96 (Me. 2011) (employee did not establish that she was a "custodian or other qualified witness" who could provide trustworthy and reliable information about the regularity of the creation, transmission, and retention of the records offered, and therefore her affidavit could not establish the foundation for the records' admissibility); *HSBC Mortgage Servs., Inc.*, 19 A.3d 815 (Me. 2011) (affidavits submitted by HSBC contained serious irregularities that made them "inherently untrustworthy"); *C & W Acquisition, L.L.C. v. Somogyi*, 136 S.W.3d 134 (Mo. Ct. App. 2004) ("the bottom line" regarding the admissibility of the business records is the discretionary determination by the trial court of their trustworthiness); *Martinez v. Midland Credit Mgmt.*, 250 S.W.3d 481 (Tex. App. 2008) (affiant did not indicate in any way that he had any knowledge of the predecessor's record-keeping policies or that the records were trustworthy); *Luke v. Unifund CCR Partners*, 2007 WL 2460327 (Tex. App. Aug. 31, 2007) (holding that that affidavit did not constitute proper summary judgment evidence due to lack of personal knowledge and lack of trustworthiness, where affiant did not state the factual basis for statements or attach to her affidavit a certified or sworn copy of the agreement between the collecting entity and the original creditor).

⁵⁷ See, e.g., *American Express Centurion Bank v. Bajek*, 918 N.Y.S.2d 396 (N.Y. Sup. Ct. 2010); *American Express Centurion Bank v. Badalamenti*, 958 N.Y.S.2d 644 (N.Y. Dist. Ct. 2010) (table).

⁵⁸ See National Consumer Law Center, *Collection Actions* §§ 4.2.3.4., 4.2.4.2 (2d ed. 2011 and Supp.). See also National Consumer Law Center, *Foreclosures* § 5.5.2 (4th ed. 2012 and Supp.).

⁵⁹ *HSBC Bank v. Thompson*, 2010 WL 3451130 (Ohio Ct. App. Sept. 3, 2010).

motion for summary judgment.⁶⁰ It is a standard “fill-in-the-blank” form, suggesting that the affiant merely inserted her name, the names of the borrowers, the loan account number, and amounts owed without reviewing any documents.

The affidavit contains a number of inconsistencies and conclusory statements, including the assertion that the loan at issue was transferred from “Lender to the current Plaintiff,” although the attached exhibits state otherwise.⁶¹ The affidavit also states that the business records attached show that the borrower’s loan account is “listed in Schedule 1 attached hereto.”⁶² However, none of the exhibits are titled “Schedule 1.” In addition, the borrower’s specific account is not identified in either of the alleged transfer documents – the Pool Supplement and the Deposit and Sale Agreement. It is identified in a “Roster” but there is no information about how this document relates to either of the alleged transfer documents.⁶³

The substance of this affidavit also raises questions as to the personal knowledge of the affiant. She is an employee of the custodian of records-- NCO Financial Systems, a debt collector (and one that is the subject of an injunction and judgment obtained by the FTC for debt collection violations).⁶⁴ She is not an employee of any of the entities that may have created the documents at issue. In the affidavit, Chandra Alphabet states, “I have reviewed the chain of title records as business records in this affidavit.”⁶⁵ A mere review of business records, however, is not sufficient to render these documents admissible. Although the affiant states that she has personal knowledge of the “business record management practices and procedures of Plaintiff and the practices and procedures Plaintiff requires of its loan servicers and other agents,” she does not state that she has personal knowledge of the *creation* of the records. Thus, these records should not be admissible.⁶⁶ Without these documents, it is unlikely that the plaintiff would be able to prove its ownership of the borrower’s loan.

5. Is Each Entity That Assigned the Loan Identical to the Entity That Assigns the Loan to the Next Loan Holder?

For each link in the chain of ownership, the entity that has been assigned a debt must be identical to the entity that subsequently assigns it to the next assignee in the chain. To mention just one example, an appellate court found no standing to bring a collection action when the chain of ownership was broken because the chain included a sale to Union Acceptance Corporation and then a sale from a different entity, Union Acceptance Co., L.L.C., without any transfer between these two entities.⁶⁷ Organizations and ownership may change due to bankruptcy, mergers and

⁶⁰ See Appendix 2 at pp. 46-48.

⁶¹ Appendix 2 at pp. 48-62.

⁶² *Id.* at p. 48.

⁶³ *Id.* at p. 52.

⁶⁴ See *U.S. v. Expert Global Solutions, Inc. f/k/a NCO Financial Systems, Inc.*, Civil Action No. 3-13CV2611-M (N.D. Tex. July 16 2013) (Stipulated Order for Permanent Injunction and Monetary Judgment).

⁶⁵ *Id.* at p. 48.

⁶⁶ *Chase Bank, USA v. Curren*, 946 N.E.2d 810 (Ohio Ct. App. 2010). See also National Consumer Law Center, *Collection Actions* § 4.2.4.2 (2d ed. 2011 and Supp.).

⁶⁷ *Green v. Cavalry Portfolio Servs., L.L.C.*, 700 S.E.2d 741 (Ga. Ct. App. 2010); see also *Benson v. Asset Acceptance, L.L.C.*, 712 S.E.2d 83 (Ga. Ct. App. 2011) (credit card with Citibank (S.D.), N.A., but assignment from Citibank USA to debt buyer and no evidence of transfer from Citibank (S.D.), N.A., to Citibank USA); *Hutto v.*

acquisitions, and other similar events. In these cases, the transfer of the ownership to the new or emerging entities must also be documented.

6. If the Plaintiff is Not a Loan Holder, Has the Loan Holder Assigned the Plaintiff the Right to Bring an Action on Its Behalf?

It is important to distinguish between a case brought by a plaintiff to collect a debt it claims to own and a case brought by a debt collection agency or loan servicer suing on the loan holder’s behalf. In that latter case, the plaintiff must produce a document showing that the loan holder has granted it the right to sue on the debt. An affidavit stating that there is such an assignment is not sufficient.⁶⁸ The plaintiff must also prove that the entity that is assigning those rights has the right to pursue the collection action.⁶⁹

III. Robo-Signing and Default Judgments

We reviewed the pleadings filed in 2011 and 2012 by various National Collegiate Student Loan Trusts (NCSLTs) in two different state courts. Here are the results of our review of the 101 cases filed in California’s Sacramento County Superior Court:

Outcome	Number
Default Judgment	48
Judgment in Favor of Plaintiff	1
Dismissed Without Prejudice at Plaintiff’s Request ⁷⁰	26
Dismissed with Prejudice	8
Settled	1
Pending	17
Total	101

In every single case in which the plaintiff obtained a default judgment, the affidavits filed in support suffered from most of the robo-signing defects described in Section II. We have attached relevant pleadings and attachments from one case in Appendix 3.

- The affidavits were all standard form/fill-in-the blank affidavits.⁷¹
- They were all signed by one of five First Marblehead Education Resources (“FMER”) employees.⁷²
- FMER is identified as the custodian of records on all the affidavits, not an owner or former owner of the loans at issue.⁷³

CACV of Colo., L.L.C., 707 S.E.2d 872 (Ga. Ct. App. 2011) (affidavit provides that JP Morgan Chase & Co. assigned debt to debt buyer, but debt was with Chase Manhattan Bank).

⁶⁸ Unifund CCR Partners v. Shah, 946 N.E.2d 885 (Ill. App. Ct. 2011).

⁶⁹ See National Consumer Law Center, Collection Actions § 4.3.4 (2d ed. 2011 and Supp.).

⁷⁰ It appears that these cases were dismissed due to a failure to serve the defendants.

⁷¹ See, e.g., Appendix 3 at pp. 77-78.

⁷² *Id.* (signed by Hollie J. Prince). The other 4 affiants were Julie Schoor, Colleen Morgan, Francesca Giampiccolo, and Meagan Carabello.

- For ownership documents, only a Pool Supplement regarding a transfer of a loan pool between the original lender and an intermediary entity is attached to each affidavit.⁷⁴
- The individual loans transferred are not identified in any Pool Supplement, nor is the “Schedule I” referred to in each Pool Supplement, which allegedly identifies the individual loans transferred, attached to any of the affidavits.⁷⁵
- No affidavit included any documents showing the transfer of the loans at issue from the intermediary owner to the plaintiff. Instead, a purported “Account Statement History” was attached.⁷⁶
- The affidavits do not even refer to or identify the Pool Supplements. If they had, it does not appear that the affiants had the personal knowledge necessary to authenticate these documents. (“The facts set forth below are based on my own personal knowledge upon review of the contents of defendants’ education loan records, and the record management practices and procedures of plaintiff’s loan servicers and other agents.”)⁷⁷
- The affidavits include only the first page of the signed promissory note, with a form promissory note attached.⁷⁸ None of the affiants stated whether the form promissory note would have been the note that the borrowers signed, nor do the affiants appear to have the personal knowledge to do so.

At least in California the plaintiffs made some attempt to show that they are the actual owners of the loans at issue, although this is not required by the applicable California Code of Civil Procedure provisions.⁷⁹ This is not the case in Ohio. Here are the results of our review of 116 cases filed in 2011 and 2012 in Ohio’s Franklin Court of Common Pleas:

Outcome	Number
Default Judgment	52
Dismissed Without Prejudice at Plaintiff’s Request	17
Settlement, Consent Judgment, or Summary Judgment for Plaintiff	25
Dismissed with Prejudice	3
Dismissed for Lack of Prosecution	2
Pending	17
Total	116

⁷³ See, e.g., Appendix 3 at p. 77.

⁷⁴ *Id.* at pp. 90-95.

⁷⁵ *Id.* at p. 96. The exhibit attached to the affidavit simply states “Schedule I, TRANSFERRED CHASE EXTRA LOANS [On file with FMC].” A similar page is not included in the exhibits to any other affidavits we reviewed.

⁷⁶ *Id.* at pp. 97-102. We included a few pages of the Account Statement History in the Appendix.

⁷⁷ *Id.* at p. 77.

⁷⁸ *Id.* at pp. 79-89.

⁷⁹ See Cal. Code of Civ. Proc. §§ 585(a) (default judgment requirements for breach of contract cases or cases for recovery of money) and (d) (in breach of contract cases or cases for recovery of money involving attorneys fees, the court in its discretion may permit the use of “affidavits, in lieu of personal testimony, as to all or any part of the evidence or proof required or permitted to be offered, received, or heard.”).

As in California, the plaintiffs sometimes filed declarations of an employee of FMER, identified as the custodian of records, in support of the motions for default judgment.⁸⁰ In these cases, the affiants are one of the same five people who are the affiants in California. The plaintiffs also filed motions for default judgment without any supporting affidavits.⁸¹ None of the affidavits or motions addressed or included assignment documents. They only included information about the amount owed and the existence of the debt.⁸² In addition, the plaintiffs typically provided only the first page of a promissory note signed by the borrowers, sometimes accompanied by a copy of the other pages from a form note.⁸³ These cases also suffered from many of the other defects described in Section II.

Why should we be concerned about these default judgments? Many student loan borrowers who are sued do not defend their lawsuits for several reasons. They may not be aware of their rights or they may not have access to an attorney whom they can afford. They may not have been properly served. And these cases often involve very large debts. In the California case in Appendix 3, a default judgment in the amount of \$45,000 was entered against the co-borrowers. These co-borrowers were also sued by an NCSLT trust in 6 other cases, which resulted in default judgments totaling an additional \$85,401.⁸⁴ In the Ohio cases in Appendices 4 and 5, default judgments were entered in the amounts of \$26,507 and \$35,402, respectively.⁸⁵

Once a plaintiff obtains a judgment, the plaintiff will have the right to, among other things, garnish wages and seize non-exempt residential property, both of which are essential to the economic well-being of the low-income borrowers who are most likely to be defendants in these cases. Given the size of these debts, default judgments could negatively impact the well-being of a borrower and her family for many years.

Yet many of these borrowers may have a number of valid defenses. As discussed above, they may have defenses related to a loan holder's inability to prove the terms of the loan or provide adequate evidence of ownership. This is important because if the actual holder is not the one pursuing the action, then the borrower could be sued again by the actual holder. The consumer should not have to pay a debt to one party, only to find out later that another party is the true owner and that the consumer must now pay the same debt again to this second party.⁸⁶

Viable defenses could also be based upon discrepancies or mistakes relating to the amount of money allegedly owed. The borrower may not actually owe the debt because he/she is not the correct defendant or someone stole his/her identity or forged his/her signature on the promissory note. In addition, the borrower may have a defense based on the statute of limitations. Unlike

⁸⁰ See Appendix 5 at pp. 127-129.

⁸¹ See Appendix 4 at pp. 115-116.

⁸² *Id.*; Appendix 5 at pp. 127-129.

⁸³ See Appendix 4 at pp. 124-126; Appendix 5 at pp. 124-125.

⁸⁴ See Superior Court of California, County of Sacramento, Case Nos. 34-2012-00122150; 34-2012-00122163; 34-2012-00122166; 34-2012-00122403; 34-2012-00122576; and 34-2012-00122615.

⁸⁵ See Appendix 4 at pp. 117-119; Appendix 5 at pp. 130-131.

⁸⁶ See *Miller v. Wolpoff & Abramson, L.L.P.*, 2007 WL 2694607 (N.D. Ind. Sept. 7, 2007), *aff'd*, 309 Fed. Appx. 40 (7th Cir. 2009).

government loans, PSLs are subject to the applicable state statute of limitations. Usually, the statute of limitation applicable to PSLs is the period governing a breach of a written contract.⁸⁷

Private loan borrowers may also have a number of counterclaims. Among others, private student lenders are subject to special Truth in Lending Act (“TILA”) requirements,⁸⁸ and borrowers may recover damages for violations of the TILA rules.⁸⁹ Lenders are also subject to the anti-discrimination provisions of the Equal Credit Opportunity Act (“ECOA”), as well as ECOA notice and record-keeping requirements.⁹⁰

A borrower may also have a potential defense or counterclaim involving the Federal Trade Commission’s Rule on Preservation of Consumer Claims and Defenses (“FTC Holder Rule”), which addresses the issue of creditor and assignee liability for seller misconduct.⁹¹ This Rule operates by way of a notice placed in consumer credit agreements whereby, as a matter of the contract itself, the parties agree that the consumer may raise seller-related defenses and claims against the holder of the note or contract. The FTC’s Statement of Basis and Purpose for the Rule states that it applies to vocational training.⁹² The FTC Holder Rule applies to “sellers,” broadly defined as sellers of goods or services to consumers,⁹³ thus covering for-profit vocational schools.

The language of the FTC Holder Rule notice makes clear that consumers may raise not only defenses but also affirmative claims against the holder of a credit agreement. A consumer cannot recover under the FTC Holder Rule more than the amount the consumer has paid on the loan plus cancellation of the remaining indebtedness, but there is no limit upon the creditor’s liability for its own conduct.⁹⁴

It is likely that many of the borrowers who are defendants in PSL collection lawsuits attended for-profit schools. A number of studies affirm that the type of institution attended is correlated with default.⁹⁵ For-profit colleges consistently have the highest federal student loan default rates. Although for-profit schools enrolled just 13% of students nationally, 46% of the students who entered repayment in 2010 and defaulted by 2012 were for-profit school students.⁹⁶ In

⁸⁷ See National Consumer Law Center, Collection Actions § 3.5.4.2 (2d ed. 2011 and Supp.). In cases where the breach of written contract period has expired, the plaintiff may argue that a longer statute of limitation period applies. For example, in California the statute of limitations for breach of written contract is four years, while the statute of limitations for collection of a negotiable instrument is six years. See Cal. Civ. Pro. Code § 337; Cal. Com. Code § 3118. See n. 20, *supra*, for cases that discuss whether student loan notes are negotiable instruments.

⁸⁸ See National Consumer Law Center, Student Loans § 11.4 (4th ed. 2010 and Supp.).

⁸⁹ See, e.g., *Abel v. Keybank*, 2005 WL 2216938 (N.D. Ohio Sept. 12, 2005) (awarding attorney fees for TILA claims, the only claims that survived the motion to dismiss).

⁹⁰ See *Rodriguez v. SLM Corp.*, 2009 WL 598252 (D. Conn. Mar. 6, 2009). See also National Consumer Law Center, Credit Discrimination (6th ed. 2013).

⁹¹ This Rule is discussed in National Consumer Law Center, Student Loans § 11.9.2 (4th ed. 2010 and Supp.) and Federal Deception Law ch. 4 (1st ed. 2012 and Supp.).

⁹² 40 Fed. Reg. 53524 (Nov. 18, 1975). See also 41 Fed. Reg. 20024 (May 14, 1976) (staff guidelines).

⁹³ 16 C.F.R. § 433(1)(j).

⁹⁴ See National Consumer Law Center, Student Loans § 11.6.3.7 (4th ed. 2010 and Supp.).

⁹⁵ See, e.g., Mary Nguyen, Degreeless in Debt: What Happens to Borrowers Who Drop Out, Education Sector at 1 (Feb. 2012).

⁹⁶ U.S. Dep’t of Educ., “National Default Rate Briefings for FY 2011 2-Year Rates and FY 2010 3-Year Rates” at 62 (Sept. 30, 2013).

addition, the for-profit school sector had a three year average default rate of 21.8%, which was significantly higher than the three year default rates for public schools (13.0%) and private non-profit schools (8.2%).⁹⁷ Borrowing rates are also highest in the for-profit sector.⁹⁸

For-profit schools are much more likely to engage in deceptive and other illegal business practices than public or private non-profit schools, as is documented in detail by a recent Senate Health, Education, Labor, and Pensions Committee Report.⁹⁹ It is therefore these students who are most likely to have school-related claims that they could raise against PSL holders. It is also these students who are most likely defaulting on their PSLs and having default judgments entered against them.

IV. Recommendations

There are several ways to provide relief to student loan borrowers already harmed by these robo-signing practices and prevent future abuses.

1. Law Enforcement Actions Against Private Student Loan Holders Engaging in Robo-Signing Practices

Law enforcement agencies, including state attorneys general and the Consumer Financial Protection Bureau, could investigate and take action against private student loan holders engaging in robo-signing. The filing of collection lawsuits and obtaining default judgments based upon robo-signed affidavits and inadequate evidence of the terms and ownership of a debt may constitute an actionable unfair and deceptive business practice (“UDAP”). This type of conduct is markedly similar to the practice of robo-signing in the mortgage foreclosure context.¹⁰⁰ Not only could a law enforcement agency obtain injunctive relief against the future use of robo-signing practices, it could also obtain relief for victims of the practice, including monetary relief and requiring the offending student loan holders to vacate all default judgments obtained.

⁹⁷ *Id.*

⁹⁸ The Project on Student Debt, “Student Debt and the Class of 2012” at 13 (Dec. 2013) (“National data show that the vast majority of graduates from for-profit four-year colleges (88%) took out student loans, and they borrowed an average of \$39,950 – 43 percent more than graduates from other types of four-year colleges.”).

⁹⁹ U.S. Senate, Health, Education, Labor and Pensions Comm., “For Profit Higher Education: The Failure to Safeguard the Federal Investment and Ensure Student Success,” S. Rpt. 112-37 (July 30, 2012).

¹⁰⁰ *See* U.S. *et. al.* v. Bank of America Corp. *et al.*, Civil Action No. 1:12-CV-00361-RMC, Complaint at ¶¶ 63, 105-107 (D.D.C. Mar. 14, 2012) (alleging robo-signing practices as basis for one of multiple UDAP counts in nationwide mortgage practices complaint filed by state attorneys general and U.S.). *See generally* Raymond H. Brescia, Leverage: State Enforcement Actions in the Wake of the Robo-Sign Scandal, 64 Me. L. Rev. 17 (2011) (exploring “the availability of UDAP laws and the remedies they provide to rein in the range of practices revealed in the so-called ‘Robo-Sign Scandal,’” concluding “that such practices - the false affidavits, reckless claims, and improper notarizations - all violate the essence of most state UDAP laws; accordingly, the remedies available under such laws may be wielded by state attorneys general to halt abusive foreclosure practices throughout the nation.”).

2. Impose Minimum Evidentiary Burdens on All Plaintiffs in Collection Actions, Including Plaintiffs Who Seek Default Judgments

States could enact statutes that protect consumers by requiring both student loan holders and other plaintiffs collecting on consumer debts to prove a number of things before they may obtain judgments. Legislation could be modeled on the National Consumer Law Center's Model Family Financial Protection Act (the "Model Act").¹⁰¹ The Model Act requires, among other things, that a plaintiff in a consumer debt collection case must prove: (1) that it is the real party in interest who owns the loan and has the right to collect on it; and (2) it has possession of at least a copy of the original contract, or other documentation evidencing the consumer's liability.

In many states, courts or judicial councils are tasked with promulgating state rules of court.¹⁰² Thus, depending on state law, a judicial council or court could enact court rules requiring minimum evidentiary requirements for all plaintiffs in consumer debt collection cases, including requirements for default judgments. Such requirements could similarly include that the plaintiff provide evidence that it is the real party in interest and has sufficient documentation evidencing the consumer's liability.

3. Consumer Financial Protection Bureau Could Define Robo-Signing Practices in the Private Student Loan Context as Unfair, Deceptive or Abusive

The Consumer Financial Protection Bureau (CFPB) could enact rules to both prohibit and prevent the robo-signing practices described above. The Dodd-Frank Wall Street Reform and Consumer Protection Act (the Act) provides that it "is unlawful for . . . any covered person or service provider to engage in any unfair, deceptive, or abusive act or practice."¹⁰³ The Act further provides the CFPB with the authority to prescribe rules to identify and prevent unfair, deceptive or abusive acts or practices (UDAAP).¹⁰⁴

Covered persons are defined to include "any person that engages in offering or providing a consumer financial product or service . . ."¹⁰⁵ A financial product or service means "extending credit and servicing loans, including acquiring, purchasing, selling, brokering, or other extensions of credit . . ."¹⁰⁶ It also means "collecting debt related to any consumer financial product or service."¹⁰⁷ Thus, private student loan holders, even when they are not original lenders, are subject to the CFPB's broad UDAAP authority.

¹⁰¹ Robert J. Hobbs and Chi Chi Wu, National Consumer Law Center, Model Family Financial Protection Act (June 2012) (a copy of this Model Act is available on NCLC's website, www.nclc.org).

¹⁰² See, e.g., Cal. Const. art. 6, § 6(d) ("To improve the administration of justice the [judicial] council shall . . . adopt rules for court administration, practice and procedure, and perform other functions prescribed by statute."); W. Va. Code § 51-1-4 (supreme court of appeals may make and promulgate court rules and regulations governing pleading, practice and procedure, and judicial council is designated as advisory committee to make observations and report recommendations that it deems proper). See also Rules of Practice and Procedure, 21 C.J.S. Courts § 178 (describing method of adoption of court rules); Annotation, Purposes and Functions – Court Rules, Pattern Instructions, and Guidelines, 47 Am. Jur. 2d Judicial Councils and Conferences § 3.

¹⁰³ 12 U.S.C. § 1536(a)(1)(B).

¹⁰⁴ 12 U.S.C. § 5531(b).

¹⁰⁵ 12 U.S.C. § 1581(6)(A).

¹⁰⁶ 12 U.S.C. § 1581(15)(A)(i).

¹⁰⁷ 12 U.S.C. § 1581(15)(A)(x).

The CFPB could therefore adopt many of the provisions of the Model Family Financial Protection Act.¹⁰⁸ At a minimum, rules could prohibit student loan creditors/loan holders from filing a collection action unless they attach to the complaint (1) a legible copy of the entire original promissory signed by the borrower and (2) documentation of a complete chain of title for the debt if it has been transferred, including proof that the individual borrower's loan was transferred for each link of the chain. The CFPB could also prohibit student loan holders from seeking default judgments without this same documentation attached to supporting affidavits signed by affiants that meet minimum standards that address the problems described above.

¹⁰⁸ See n. 95, *supra*.

APPENDIX 1

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): Evan Daily, SBN 250513 NELSON & KENNARD File No. 10-25863-0 2100 Harvard Street, Ste. 160 (95815) P.O. Box 13807 Sacramento, CA 95853 TELEPHONE NO: (916) 920-2295 FAX NO. (Optional): (916) 920-0682		SUPERIOR COURT USE ONLY SOUTH COUNTY 2011 MAY -5 P 3: 52
E-MAIL ADDRESS (Optional): ATTORNEY FOR (Name): ARROWOOD INDEMNITY COMPANY		CLERK SUPERIOR COURT SAN DIEGO COUNTY, CA
SUPERIOR COURT OF CALIFORNIA, SAN DIEGO COUNTY STREET ADDRESS: 500 Third Ave MAILING ADDRESS: CITY AND ZIP CODE: Chula Vista, CA 91910-5697 BRANCH NAME: SOUTH COUNTY DIVISION - UNLIMITED CIVIL CASE		
PLAINTIFF: ARROWOOD INDEMNITY COMPANY DEFENDANT: [REDACTED]		
[X] DOES 1 TO 10		
CONTRACT [X] COMPLAINT [] AMENDED COMPLAINT (Number): [] CROSS-COMPLAINT [] AMENDED CROSS-COMPLAINT (Number):		
Jurisdiction (check all that apply): [] ACTION IS A LIMITED CIVIL CASE Amount demanded [] does not exceed \$10,000 [] exceeds \$10,000 but does not exceed \$25,000 [X] ACTION IS AN UNLIMITED CIVIL CASE (exceeds \$25,000) [] ACTION IS RECLASSIFIED by this amended complaint or cross-complaint [] from limited to unlimited [] from unlimited to limited		CASE NUMBER: 37-2011-00076838-CU-CL-8C

1. Plaintiff (name or names): ARROWOOD INDEMNITY COMPANY
alleges causes of action against defendant (name or names): [REDACTED]
2. This pleading, including attachments and exhibits, consists of the following number of pages: 5, plus exhibits
Each plaintiff named above is a competent adult
3. a. Each plaintiff named above is a competent adult
 [X] except plaintiff (name): ARROWOOD INDEMNITY COMPANY
 [X] a corporation qualified to do business in California
 [] an unincorporated entity (describe):
 [] other (specify):
 b. [] Plaintiff (name):
 a. [] has complied with the fictitious business name laws and is doing business under the fictitious name (specify):
 b. [] has complied with all licensing requirements as a licensed (specify):
 c. [] Information about additional plaintiffs who are not competent adults is shown in Attachment 3c.
4. a. Each defendant named above is a natural person
 [] except defendant (name):
 (1) [] a business organization, form unknown
 (2) [] a corporation
 (3) [] an unincorporated entity (describe):
 (4) [] a public entity (describe):
 (5) [] other (specify):
 [] except defendant (name):
 (1) [] a business organization, form unknown
 (2) [] a corporation
 (3) [] an unincorporated entity (describe):
 (4) [] a public entity (describe):
 (5) [] other (specify):

*If this form is used as a cross-complaint, plaintiff means cross-complainant and defendant means cross-defendant.

SHORT TITLE: ARROWOOD INDEMNITY COMPANY v. [REDACTED]	CASE NUMBER:
--	--------------

4. (Continued)
- b. The true names of defendants sued as Does are unknown to plaintiff.
- (1) Doe defendants (specify Doe numbers): 1 - 5 were the agents or employees of the named defendants and acted within the scope of that agency or employment.
- (2) Doe defendants (specify Doe numbers): 6 - 10 are persons whose capacities are unknown to plaintiff.
- c. Information about additional defendants who are not natural persons is contained in Attachment 4c.
- d. Defendants who are joined under Code of Civil Procedure section 382 are (names):
5. Plaintiff is required to comply with a claims statute, and
- a. plaintiff has complied with applicable claims statutes, or
- b. plaintiff is excused from complying because (specify):
6. This action is subject to Civil Code section 1812.10 Civil Code section 2984.4.
7. This court is the proper court because
- a. a defendant entered into the contract here.
- b. a defendant lived here when the contract was entered into.
- c. a defendant lives here now.
- d. the contract was to be performed here.
- e. a defendant is a corporation or unincorporated association and its principal place of business is here.
- f. real property that is the subject of this action is located here.
- g. other (specify):
8. The following causes of action are attached and the statements above apply to each (each complaint must have one or more causes of action attached):
- Breach of Contract
- Common Counts
- Other (specify):
9. Other allegations: Prior to commencement of this action, the Defendants were informed in writing that if an action were commenced, the Plaintiff may recover its reasonable attorney's fees and court costs, where allowed by law, in addition to the principal and interest otherwise owed.
10. Plaintiff prays for judgment for costs of suit; for such relief as is fair, just, and equitable; and for
- a. damages of \$ 42,368.58
- b. interest on the damages
- (1) according to proof
- (2) at the rate of (specify): _____ percent per year from (date):
- c. attorney fees
- (1) of \$
- (2) according to proof.
- d. other (specify): attorney fees pursuant to Civil Code Section 1717.

11. The paragraphs of this pleading alleged on information and belief are as follows (specify paragraph numbers):
 Dated: February 17, 2011 Original Signed By:

EVAN DAILY

<Evan Daily

(TYPE OR PRINT NAME)

(SIGNATURE OF PLAINTIFF OR ATTORNEY)

(If you wish to verify this pleading, affix a verification.)

SHORT TITLE:
ARROWOOD INDEMNITY COMPANY v. [REDACTED]

CASE NUMBER:

FIRST CAUSE OF ACTION — Breach of Contract

(number)

ATTACHMENT TO Complaint Cross-Complaint

(Use a separate cause of action form for each cause of action.)

BC-1. Plaintiff (name): ARROWOOD INDEMNITY COMPANY

alleges that on or about (date): 12/09/02

a written oral other (specify):

agreement was made between (name parties to agreement): Plaintiff's assignor THE STUDENT LOAN CORPORATION and Defendant(s) [REDACTED]

A copy of the agreement is attached as Exhibit A and

The essential terms of the agreement are stated in Attachment BC-1 are as follows (specify):

Defendant(s) agreed to be bound by the terms of the student loan agreement and make minimum periodic payments of principal and interest in accordance with the terms thereof.

BC-2. On or about (dates): 2/07/09

defendant breached the agreement by the acts specified in Attachment BC-2 the following acts (specify):

Defendant(s) failed to make the monthly installments due pursuant to the terms of the student loan agreement.

BC-3. Plaintiff has performed all obligations to defendant except those obligations plaintiff was prevented or excused from performing.

BC-4. Plaintiff suffered damages legally (proximately) caused by defendant's breach of the agreement

as stated in Attachment BC-4 as follows (specify):

Damages in the principal sum of \$20,215.22 plus late charges, if any.

BC-5. Plaintiff is entitled to attorney fees by an agreement or a statute

of \$

according to proof

BC-6. Other: attorney fees pursuant to Civil Code Section 1717.

SHORT TITLE: ARROWOOD INDEMNITY COMPANY v. [REDACTED]	CASE NUMBER:
--	--------------

SECOND CAUSE OF ACTION — Breach of Contract

(number)

ATTACHMENT TO Complaint Cross-Complaint

(Use a separate cause of action form for each cause of action.)

BC-1. Plaintiff (name): ARROWOOD INDEMNITY COMPANY

alleges that on or about (date): 10/23/00

a written oral other (specify):

agreement was made between (name parties to agreement): Plaintiff's assignor THE STUDENT LOAN CORPORATION and Defendant(s) [REDACTED],

 A copy of the agreement is attached as Exhibit B and The essential terms of the agreement are stated in Attachment BC-1 are as follows (specify):

Defendant(s) agreed to be bound by the terms of the student loan agreement and make minimum periodic payments of principal and interest in accordance with the terms thereof.

BC-2. On or about (dates): 2/07/09

defendant breached the agreement by the acts specified in Attachment BC-2 the following acts (specify):

Defendant(s) failed to make the monthly installments due pursuant to the terms of the student loan agreement.

BC-3. Plaintiff has performed all obligations to defendant except those obligations plaintiff was prevented or excused from performing.

BC-4. Plaintiff suffered damages legally (proximately) caused by defendant's breach of the agreement

 as stated in Attachment BC-4 as follows (specify):

Damages in the principal sum of \$22,153.36 plus late charges, if any.

BC-5. Plaintiff is entitled to attorney fees by an agreement or a statute of \$ according to proofBC-6. Other: attorney fees pursuant to Civil Code Section 1717.

Page Four

SHORT TITLE:

ARROWOOD INDEMNITY COMPANY v. [REDACTED]
[REDACTED] et al.

CASE NUMBER:

VERIFICATION

I, EVAN DAILY, declare:

I am an attorney at law duly admitted and licensed to practice before all courts of the State of California and I have my professional office at 2180 Harvard Street, Ste. 160, Sacramento, Sacramento County, California.

I am the attorney of record for Plaintiff in the above entitled matter.

Said Plaintiff is absent from the county in which I have my office and for that reason I am making this verification on their behalf.

I have read the foregoing documents and know the contents thereof.

Venue lies properly with this court because Defendant either resides in this judicial district at the time this action is commenced or the contract was in fact signed by the Defendant in this judicial district.

As to all other matters, I am informed and believe that the matters stated therein are true, and on that ground, I allege that the matters stated therein are true.

I declare under penalty of perjury of the laws of the State of California that the foregoing is true and correct.

Executed on February 17, 2011, at Sacramento, California.

Original Signed by:

Evan Daily

EVAN DAILY

VERIFICATION

Page Five

EXHIBIT

A



RECEIVED
JAN 10 2003

EFG Select Alternative Loan
For International Medical Schools
Application and Promissory Note

FINANCIAL AID

JAN 2 - Program 2003

SAT

Part I - APPLICATION (To Be Completed by the Student & Signed by Student and Co-Signer)

1. Legal Name: Last [redacted] First [redacted] MI [redacted]

2. Social Security Number: [redacted]

3. Permanent Home Address: Address [redacted] City/State/Zip Chula Vista, CA 91903 Telephone No. [redacted] E-Mail Address [redacted]

4. Address while in school: Address [redacted] City/State/Zip Cal. A.P. 6010033 Esapopan, Jal. Mexico 45030 Telephone No. [redacted] E-Mail Address [redacted]

5. Birth Date: [redacted]

6. Drivers License Number: [redacted] State: California No. [redacted]

7. Citizenship Status (check one): U.S. Citizen or National Permanent Resident or other Eligible Alien. (If this box is checked, attach a copy of the frontback of the INS Form with this application.)

8. Enrollment Period for use of funds (cannot exceed 12 months): From: 01 2003 To: 12 2003

9. Personal References: Provide two different names, U.S. addresses and telephone numbers (a) Parent or Guardian: Name [redacted] Address [redacted] City/State/Zip Chula Vista CA 91911 Telephone No. [redacted] (b) Another adult relative not at the same address as in 9(a): Name [redacted] Address [redacted] City/State/Zip Chula Vista, CA 91913 Telephone No. [redacted]

10. Loan Amount Requested: I request the maximum amount the school determines I am eligible to receive, not to exceed the allowable maximums under the EFG Select Alternative Loan Program. \$15,000

11. Prepaid Finance Charge: I understand the Prepaid Finance Charge will be added to the Loan Amount and will increase the amount of the loan unless I check the box below indicating that I do not want the Prepaid Finance Charge added to the Loan Amount. Do not increase the Loan Amount by the amount of the Prepaid Finance Charge. I understand that this will reduce the amount of loan proceeds I receive.

12. Borrower and Co-Signer Certifications: I have reviewed the information contained in this Application and Promissory Note and certify that such information is, and any information I provide shall be, true, complete, and accurate to the best of my/our knowledge and belief. I/We certify that we have read, understand, and agree to the terms of the Promissory Note, including the sections entitled Agreement To Terms, Borrower's Certification (applicable only to the student borrower) and Notice to Co-Signer (applicable only to the co-signer).
SIGNATURE OF STUDENT BORROWER [redacted] DATE 12/9/2002
CO-SIGNER SIGNATURE (if applicable) [redacted] DATE _____

Part II - SCHOOL INFORMATION (To Be Completed and Certified by School's Financial Aid Office)

13. DCE School Code _____ 14. School Branch Code (if any) _____ 15. Name of School _____ Phone (____) _____ E-Mail Address _____

16. Grade Level Code (for graduation) B 17. Medical Discipline Code (for specialty) 4A 18. Anticipated Graduation Date: 12/13/04 19. Loan Period (cannot exceed 12 months): From 12/03 to 12/03

20. Loan Amount: a. Cost of Education for Loan Period: \$35,000 b. Less Other Financial Aid: \$18,500 AUTHORIZED LOAN AMOUNT: \$15,000

21. Recommended Loan Disbursement Amount(s) and Date(s) (Month/Day/Year):
1st \$ 15,000 Disbursement Date 1-13-03
2nd \$ _____ Disbursement Date _____
3rd \$ _____ Disbursement Date _____
4th \$ _____ Disbursement Date _____

22. I have read and agree to the conditions set forth in the Application and Promissory Note. 1-6-03 (Date) Check box if application is electronically transmitted.

Part III - PROMISSORY NOTE

If an issuer, its assignee or its transferee becomes the owner of the original promissory note, the assignee or transferee will become the owner of the original promissory note and the rights of the original lender to the borrower and co-signer. In this note, the words "you", "your" and "yours" mean the above signed student borrower and co-signer, unless the language specifically refers to only one or the other or unless otherwise provided in this Note. If more than one person signs this Application and Promissory Note, each person will be liable for the full amount of the loan. The words "you", "your" and "yours" mean the student borrower, the student borrower's parents and anyone including Guaranty National Insurance Company and any other holder of this Note, unless otherwise provided in this Note. Prior to the initial disbursement of my loan, a Truth-in-Lending Disclosure Statement (the "Disclosure Statement") will be issued to me identifying the amount of the disbursement and additional terms of the loan, and such Disclosure Statement is incorporated herein by reference.

Silvia Quiroga
Financial Aid Administrator
Universidad Autonoma de Guadalajara
4715 Piedra Blanca Rd. 3rd Floor
San Antonio, TX 78229
(210) 366 1611
008147

Richland State Bank - (6/99)

A. PROMISE TO PAY - I promise to pay to you, according to the terms below: the sum of the Loan Amount Requested, to the extent it is advanced to the student borrower (the "Loan Amount"); the Prepaid Finance Charge, described below in paragraph C; and interest on the Loan Amount and Prepaid Finance Charge (late charges); and in the event of default, collection costs described below in Section I.

B. CERTAIN DEFINITIONS - (1) Interim Period: The period beginning on the date a loan is disbursed and ending on the date that is six months after the earliest of the following events: (i) the student borrower ceases to be enrolled at least half-time at the school listed above, unless within six months the student borrower re-enrolls in another school eligible for the EFG Select Alternative Loan Program; (ii) the student borrower graduates from the school listed above, unless within six months the student borrower enrolls in an internship or residency program eligible for the EFG Select Alternative Loan Program; or (iii) the student borrower completes an internship or residency program (not to exceed four years). (2) Repayment Period: This period beginning on the day after the Interim Period ends and continuing for up to

LENDER COPY

EXHIBIT

B



EFG Select Alternative Loan RECEIVED

For International Medical Schools

Program Medicine

Application and Promissory Note

NOV 8 3 2000

DUPLICATE

Part I - APPLICATION (To Be Completed by the Student & Signed by Student and Co-Signer)

1. Legal Name: [Redacted]

2. Permanent Home Address: [Redacted]

3. Address while in school: Don't know yet.

4. City/State/Zip: Chula Vista CA 91911

5. Birth Date: [Redacted]

6. Drivers License Number: [Redacted]

7. State: CA

8. Citizenship status (check one):
 Apply for Naturalization
 Permanent Resident or other legal status (attach a copy of the certificate of the DHS form with this application)

9. Personal References: Provide two references (name, address and telephone number) (at Parent or Guardian):
 Name: [Redacted] Address: [Redacted]
 Name: [Redacted] Address: [Redacted]

10. Loan Amount Requested: I request the maximum amount the school determines I am eligible to receive not to exceed the allowable maximum under the EFG Select Alternative Loan Program.

11. Prepaid Finance Charge: I understand that the Prepaid Finance Charge will be added to the Loan Amount and will increase the amount of the loan unless I credit the fee before receiving the loan. I will pay the Prepaid Finance Charge added to the Loan Amount.

12. Do not increase the Loan Amount by the amount of the Prepaid Finance Charge. I understand that this will reduce the amount of loan proceeds I receive.

13. Borrower and Co-Signer Certifications: I have reviewed the information contained in the Application and Promissory Note and certify that such information is true and correct to the best of my knowledge and belief. I have read, understood and agree to the terms of the Promissory Note including the sections entitled Agreement To Terms, Borrowing, Certification (applicable only to the student borrower) and Notice to Co-Signer (applicable only to the co-signer).

SIGNATURE OF STUDENT BORROWER: [Redacted] DATE: 10/23/00

CO-SIGNER SIGNATURE (if applicable): [Redacted] DATE: _____

Part II - SCHOOL INFORMATION (To Be Completed and Certified by School's Financial Aid Office)

13. DOE School Code: _____ 14. School Branch Code: _____ 15. Name of School: _____

16. Grade Level Cycle: 06 17. Medical Discipline Code: 27A 18. Applied/Completion Date: 12/15/01

19. Loan Period (cannot exceed 12 months): From 10/01/01 To 12/31/01

20. Loan Amount:
 a. Cost of Education for Loan Period: 33,500
 b. Less Other Financial Aid: 18,500
AUTHORIZED LOAN AMOUNT: 15,000

21. Recommended Loan Disbursement (Amount) and Dates (Month/Day/Year):
 1st: 15,000 Disbursement Date: 1/18/01
 2nd: _____ Disbursement Date: _____
 3rd: _____ Disbursement Date: _____

22. I have read and agree to the terms and conditions of the Application and Promissory Note.
 [Signature] 10/26/00 (Date)
 Financial Aid Administrator
 Universidad Anatomica de Chulavista
 4715 Fredericksburg Rd. 1st Floor
 San Antonio, TX 78229
 Tel: (512) 506-1613 DOB147

Part III - FRODO

1. I understand that the information provided in this application is for the purpose of determining my eligibility for the EFG Select Alternative Loan Program. I understand that the information provided in this application is confidential and will be used only for the purpose of determining my eligibility for the EFG Select Alternative Loan Program. I understand that the information provided in this application is confidential and will be used only for the purpose of determining my eligibility for the EFG Select Alternative Loan Program.

2. I understand that the information provided in this application is for the purpose of determining my eligibility for the EFG Select Alternative Loan Program. I understand that the information provided in this application is confidential and will be used only for the purpose of determining my eligibility for the EFG Select Alternative Loan Program. I understand that the information provided in this application is confidential and will be used only for the purpose of determining my eligibility for the EFG Select Alternative Loan Program.

11 UNDER COPY

Claim #: 10

TRANSFER OF OWNERSHIP

This Transfer of Ownership is between Sallie Mae and Arrowood Indemnity Company, as successor in interest to Landmark American Insurance and/or American and Foreign Insurance Company ("Arrowood") for the borrower and loan(s) listed below:

Borrower Name [REDACTED] SSN [REDACTED]

Loan Number	Current Principal Balance	Interest Balance
<u>[REDACTED]</u>	\$19896.83	\$318.39

Sallie Mae hereby transfers ownership to Arrowood all of its rights, title and interest in and to the defaulted borrower loan(s) indicated above which will be delivered to Arrowood in exchange for payment of the claim(s) made by Sallie Mae pursuant to the program manual. The transfer of the above-captioned defaulted borrower loan(s) shall be complete upon the delivery of the original loan document(s) to Arrowood and upon receipt of the claim payment(s) by Sallie Mae.

Sallie Mae further transfers all of its rights, title and interest in and to any cause of action against original obligor of the loan(s) consisting of the unpaid balance, interest, cost and attorney's fees, upon receipt of claim payment(s). Sallie Mae disclaims any and all liability with regard to the defaulted borrower loan(s) as a result of any action, inaction or occurrence takes after the point of transfer.

Dated this 7th day of July, 20 09

By Sallie Mae [Signature]
Coordinator Signature

State Of Pennsylvania County Of Luzerne

The foregoing Transfer was acknowledged before me this 7th day of July, 20 09

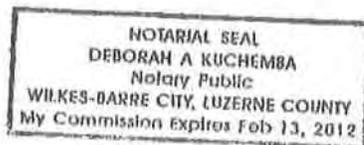
By [Signature] as Notary
of Sallie Mae

My Commission expires: 2/13/12

220 Lasley Ave Wilkes Barre PA 18706

NOTARY SEAL

NOTARY PUBLIC ADDRESS



Lost or Missing Original Loan Document or Promissory Note Affidavit and Indemnification Agreement

Arrowpoint Capital Corp.

Instructions for Completing Lost or Missing Original Document or Promissory Note Affidavit and Indemnification Agreement

The following instructions and information are provided to assist in the proper preparation of this form. Use a separate form for each loan document. All numbered sections on this form must be completed as outlined below. Please type or print clearly.

- A. Borrower and Loan Information**
 1. Enter the borrower's Social Security number.
 2. Enter the borrower's full name, last name, first name, middle initial.
 3. Enter the date(s) the loan was disbursed. If the loan had more than one disbursement date, enter each date.
 4. Enter the total amount of the loan.
 5. Enter the interest rate of the loan.
- B. Co-Signer Information (if applicable)**
 6. Enter the co-signer's Social Security number.
 7. Enter the co-signer's full name, last name, first name, middle initial.
- C. Lost or Missing Original Loan Document or Promissory Note**
 8. Indicate specific document or promissory note that is lost or missing.
- D. Lost or Missing Original Loan Document or Promissory Note Justification**
 9. Check the box for the type of lost or missing document. If the original was lost and no photocopies of the original are available, complete line 10 of this form.
 10. Explain as specifically as possible the circumstances and conditions surrounding the lost or missing document.
- E. Indemnification Agreement**
 11. Print or type the name and title of the authorized official signing this document.
 12. The authorized official must sign and date this form.
 13. Enter the name of the lending institution or holder of the loan.
 14. Enter the complete address of the lender/holder of the loan (street, city, state, and zip code).

Do not complete before reading instructions above.

A. Borrower and Loan Information	
1. Social Security number	2. Borrower name (last, first, middle initial)
3. Disbursement date(s) 1/8/01	4. Amount 13000.00
	5. Interest rate 6.75
B. Co-signer Information (if applicable)	
6. Social Security number	7. Co-signer name (last, first, middle initial)
C. Lost or Missing Original Loan Document or Promissory Note	
8. Documents (specify lost or missing document): Prom note	
D. Lost or Missing Original Loan Document or Promissory Note Justification	
9. Document type (check one only) <input checked="" type="checkbox"/> Lost Original <input type="checkbox"/> Missing Document	
10. Conditions or circumstances surrounding the lost or missing document. (Complete this section only if the original document is lost or missing and there is no photocopy available): Lost in Transfer	
E. Indemnification Agreement	
The undersigned, as an officer of the institution listed below, hereby represents and certifies that the original document as indicated above for the named student loan(s) is lost or missing. The undersigned states that the loan related to the lost or missing document was issued in compliance with applicable Federal and State Regulations. Should the loan related to and associated with the original loan documents or Promissory Note become uninsurable or uncollectable solely by reason of lost or missing documents, or if the loan is challenged in court and Arrowpoint Capital Corp. or its assignees, in its reasonable discretion, determines that the loan cannot be enforced due solely to the loss or misplacement of the original loan document or Promissory Note, the institution listed below hereby warrants that it shall release and forever discharge Arrowpoint Capital Corp. and its assignees from any and all claims, actions, causes of action, rights, liabilities, obligations and demands of every kind and nature, known and unknown, past, present and future, for damages of any kind, including punitive damages, or other legal statutory or equitable relief, or for costs and expenses related to the defense of any claim, arising out of resulting from, or in any way connected with the subject loan.	
11. Name and title of authorized officer (please print or type)	12. Authorized officer's signature and date
Diana Higgins/Claims Analyst	Diana Higgins 7/17/09
13. Lending Institution or Holder Name	
Sally MAC	
14. Street Address/PO Box	City
270 CLASH, Ave	WB
	State
	Pa
	Zip code
	18706

THIS IS A TRUE AND EXACT COPY OF THE ORIGINAL DOCUMENT

DATE 07/06/09 SALLIE MAE
1002 ARTHUR DRIVE (888)272-5543
LYNN HAVEN, FL 32444

ROYL SUN CLAIM PACKAGE OF DEFAULT AND CLAIM FOR REIMBURSEMENT

CLASS REPORT 515 SLM EDUCATION CREDIT FINANCE CORP USER ID: EL7819
OWNER 529076

ACCOUNT LSC: F

CLAIM TYPE: DLO
SSN [REDACTED] DOB [REDACTED]
NAME (FMLJ) [REDACTED]
ADDRESS [REDACTED] ST CA ZIP 91913 1661
CITY CHULA VISTA WORK PHONE (000)000-0000
HOME PHONE (000)000-0000 SCHOOL 002764 NEW YORK MEDICAL COLLEGE - VAL
ADDR IND D VALID ADDR Y

AMT OUT \$19,896.83 ORIG PRIN \$15,000.00 DIMP DT 02/07/09
PRIN SUB \$0.00 PRIN PAID \$0.00 PRESENT AMT DUE \$755.88
PRIN NSUB \$15,000.00 BR INT PD \$0.00 SCHED PHT AMT \$125.98
CAP INT \$4,896.83 LATE CHARGE ACCRUED N
ACCR BORR INT \$515.39 LAST BR PHT RECVD
AMT DELINQ \$629.90 AMT OF LST BR PHT \$0.00

LOAN LEVEL INFORMATION -- LOAN 10

DAYS DELINQUENT 149 1ST PHT DUE 02/07/09 SCHED TERM 240
DELINQUENCY DT 02/07/09 NPMT BEG DT 01/01/09 MAX PAYOFF DT 02/07/29
INT ACCR TO DT 07/01/09 INT PAID TO DT 01/01/09 CAP INT \$4,896.83
1ST DISB DT 01/24/03 1ST DISB AMT \$15,000.00 GUAR LOAN ID [REDACTED]
NUM OF PMTS MADE 0

SEP DATE 06/30/06 GRACE 06 LOAN INT RATE 2.75000 PURCH DT 03/04/04 FORBEARANCE USED 0
DEFER USED H P S R F M T E I Z B W Q 24 X K
D

DISBURSEMENT SCHEDULE

STATUS DATE DISB AMT CHECK AMT CHK SEQ NUM METHOD

DISBURSEMENT INFO N/A

ROYL SUN CLAIM PACKAGE OF DEFAULT AND CLAIM FOR REIMBURSEMENT

CLASS REPORT 515 BANK ONE TRUSTEE FOR EFG FINANCING USER ID: EL7819
OWNER 535585 ACCOUNT LSC: F

CLAIM TYPE: DLQ
SSN [REDACTED] DOB [REDACTED]
NAME(FML) [REDACTED]
ADDRESS [REDACTED] ST CA ZIP 91913 1661
CITY @HOLA VISTA WORK PHONE [REDACTED]
HOME PHONE (800)006-0000 SCHOOL 002784 NEW YORK MEDICAL COLLEGE - VAL
ADDR IND D VALID ADDR Y
AMT OUT \$21,818.84 ORIG PRIN \$15,000.00 DIMP DT 02/07/09
PRIN SUB \$0.00 PRIN PAID \$0.00 PRESENT AMT DUE \$775.47
PRIN NSUB \$15,000.00 BR INT PD \$0.00 SCHED PNT AMT \$120.43
CAP INT \$6,818.84 LATE CHARGE ACCRUED N
ACCR BORR INT \$531.25 LAST BR PNT RECVD 08/18/88
AMT DELINQ \$655.04 AMT OF LST BR PNT \$25.43

LOAN LEVEL INFORMATION -- LOAN 3

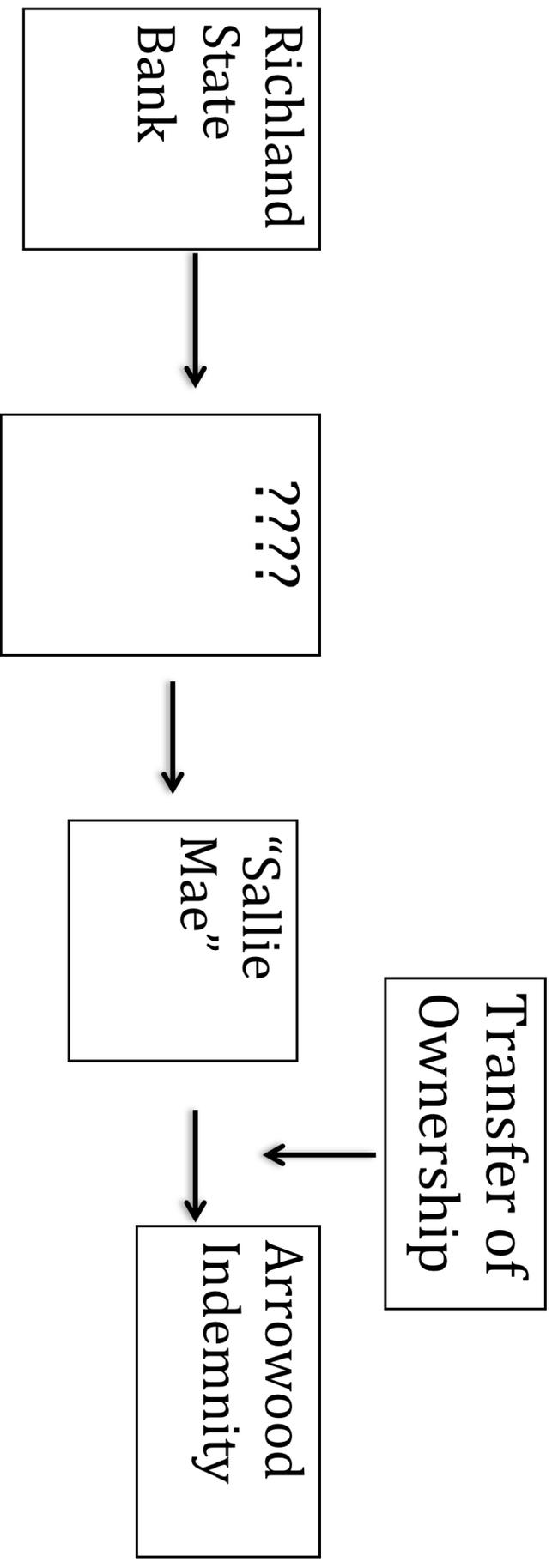
DAYS DELINQUENT 149 1ST PNT DUE 02/07/09 SCHED TERM 240
DELINQUENCY DT 02/07/09 RPMT BEG DT 07/08/88 MAX PAYOFF DT 08/07/28
INT ACCR TO DT 07/01/09 INT PAID TO DT 01/08/09 CAP INT \$6,818.84
1ST DISB DT 01/08/01 1ST DISB AMT \$15,000.00 GUAR LOAN ID [REDACTED]
NUM OF PNTS MADE 0

SEP DATE 01/07/06 GRACE 06 LOAN INT RATE 2.75000 PURCH DT 05/07/05
DEFER USED M P S V U F N T E I Z B W Q 24 X K
D S R F N T L C J M

DISBURSEMENT SCHEDULE

STATUS DATE DISB AMT CHECK AMT CHK SEQ NUM METHOD
DISBURSEMENT INFO N/A

Arrowwood Indemnity Flow Chart



APPENDIX 2

COMMONWEALTH OF KENTUCKY
IN THE PULASKI COUNTY CIRCUIT COURT
F DIVISION

CASE NO 12-CI-00629

National Collegiate Student Loan Trust 2007-3 .
C/O FMD Legal
800 Boylston St, 34Th Floor
Boston, MA 02199-
Plaintiff

vs.

AKA [REDACTED]
Somerset, KY 42503-5095

AKA [REDACTED]
Somerset, KY 42503-5095

Defendant(s)

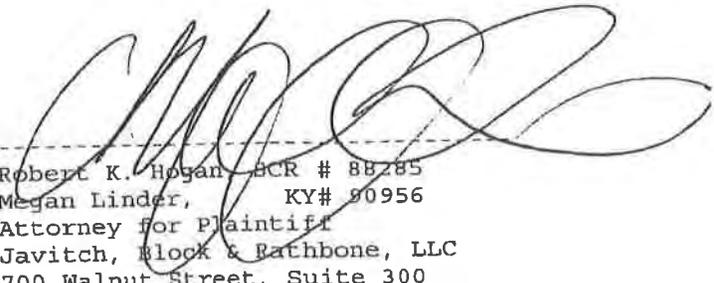
FILED
GEORGE FLYNN, CLERK
MAY 16 2012
PULASKI CIR/CLERK
BY _____ D.C.

COMPLAINT

1. Plaintiff is the holder of a Promissory Note executed by the Defendant(s) on August 17, 2007. A copy of the said Promissory Note is attached hereto and incorporated herein as "Exhibit A".
2. The amount due and owing on the Promissory Note by the Defendant(s) to the Plaintiff is \$11,651.95 plus accrued interest of \$1,884.41 through March 10, 2012 plus interest at the rate of 6.00% per annum thereafter.
3. Although demand has been made, Defendant(s) has/have failed to liquidate the balance due and owing.

CIN L90272 A PLB

WHEREFORE, the Plaintiff demands Judgment against the Defendant(s) in the amount of \$11,651.95 plus accrued interest of \$1,884.41 through March 10, 2012 plus interest at the rate of 6.00% per annum thereafter and costs herein.



Robert K. Hogan BCR # 88285
Megan Linder, KY# 90956
Attorney for Plaintiff
Javitch, Block & Rathbone, LLC
700 Walnut Street, Suite 300
Cincinnati OH 45202-
(513) 744-9600
CIN@JBANDR.COM
FAX (513) 744-9602

K242-64 r 10.06.11
CIN L90272 A PLB

L90278

001

*** Cosigned * Loan Request/Credit Agreement - Signature Page**
NON-NEGOTIABLE CREDIT AGREEMENT - THIS IS A CONSUMER CREDIT TRANSACTION

LOAN PROGRAM INFORMATION

Active Undergraduate Loan Academic Period: 08/2007-05/2008

Lender: Union Federal Savings Bank School: EASTERN KENTUCKY UNIVERSITY DML
H207

Loan Amount Requested: \$9000.00 Repayment Option: Full Deferral

Deferral Period Margin: 5.75 Repayment Period Margin: 5.75 Loan Origination Fee Percentage: 9.50

STUDENT BORROWER INFORMATION

Borrower Name: [Redacted] Home Address: [Redacted]

Social Security: [Redacted] Date of Birth: [Redacted] Home Telephone: [Redacted]

Mobile Telephone: [Redacted] E-mail Address: DML

Student Citizenship (check one box): U.S. Citizen Eligible Non-Citizen (Attach front & back copy of CIS or student visa card)

Note: Personal reference name and address cannot match that of the Cosigner.

Personal Reference Name: [Redacted] Reference Home Tel: [Redacted] Work Tel #: [Redacted]

Reference Street Address: [Redacted]

Reference City/State/Zip: Morehead, KY 40351

COSIGNER INFORMATION (Must be age of majority in state of residence)

Cosigner Name: [Redacted] Home Telephone: [Redacted]

Social Security: [Redacted] Date of Birth: [Redacted] Home Telephone: [Redacted]

Mobile Telephone: [Redacted] E-mail Address: DML

Have you ever defaulted on a student loan or declared bankruptcy? No Yes

Employer Telephone: [Redacted]

Current Employer: DISABILITY Years There: 15 Years

Current Position: Unemployed (with income)

Years at Previous Employment: 0 Years

Allimony, child support, or separate maintenance incomes do not have to be revealed if you do not want them considered for repaying this obligation. If you are relying on such additional income, please provide details on a separate sheet of paper.

Cosigner Citizenship (check one box): U.S. Citizen Eligible Non-Citizen (Attach front & back copy of CIS)

Note: Personal reference name and address cannot match that of the Student.

Personal Reference Name: [Redacted] Reference Home Tel: [Redacted] Work Tel #: [Redacted]

Reference Street Address: [Redacted]

Reference City/State/Zip: Richmond, KY 40475

By my signature, I certify that I have read, understand and agree to the terms of and undertake the obligations set forth on all four (4) pages of this Loan Request/Credit Agreement UF-07-08-CSX1.10DC.0207 ("Credit Agreement"). I understand that any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties, which may include fines or imprisonment. This Credit Agreement is signed under seal. (I understand that I am not required to fax my signature or to sign electronically this Credit Agreement and any related notices that require signature. If I choose to fax my signature or to sign electronically this Credit Agreement and any related notices that require signature, I intend: (i) my fax or electronic signature and related notices to be an original document, (ii) to conduct business with the Lender by electronic records and electronic signatures, and (iv) that this Credit Agreement will not be governed by Article 3 of the Uniform Commercial Code, and my obligations under this Credit Agreement will not be subject to, but any transfer of my obligations will be subject to, Article 9 of the Uniform Commercial Code.)

PLEASE SIGN BELOW - RETURN This Page With Proof of Income and Other Information (if applicable) - FAX TO: 800-704-9406

Signature of Borrower [Redacted] Date August 17, 2007

BY SIGNING THIS CREDIT AGREEMENT BELOW, I CERTIFY THAT I INTEND TO (i) APPLY FOR JOINT CREDIT AND (ii) BE JOINTLY LIABLE WITH THE BORROWER FOR THIS LOAN.

Signature of Cosigner [Redacted] Date 8-17-07

A

NOTE DISCLOSURE STATEMENT

\$ 9,944.75

Borrower(s)

Student:
Date:

August 21, 2007
Lender Name and Address:
UNION FEDERAL SAVINGS BANK
1565 MINERAL SPRING AVENUE
NORTH PROVIDENCE, RI 02904

August 21, 2007

This disclosure statement relates to your Loan Note disbursed on August 21, 2007. Because your Loan is either being disbursed or entering repayment, or the repayment terms are being modified, the following information about your Loan is being given to you.

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate. 12.371 %	The dollar amount the credit will cost you. \$ 19,344.00	The amount of credit provided to you or on your behalf. \$ 9,000.00	The amount you will have paid after you have made all payments scheduled. \$ 28,344.00

Your payment schedule will be:

Number of Payments	Amount of Payments	When Payments are due
240	\$ 118.10	On the 15th day of each month beginning 12/2008

VARIABLE RATE: The Annual Percentage Rate, which is based on an index plus a margin, may increase during the term of the loan if the index rate increases. The index is (check one):

- Prime Rate Index Adjusted Monthly - The highest U.S. bank prime rate published in the "Money Rates" section of The Wall Street Journal (Eastern Edition) on the last business day of each calendar month.
- Prime Rate Index Adjusted Quarterly - The highest U.S. bank prime rate published in the "Money Rates" section of The Wall Street Journal (Eastern Edition) on the last business day of each calendar quarter.
- LIBOR Index Adjusted Quarterly - The average of the one-month London Interbank Offered Rates published in the "Money Rates" section of The Wall Street Journal (Eastern Edition) on the first business day of each of the three (3) calendar months immediately preceding the first day of each calendar quarter.
- LIBOR Index Adjusted Monthly - The one-month London Interbank Offered Rate published in the "Money Rates" section of The Wall Street Journal (Eastern Edition) on the first business day of the preceding calendar month.

Any increase in the index and the Annual Percentage Rate which occurs while principal payments are deferred will increase the amount of any current and all future payments. Any increase in the index and the Annual Percentage Rate which occurs while principal and interest payments are deferred will increase the amount of all future payments. Any increase in the index and the Annual Percentage Rate which occurs after you have begun to make principal and interest payments on your loan will increase the amount of your future principal and interest payments beginning with your next annual payment adjustment date. For example, assume you obtain a loan in your junior year, in the amount of \$10,000, at an interest rate of 11%, and you defer principal and interest payments until after your graduation, and the repayment term of the loan is 20 years. If the interest rate increased to 12% on January 1st of your senior year, the interest which accrues while principal and interest payments are deferred will increase by \$91.01, and your monthly principal and interest payments would increase by \$9.37.

LATE CHARGES: If a payment is more than 15 days late, you may be charged \$5.00 or 5% of the payment, whichever is less. If you default, Lender (or any subsequent holder of your Loan Note) may increase the margin used to compute the Annual Percentage Rate by two percentage points (2%).

PREPAYMENT: If you pay off early, you will not have to pay a penalty.

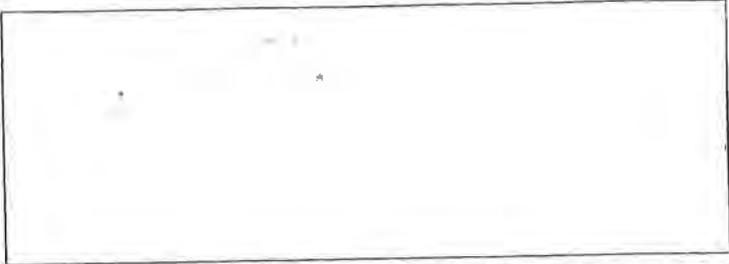
Estimates: All numerical disclosures except the late payment disclosure are estimates.

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

Principal Amount of Note (Amount Financed plus Prepaid Finance Charge)	\$ 9,944.75
Itemization of Amount Financed	
Amount paid to [REDACTED]	\$ 9,000.00
Amount paid to [REDACTED]	\$ 9,000.00
Total Amount Financed	\$ 9,000.00
Itemization of Prepaid Finance Charge	
Origination Fee	\$ 944.75
Total Prepaid Finance Charge(s)	\$ 944.75

A1

You have been conditionally approved for a Private Education Loan. Attached is your Loan Request/Credit Agreement. Please review it carefully and follow the steps listed below for final loan approval and disbursement of your funds.



**This is a Legal Document
Urgent Reply Requested**

Please follow the instructions on the following page to complete your application. Be sure to include your Loan ID# and/or SSN# on ALL correspondence.

Your Loan ID# is located in the footer of this page. It is the eight digit number following "A1".



Once Completed – RETURN all signed paperwork and all requested documents.

- For faster loan processing, fax all documents to [] .
- Return all information by mail to the address below.
For regular delivery, send to: []
P.O. Box 848108
Boston, MA 02284-8108
For overnight delivery, send to: []
One Cabot Road, Second Floor
Medford, MA 02155-5141

Frequently Asked Questions

- 1. Q: What could cause my loan to be delayed?
A: The most common delays are caused by unprocessable or incomplete proof of enrollment or income as described in steps 2 and 3 on the following page.
- 2. Q: How can I check the status of my loan and confirm the disbursement date of my funds?
A: You can check the status of your loan and confirm the disbursement date at any time. Simply visit us online at [] or call us at [] .



Applications not completed within 90 days will be considered withdrawn.
Before returning this Credit Agreement, read the entire document and sign and date the Signature Page where indicated.

A2

Credit Agreement Instructions

(For your reference only; you do not need to return this checklist)

Step 1: REVIEW all pre-printed information, complete and SIGN the Credit Agreement



Check Box

- If you find any incorrect information, please correct the information and initial the change(s). Please note that certain changes may require the issuance of a new Credit Agreement for signature.
- Legibly sign and date** by hand the bottom of the Signature Page of the Credit Agreement. The signatures of the borrower and cosigner must match the names pre-printed on the Credit Agreement.
- If you have made an error on the signature or date lines, either download another copy or contact us as you will need to complete a new Credit Agreement.

Step 2: ATTACH proof of enrollment



Check Box

- If this loan is for the current and/or an upcoming semester, please submit documentation in one of the following formats:

- Current tuition bill or current class/registration schedule that shows the following:
 - Student Name
 - School Name
 - Academic period that matches the period on the Credit Agreement

OR

- Acceptance letter from the school verifying enrollment that shows the following:
 - Student Name
 - School Name
 - Academic period that matches the period on the Credit Agreement

- If this loan is for a past due balance, please submit a current invoice (less than 60 days old) indicating the name of the school, the name of the student, and the dates of and the amount owed for the specific academic period.

Step 3: ATTACH proof of income



Check Box

- For wage earners: Provide one of the following documents:

- Legible copy of the cosigner's current paystub that shows the following:
 - Dated within the last 60 days
 - Employer Name
 - Employee Name
 - Year-to-date earnings or date of hire

OR

- Signed letter from the cosigner's employer that shows the following:
 - Dated within the last 60 days
 - Employer Name and letterhead
 - Employee Name
 - Year-to-date earnings or annual salary
 - Employee's hire date

- For self-employed individuals: Provide the cosigner's complete federal tax returns (1040's) for the last 2 years, including all schedules and signatures (or IRS receipt confirmation for electronically filed returns).
- For retired individuals: Provide the cosigner's pension statement (1099) or Social Security Statement (1099) for the last year or a current year award letter showing pension or retirement income.
- For individuals relying on alimony or child support payments to repay this loan: Provide a complete copy of the divorce decree and a signed copy of the cosigner's federal tax return (1040's) for the past two years.

Step 4: ATTACH proof of immigration status (for eligible non-U.S. citizens only)



Check Box

- If the cosigner is an eligible non-citizen, the cosigner must provide a current Resident Alien Card, Form I-551 (i.e., Green Card) showing that the cosigner is a permanent resident alien of the United States.
- If the student Borrower is an eligible non-citizen, the student Borrower must provide one of the following forms demonstrating that the student Borrower has the legal right to remain in the United States for the academic period:
 - Current Form I-20 showing F-1 or M-1 status;
 - Current Form DS-2019 showing J-1 status;
 - Permanent Resident Alien card, Form I-551 (i.e., Green Card)
 - Current Form I-94 (Arrival-Departure record) issued from BCIS (Front/back copy) showing F, M or J status;
 - Stamped passport along with a Notice of Action letter.

If you have questions, please have your Loan ID# available and call:

{WOK31316.1} UF.07-08.CSX1.10DC.0207

NON-NEGOTIABLE CREDIT AGREEMENT – THIS IS A CONSUMER CREDIT TRANSACTION

LOAN PROGRAM INFORMATION

Loan Program: _____ Academic Period: _____

Lender: Union Federal Savings Bank School: _____

Loan Amount Requested: _____ Repayment Option: _____

Deferral Period Margin: _____ Repayment Period Margin: _____ Loan Origination Fee Percentage: _____

STUDENT BORROWER INFORMATION

Borrower Name: _____ Home Address: _____ Home Telephone: _____

Social Security #: _____ Date of Birth: _____

Mobile Telephone: _____ E-mail Address: _____

Student Citizenship (check one box): U.S. Citizen Eligible Non-Citizen (Attach front & back copy of CIS or student visa card)

Note: Personal reference name and address cannot match that of the Cosigner

Personal Reference Name: _____ Reference Home Tel #: _____ Work Tel #: _____

Reference Street Address: _____

Reference City/State/Zip: _____

COSIGNER INFORMATION (Must be age of majority in state of residence)

Cosigner Name: _____ Home Address: _____ Home Telephone: _____

Social Security #: _____ Date of Birth: _____

Mobile Telephone: _____ E-mail Address: _____

Have you ever defaulted on a student loan or declared bankruptcy? No Yes

Current Employer: _____ Employer Telephone: _____

Current Position: _____ Years There: _____

Years at Previous Employment: _____

Allimony, child support, or separate maintenance incomes do not have to be revealed if you do not want them considered for repaying this obligation. If you are relying on such additional income, please provide details on a separate sheet of paper.

Cosigner Citizenship (check one box): U.S. Citizen Eligible Non-Citizen (Attach front & back copy of CIS)

Note: Personal reference name and address cannot match that of the Student.

Personal Reference Name: _____ Reference Home Tel #: _____ Work Tel #: _____

Reference Street Address: _____

Reference City/State/Zip: _____

By my signature, I certify that I have read, understand and agree to the terms of and undertake the obligations set forth on all four (4) pages of this Loan Request/Credit Agreement UF.07-08.CSX1.10DC.0207 ("Credit Agreement"). I understand that any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties, which may include fines or imprisonment. This Credit Agreement is signed under seal. [I understand that I am not required to fax my signature on or to sign electronically this Credit Agreement and any related notices that require signature. If I choose to fax my signature on or to sign electronically this Credit Agreement and any related notices that require signature, I intend: (i) my fax or electronic signature to be an electronic signature under applicable federal and state law, (ii) any fax printout or printout of Lender's electronic record of this Credit Agreement and related notices to be an original document, (iii) to conduct business with the Lender by electronic records and electronic signatures, and (iv) that this Credit Agreement will not be governed by Article 3 of the Uniform Commercial Code, and my obligations under this Credit Agreement will not be subject to, but any transfer of my obligations will be subject to, Article 9 of the Uniform Commercial Code.]

PLEASE SIGN BELOW RETURN This Page With Proof of Income and Other Information (if applicable) **FAX TO:** _____

Signature of Borrower _____ Date _____

BY SIGNING THIS CREDIT AGREEMENT BELOW, I CERTIFY THAT I INTEND TO (i) APPLY FOR JOINT CREDIT AND (ii) BE JOINTLY LIABLE WITH THE BORROWER FOR THIS LOAN.

Signature of Cosigner _____ Date _____

A4

In this Credit Agreement, the words "I", "me", "my", "mine" mean the person(s) who signed this Credit Agreement as Borrower and/or Cosigner. The words "you", "your", "yours", and "Lender" mean Union Federal Savings Bank, its successors and assigns, and any other holder of this Credit Agreement. "School" means the school named at the top of the first page of this Credit Agreement. The "servicer" means the Lender or any entity it designates to service my loan.

A. PROMISE TO PAY: I promise to pay to you the principal sum of the Loan Amount Requested shown on the first page of this Credit Agreement, to the extent it is advanced to me or paid on my behalf, and any Loan Origination Fee added to my loan (see Paragraph F) (together the "Principal Sum"), interest on such Principal Sum, interest on any unpaid interest added to the Principal Sum and late fees (see Paragraph E.6).

B. IMPORTANT - READ THIS CAREFULLY:

1. When you receive my signed Credit Agreement, you are not agreeing to lend me money. If you decide to make a loan to me, you will electronically transfer the loan funds to the School for me, mail a loan check to the School for me, or mail a loan check directly to me. You have the right to not make a loan or to lend an amount less than the Loan Amount Requested. I agree to accept an amount less than the Loan Amount Requested and to repay that portion of the Loan Amount Requested that you actually lend to me along with interest and all other amounts I owe (see Paragraph A). You have the right to disburse my loan through an agent. At your option, you may also make any loan check co-payable to me and the Cosigner or to me and the School.

2. **HOW I AGREE TO THE TERMS OF THIS LOAN.** By signing this Credit Agreement, and submitting it to the Lender, I am requesting that you make this loan to me in an amount equal to the Loan Amount Requested plus any Loan Origination Fee described in Paragraph F of this Credit Agreement. If you approve this request and agree to make this loan, you will notify me in writing and provide me with a Disclosure Statement, as required by law, at the time the loan proceeds are disbursed. The Disclosure Statement is incorporated herein by reference and made a part hereof. The Disclosure Statement will tell me the amount of the loan which you have approved, the amount of the Loan Origination Fee, and other important information. I will let you know that I agree to the terms of the loan as set forth in this Credit Agreement and in the Disclosure Statement by doing either of the following: (a) endorsing or depositing the check that disburses the loan proceeds; or (b) allowing the loan proceeds to be used by or on behalf of the student Borrower without objection. Upon receipt of the Disclosure Statement, I will review the Disclosure Statement and notify you in writing if I have any questions. If I am not satisfied with the terms of my loan as disclosed in the Disclosure Statement, I may cancel my loan. To cancel my loan, I will give you a written cancellation notice within ten (10) days after I receive the Disclosure Statement. If loan proceeds have been disbursed, I agree that I will immediately return the loan proceeds to you, will not endorse any check which disburses the loan proceeds and will instruct the School to return any loan proceeds to you. If I give notice of cancellation but do not comply with the requirements of this Paragraph B.2, this Credit Agreement will not be canceled and I will be in default of this Credit Agreement. (See Paragraph I.)

C. DEFINITIONS:

1. "Disbursement Date" means the date or dates on which you lend money to me in consideration for my Credit Agreement and will be the date(s) shown on any loan check you prepare or the date(s) you initiate any electronic funds transfer.

2. The "Deferment Period" will begin on the Disbursement Date and end on the Deferment End Date.

3. "Deferment End Date" means the date specified below for the applicable loan program (the applicable loan program is stated on the first page of this Credit Agreement).

(a) **Undergraduate Alternative Loan Program:** If I have elected the "Immediate Repayment" option (the applicable repayment option is stated on the first page of this Credit Agreement), there is no Deferment Period, and my first payment will be 30-60 days after the disbursement of my loan. If I have elected the "Interest Only" repayment option (the applicable repayment option is stated on the first page of this Credit Agreement), then interest payments will begin 30-60 days after the disbursement of my loan, the "Deferment End Date" will be the date the student Borrower first graduates or ceases to be enrolled at least half-time in the School (or another school participating in this loan program), and principal and interest payments will begin 30-60 days after that date. In any event, if I have elected the "Interest Only" repayment option, the Deferment End Date will be no more than 5 years after the Disbursement Date. If I have elected the "Full Deferral" repayment option (the applicable repayment option is stated on the first page of this Credit Agreement), then the "Deferment End Date" will be 180 days after the date the student Borrower first graduates or ceases to be enrolled at least half-time in the School (or another school participating in this Loan Program). In any event, if I have elected the "Full Deferral" repayment option, the Deferment End Date will be no more than 5 1/2 years after the Disbursement Date. For borrowers who chose the "Interest Only" or "Full Deferral" repayment options, joint and serial (associates to bachelors) degree recipients may continue in-school deferment while completing their second degree, up to the 5-year or 5 1/2-year maximum.

(b) **Undergraduate Alternative Loan Program:** If I have elected the "Interest Only" repayment option (the applicable repayment option is stated on the first page of this Credit Agreement), then interest payments will begin 30-60 days after the disbursement of my loan, the "Deferment End Date" will be the date the student Borrower first graduates or ceases to be enrolled at least half-time in the School (or another school participating in this Loan Program), but no more than 4 1/2 years after the Disbursement Date; provided, however, that if the student Borrower begins a medical residency or internship during the Deferment Period, then the Deferment Period will end 180 days after the day the residency or internship ends, but no more than 8 1/2 years after the Disbursement Date.

4. The "Repayment Period" begins the day after the Deferment Period ends. If there is no Deferment Period for my loan, the Repayment Period will begin when my loan is fully disbursed. The Repayment Period is 20 years unless monthly payments equal to the minimum monthly payment amount (See Paragraph E.2) will repay all amounts owed in less than 20 years, in which case the Repayment Period will be the number of months necessary to pay in full the amount I owe at the minimum payment.

D. INTEREST:

1. **Accrual** - Beginning on the Disbursement Date, interest will be calculated at the Variable Rate (Paragraph D.2) and charged on the Principal Sum, and on any unpaid interest later added to the Principal Sum according to Paragraph D.3. During the Repayment Period, interest will be calculated at the Variable Rate and charged on the outstanding balance of this Credit Agreement until all amounts are paid in full. Interest will be calculated on a daily simple interest basis. The daily interest rate will be equal to the annual interest rate in effect on that day, divided by the number of days in that calendar year.

2. **Variable Rate** - The "Variable Rate" is equal to the Current Index plus a Margin. The Margins for both the Deferment Period and the Repayment Period are shown on the first page of this Credit Agreement. In no event will the Variable Rate exceed the maximum interest rate allowed by the laws of the State of Rhode Island. The Variable Rate will change monthly on the first day of each calendar month (the "Change Date(s)") if the Current Index changes. The "Current Index" for any calendar month (or for any shorter period beginning on the Disbursement Date and ending on the last day of a calendar month) is based on the one-month London Interbank Offered Rate ("LIBOR") as published in the "Money Rates" section of *The Wall Street Journal* (Eastern Edition). The index for each calendar month (or for any shorter period beginning on a Disbursement Date and ending on the last day of a calendar month) will equal the LIBOR rate published on the first business day of the immediately preceding calendar month, rounded to the nearest one-hundredth of one percent (0.01%). If *The Wall Street Journal* (Eastern Edition) is not published or the Current Index is not given on that date, then the Current Index will be determined by using the immediately preceding published Current Index. If the Current Index is no longer available, you will choose a comparable index.

3. **Capitalization** - If I have elected the "Full Deferral" repayment option (the applicable repayment option is stated on the first page of this Credit Agreement), I am not obligated to make any payments until the loan enters the Repayment Period and you will add unpaid accrued interest to the principal loan balance as of the last day of each calendar quarter (the last day of December, March, June and September) during the Deferment Period and as of the last day of my Deferment Period. Interest that is added to principal is called "Capitalized" interest. Capitalized interest will be treated as principal. In addition, if I am in default (see Paragraph I) and the loan has been sold to TERI (see Paragraph L.12), TERI may capitalize accrued and unpaid interest as of the date it purchases my loan. I understand that you will also add all accrued and unpaid interest to the principal balance of my loan at the end of any forbearance period (see Paragraph H). In all cases, the sum of the interest you capitalize plus the then-outstanding principal balance is thereafter considered the principal balance, and interest will accrue on the new principal balance.

E. TERMS OF REPAYMENT:

1. **Deferment Period** - If I have elected either the "Interest Only" repayment option or the "Full Deferral" repayment option (the applicable repayment option is stated on the first page of this Credit Agreement), you may, or, if required by applicable law, will send statements during the Deferment Period (showing the total outstanding principal balance of my loan and the interest that has accrued on my loan). You reserve the right to send statements or notices to either the Borrower or the Cosigner. Statements will be sent to me at the address shown on your records. If I have elected the "Interest Only" repayment option, I agree to make payments each month during the Deferment Period equal to the accrued interest on the outstanding balance of this Credit Agreement. If I have elected the "Full Deferral" repayment option I may, but am not required to make payments during the Deferment Period. You will add any interest that I do not pay during the Deferment Period to the principal balance, as described in Paragraph D.3.

2. **Repayment Period** - The amount of my monthly payment ("Monthly Payment Amount") will be established based on the rules in this Credit Agreement when my Repayment Period begins. During the Repayment Period, you will send me monthly statements that show the Monthly Payment Amount and the payment due dates, and I will pay the Monthly Payment Amount shown on my monthly statement, which will in no event be less than \$25 or the unpaid balance, whichever is less. I understand that the Monthly Payment Amount is due each month. I may pay more than my Monthly Payment Amount at any time without penalty or charge. If my loan is paid in full, I may, but will not be required to make monthly payments. I reserve the right to send monthly statements to the Borrower and/or the Cosigner. Even if I do not receive monthly statements, I will make consecutive monthly payments in amounts at least equal to the Monthly Payment Amount by the applicable payment due dates until I have paid all

of the principal and interest and any other charges I owe under this Credit Agreement.

3. Repayment Period - My Monthly Payment Amount will be calculated as of the day the Repayment Period begins ("Repayment Date"). It will be recalculated (a) once each year prior to the anniversary of the Repayment Date, (b) if the Variable Rate changes between anniversaries of the Repayment Date to the extent that the Monthly Payment Amount would not pay in full the accrued monthly interest on my loan, (c) following any subsequent deferment or forbearance period or (d) following any request by the Borrower to the servicer to change the monthly payment due date (each of which events is a new "Repayment Date"). As of any Repayment Date, my Monthly Payment Amount will be recalculated. My new Monthly Payment Amount will be disclosed to me by the servicer. The new Monthly Payment Amount will equal the amount necessary to pay in full, over the number of months remaining in the Repayment Period, the amount I owe in equal monthly installments of principal and interest at the Variable Rate in effect at the time of the calculation. I understand that this may result in a reduction or increase in my monthly payment as calculated as of each Repayment Date. I understand that during the Repayment Period (and, if I have elected the "Interest Only" repayment option, during the period of interest payments) the servicer may change the monthly payment due date of future payments to a later date for the convenience of the servicer in processing payments or in order to coordinate the due dates of all of my loans processed by the servicer.

4. Amounts Owed at the End of the Repayment Period - Since interest accrues daily upon the unpaid principal balance of my loan, if I make payments after my payment due dates, I may owe additional interest. If I have not paid my late fees, I will also owe additional amounts for those late fees. In such cases you will increase the amount of my last monthly payment to the amount necessary to repay my loan in full.

5. Payments - Payments will be applied first to late fees, other fees and charges, accrued interest, and the remainder to principal.

6. Other Charges - If any part of a monthly payment remains unpaid for a period of more than 15 days after the payment due date, I will pay a late fee not exceeding \$5.00 or 5% of the overdue payment amount, whichever is less. To the extent permitted by law, I agree to pay you all amounts you incur in enforcing the terms of this Credit Agreement, including reasonable collection agency and attorney's fees and court costs and other collection costs.

F. LOAN ORIENTATION FEE: If you charge me, I will pay you a Loan Origination Fee at the time my loan is disbursed. The dollar amount of any Loan Origination Fee will be determined by multiplying the Principal Sum times the Loan Origination Fee Percentage shown on the first page of this Credit Agreement. The percentage would be higher if computed only on the amount advanced rather than on the entire Principal Sum (Loan Origination Fee plus the loan amount advanced). For example, a nominal Loan Origination Fee of 6.5% on the entire principal amount would equal 6.9519% of the amount advanced. The Loan Origination Fee I will pay, if any, will be shown on my Disclosure Statement and included with the Principal Sum. To the extent permitted by law, and unless I timely cancel this Credit Agreement (see Paragraph B.2), I will not be entitled to a refund of any Loan Origination Fee after my loan has been disbursed.

G. RIGHT TO PREPAY: I have the right to prepay all or any part of my loan at any time without penalty.

H. FORBEARANCE: If I am unable to repay my loan in accordance with the terms established under this Credit Agreement because of a hardship such as financial or medical difficulty, I may request that you modify these terms. I understand that such modification would be at your option, and, to the extent not prohibited by applicable law, you may charge me a fee equal to two percent (2%) of the outstanding principal balance if you agree to modify the terms of this Credit Agreement. I understand that I will remain responsible for all interest accruing during any period of forbearance and that you will add any 2% fee described in the previous sentence and all interest that I do not pay during any forbearance period to the principal balance, as described in Paragraph D.3.

I. WHOLE LOAN DUE: To the extent permitted by applicable law, I will be in default and you have the right to give me notice that the whole outstanding principal balance, accrued interest, and all other amounts payable to you under the terms of this Credit Agreement, are due and payable at once (subject to any applicable law which may give me a right to cure my default) if: (1) I fail to make any monthly payment to you when due, (2) I die, (3) I break any of my other promises in this Credit Agreement, (4) any bankruptcy proceeding is begun by or against me, or I assign any of my assets for the benefit of my creditors, or (5) I make any false written statement in applying for this loan or any other loan or at any time during the Deferment or Repayment Periods. If I default, I will be required to pay interest on this loan accruing after default. The interest rate after default will be subject to adjustment in the same manner as before default. Upon default, you may also capitalize any interest and fees (i.e., add accrued and unpaid interest and fees to the principal balance), and increase the Margin used to compute the Variable Rate by two percentage points (2%).

J. NOTICES:

1. I will send written notice to you, my cosigner, or the servicer within ten days of any change in name, address, or enrollment status (for example, if the Borrower withdraws from the School or transfers to another school participating in this loan program).

2. Any notice required to be given to me by you will be effective when mailed by first class mail to the latest address you have for me. Unless required by applicable law, you need not give a separate notice to the Cosigner.

K. INFORMATION:

1. I must update the information I provided to you whenever you ask me to do so.
2. I authorize you from time to time to request and receive from others credit related information about me (and about my spouse if I live in a community property state).

3. CREDIT BUREAU REPORTING

You may report information about my account to credit bureaus. Late payments, missed payments, or other defaults in my account may be reflected in my credit report.

I understand that the reporting of information about my account to credit bureaus may adversely affect my credit rating and my ability to obtain other credit. You may also provide the School with certain personally-identifiable information about me (such as my Social Security Number and my Loan ID number) and report the status of my loan and my payment history, including information about a late payment, missed payment or other defaults, to the School and others in accordance with applicable law.

L. ADDITIONAL AGREEMENTS:

1. I understand that you are located in Rhode Island and that this Credit Agreement will be entered into in the same state. CONSEQUENTLY, THE PROVISIONS OF THIS CREDIT AGREEMENT WILL BE GOVERNED BY FEDERAL LAW AND THE LAWS OF THE STATE OF RHODE ISLAND, WITHOUT REGARD TO CONFLICT OF LAW RULES.

2. The proceeds of this loan will be used only for my educational expenses at the School. The Cosigner will not receive any of the loan proceeds.

3. My responsibility for paying the loan evidenced by this Credit Agreement is unaffected by the liability of any other person to me or by your failure to notify me that a required payment has not been made. Without losing any of your rights under this Credit Agreement you may accept (a) late payments, (b) partial payments or (c) payments marked "paid in full" or with other restrictions. You may delay, fail to exercise, or waive any of your rights on any occasion without losing your entitlement to exercise the right at any future time, or on any future occasion. You will not be obligated to make any demand upon me, send me any notice, present this Credit Agreement to me for payment or make protest of non-payment to me before suing to collect on this Credit Agreement if I am in default, and to the extent permitted by applicable law, I hereby waive any right I might otherwise have to require such actions. I WILL NOT SEND YOU PAYMENTS MARKED "PAID IN FULL", "WITHOUT RECOURSE" OR WITH OTHER SIMILAR LANGUAGE UNLESS THOSE PAYMENTS ARE MARKED FOR SPECIAL HANDLING AND SENT TO THE ADDRESS IDENTIFIED FOR SUCH PAYMENTS ON MY BILLING STATEMENT, OR TO SUCH OTHER ADDRESS AS I MAY BE GIVEN IN THE FUTURE.

4. I may not assign this Credit Agreement or any of its benefits or obligations. You may assign this Credit Agreement at any time.

5. The terms and conditions set forth in this Credit Agreement and the Disclosure Statement constitute the entire agreement between you and me.

6. If any provision of this Credit Agreement is held invalid or unenforceable, that provision shall be considered omitted from this Credit Agreement without affecting the validity or enforceability of the remainder of this Credit Agreement.

7. A provision of this Credit Agreement may only be modified if jointly agreed upon in writing by you and me. Any modification will not affect the validity or enforceability of the remainder of this Credit Agreement.

8. To the extent permitted by law, you have the right to apply money from any of my deposit account(s) with you to pay all or a portion of any amount overdue under this Credit Agreement. I hereby authorize you to obtain from the School all amounts which may be owed to me by the School, including any refund due to overpayment, early termination of enrollment, or otherwise.

9. If this Credit Agreement is executed by more than one Borrower, each Borrower agrees that any communication between you and any of the Borrowers will be binding on all of the Borrowers. I intend to be treated as a principal of this Credit Agreement and not as a surety. To the extent I may be treated as a surety, I waive all notices to which I might otherwise be entitled as such by law, and all suretyship defenses that might be available to me (including, without limitation, contribution, subrogation and exoneration). I agree that the Borrower may agree to any forbearance or other modification of the repayment schedule and that such agreement will be binding on me. It shall not be necessary for you to resort to or exhaust your remedies against the Borrower before calling upon me to make repayment. For purposes of this paragraph only, "I" and "me" refer to the Cosigner only.

10. All dollar amounts stated in this Credit Agreement are in United States Dollars. I will make all payments in United States Dollars with no deduction or agency charge.

11. If the student Borrower fails to complete the education program paid for with this loan, the Cosigner and I are not relieved of any obligations herein pursuant to this Credit Agreement.

12. I understand and agree that this loan is an education loan and certify that it will be used only for costs of attendance at School. I acknowledge that the requested loan is subject to the limitations on dischargeability in bankruptcy contained in Section 523 (a) (8) of the United States Bankruptcy Code because either or both of the following apply: (a) this loan was made pursuant to a program funded in whole or in part by The Education Resources Institute, Inc. ("TERI"), a non-profit institution, or (b) this is a qualified education loan as defined in the Internal Revenue Code. This means that if, in the event of bankruptcy, my other debts are discharged, I will probably still have to pay this loan in full.

13. I authorize any school that I may attend to release to you, and any other persons designated by you, any requested information pertinent to this loan (e.g., enrollment status, prior loan history, and current address).

14. I authorize the Lender, any subsequent holder of this Credit Agreement, and their agents to: (1) advise the School of the status of my application and my loan, (2) respond to inquiries from prior or subsequent lenders or holders with respect to my Credit Agreement and related documents, (3) release information and make inquiries to the persons I have given you as references, for the purposes of learning my current address and telephone number, (4) check my credit and employment history and to answer questions about their credit experience with me, and (5) disclose to TERI, the Borrower, and/or the Cosigner either in connection with this transaction or any future transaction all information (including status information and non-public personal information) of the Borrower and/or the Cosigner provided in connection with this Credit Agreement. If in the future I apply for a loan that is guaranteed by TERI and funded by another lender, I also authorize the sharing of application information for this loan (other than information in a consumer report) with the other lender and TERI and the reuse of such information by such new lender and TERI in my new application.

15. Waiver by Lender: You waive (give up) any right to claim a security interest in any property to secure this Credit Agreement. This does not affect any right to offset as a matter of law.

16. If I fax my signature(s) on the first page of this Credit Agreement back to you and keep the copy I signed, I understand that under federal law the fax you receive will be an original of the first page of this Credit Agreement. You and I agree that all copies of this Credit Agreement (including the fax you receive and the copy I retain), taken together, shall constitute a single original agreement.

17. If any Borrower or Cosigner elects to sign electronically an electronic record of this Credit Agreement, then the following will apply as between Lender and such person: (a) Lender will keep a non-modifiable electronic record of this document and provide a copy to me upon request, (b) I can and have downloaded and/or printed a copy of this document for my records or notified the Lender to mail me a copy of this document, and (c) the Lender's electronic record of this document and any printout from that record shall be an original for all purposes, including any lawsuit to collect amounts that I owe. If I physically sign a copy of this document that has been electronically signed by any other Cosigner or Borrower, as between

me and the Lender the copy I sign (and any fax or that copy I may send to Lender) will be an original. However, the electronic signature of another party to this Credit Agreement and the Lender's electronic record of this document containing that signature will be as valid against me as an original, physical document that is physically signed by all parties.
M. DISCLOSURE NOTICES

**ALL APPLICANTS:
IMPORTANT FEDERAL LAW NOTICE—**

Important information about procedures for opening a new account: To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you:

When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

N. BORROWER'S CERTIFICATION: I declare under penalty of perjury under the laws of the United States of America that the following is true and correct. I certify that all information I provided to you in connection with this loan, including without limitation, the information contained in this Credit Agreement, is true, complete and correct to the best of my knowledge and belief and is made in good faith. I understand that I am responsible for repaying immediately any funds that I receive which are not to be used or are not used for educational expenses related to attendance at the School for the academic period stated. I certify that I am not now in default on a Federal Perkins Loan, a Federal Stafford Loan, a Federally Insured Student Loan, a Federal Supplemental Loan for Students (SLS), a Federal PLUS Loan, an Income Contingent Loan, a Federal Consolidation Loan, a Federal Ford Direct Loan, or any other education loan received for attendance at any school.

By signing this Credit Agreement, to the extent permitted by applicable law, I hereby ratify, confirm, and acknowledge the validity of all prior credit agreements I have signed with the Lender for this loan program. I intend and agree that all such credit agreements shall be binding on me. The consideration for this affirmation is the new credit extended by the Lender to me under this Credit Agreement.

NOTICE TO PURCHASERS OF THIS CREDIT AGREEMENT

THIS CREDIT AGREEMENT AND THE LOAN EVIDENCED HEREBY ARE SUBJECT TO THE CLAIMS OF ONE OR MORE SECURED PARTIES OF THE LENDER OR ITS ASSIGNEES. THE PURCHASE OF THIS CREDIT AGREEMENT, OR THE LOAN EVIDENCED HEREBY, WOULD VIOLATE THE RIGHTS OF SUCH SECURED PARTIES.

FEDERAL COSIGNER NOTICE

For the purposes of these Notices, the words "you" and "your" refer to the Cosigner, not the Lender.

NOTICE TO COSIGNER (Traducción en Ingles Se Requiere Por La Ley):

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount.

The holder of the loan can collect this debt from you without first trying to collect from the borrower. The holder of the loan can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become part of your credit record.

This notice is not the contract that makes you liable for the debt.

AVISO PARA EL FIADOR (Spanish Translation Required by Law):

Se le está pidiendo que garantice esta deuda. Piénselo con cuidado antes de ponerse de acuerdo. Si la persona que ha pedido este préstamo no paga la deuda, usted tendrá que pagarla. Está seguro de que usted podrá pagar si sea obligado a pagarla y de que usted desea aceptar la responsabilidad.

Si la persona que ha pedido el préstamo no paga la deuda, es posible que usted tenga que pagar la suma total de la deuda, mas los cargos por tardarse en el pago o el costo de cobranza, lo cual aumenta el total de esta suma.

El acreedor (financiero) puede cobrarle a usted sin, primeramente, tratar de cobrarle al deudor. Los mismos metodos de cobranza que pueden usarse contra el deudor, podran usarse contra usted, tales como presentar una demanda en corte, quitar parte de su sueldo, etc. Si alguna vez no se cumpla con la obligación de pagar esta deuda, se puede incluir esa información en la historia de credito de usted.

Este aviso no es el contrato mismo en que se le echa a usted la responsabilidad de la deuda.

AS

2. I am competent and authorized to testify relating to this action through personal knowledge of the business records, including the electronic data, sent to NCO that detail the education loan records. I also have personal knowledge of the record management practices and procedures of Plaintiff and the practices and procedures Plaintiff requires of its loan servicers and other agents.

3. This lawsuit arose out of an unpaid loan or loans owed by defendant [REDACTED] and [REDACTED] to Plaintiff. Specifically Defendants entered into an education loan agreement at Defendants' special instance and request. A loan was extended for Defendants' to use pursuant to the terms of the loan agreements. Defendants have failed, refused, and/or neglected to pay the balance or balances pursuant to the agreed repayment schedule or schedules.

4. Education loan account records are compiled and recorded as part of Plaintiff's regularly conducted business activity at or near the time of the event and from information transmitted from a person with knowledge of said event, by or from information transmitted by a person with knowledge of the accounts or events described within the business record. Such records are kept, maintained, and relied upon in the course of ordinary and regularly conducted business activity.

5. I am familiar with the education loan records within my possession as custodian of records related to this matter. I have been authorized by Plaintiff to make this certification on behalf of Plaintiff for this case.

6. I have reviewed the education loan records as business records described in this affidavit regarding account number [REDACTED]/001-001000. No payments have been made on the account. After all payments, credits and offsets have been applied, Defendant [REDACTED]

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[REDACTED] and [REDACTED] owe the principal sum of \$11,651.95, together with accrued interest in the amount of \$1,758.08, totaling the sum of \$13,410.03 as of January 04, 2012. Attached hereto as Exhibit "A" and incorporated herein are true and correct copies of the loan records. All documents attached are true and correct original records or true and correct copies of the original record, being reproduced from the original records.

7. I have reviewed the chain of title records as business records described in this affidavit regarding account number [REDACTED] 001-001000. Defendants' educational loan account was transferred from Lender to the current Plaintiff on or about September 20, 2007 and is listed in Schedule 1 as attached thereto. Attached hereto as Exhibit "B" and incorporated herein is a true and correct copy of the chain of title records. All documents attached are true and correct originals records or true and correct copies of the original record, being reproduced from the original records.

8. I declare under the penalty of perjury under the laws of the forum state that the foregoing is true and correct to the best of my knowledge, information and belief.

FURTHER AFFIANT SAYETH NAUGHT.

Chandra Alphabet

AFFIANT

Print Name: **Chandra Alphabet**

Title: **Legal Support Case Manager**

SWORN AND SUBSCRIBED to before me this 19 day of August, 2013



Christopher Thomas
NOTARY PUBLIC

My Commission Expires on

6/24/17

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EX-99.32 28 d720152.htm POOL SUPPLEMENT (UNION FEDERAL SAVINGS BANK)

EXHIBIT 99.32

**POOL SUPPLEMENT
UNION FEDERAL SAVINGS BANK**

This Pool Supplement (the "Supplement") is entered into pursuant to and forms a part of that certain Note Purchase Agreement (the "Agreement") dated as of March 26, 2007, by and between The First Marblehead Corporation and Union Federal Savings Bank (the "Program Lender"). This Supplement is dated as of September 20, 2007. Capitalized terms used in this Supplement without definitions have the meanings set forth in the Agreement.

Article 1: Purchase and Sale.

In consideration of the Minimum Purchase Price set forth below, the Program Lender hereby transfers, sells, sets over and assigns to The National Collegiate Funding LLC (the "Depositor"), upon the terms and conditions set forth in the Agreement (which are incorporated herein by reference with the same force and effect as if set forth in full herein), each UFSB Astrive Conforming Loan described in the attached Schedule 1 (the "Transferred Loans") along with all of the Program Lender's rights under the Guaranty Agreement, and any agreement pursuant to which TER1 granted collateral for its obligations under the Guaranty Agreement, relating to the Transferred Loans. The Depositor in turn will sell the Transferred Loans to a Purchaser Trust. The Program Lender hereby transfers and delivers to the Depositor each UFSB Astrive Note evidencing such Transferred Loan and all Origination Records relating thereto, together with any additional information relating to the Transferred Loans heretofore provided by TER1 (as origination agent) to the Servicer or FMC in connection with the subject Securitization Transaction. The Depositor hereby purchases said UFSB Astrive Notes on said terms and conditions.

Article 2: Price.

The amount paid pursuant to this Supplement is the Minimum Purchase Price, as that term is defined in Section 2.04 of the Agreement.

Article 3: Representations and Warranties.

3.01. By Program Lender.

The Program Lender repeats the representations and warranties contained in Section 5.02 of the Agreement for the benefit of each of the Depositor and the Purchaser Trust and confirms the same are true and correct as of the date hereof with respect to the Agreement and to this Supplement.

3.02. By Depositor.

The Depositor hereby represents and warrants to the Program Lender that at the date of execution and delivery of this Supplement by the Depositor:

(a) The Depositor is duly organized and validly existing as a limited liability company under the laws of the State of Delaware with the due power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted, and had at all relevant times, and has, the power, authority and legal right to acquire and own the Transferred Loans.

(b) The Depositor is duly qualified to do business and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business shall require such qualifications.

(c) The Depositor has the power and authority to execute and deliver this Supplement and to carry out its respective terms; the Depositor has the power and authority to purchase the Transferred Loans and rights relating thereto as provided herein from the Program Lender, and the Depositor has duly authorized such purchase from the Program Lender by all necessary action; and the execution, delivery and performance of this Supplement has been duly authorized by the Depositor by all necessary action on the part of the Depositor.

(d) This Supplement, together with the Agreement of which this Supplement forms a part, constitutes a legal,

valid and binding obligation of the Depositor, enforceable in accordance with its terms.

(e) The consummation of the transactions contemplated by the Agreement and this Supplement and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the governing instruments of the Depositor or any indenture, agreement or other instrument to which the Depositor is a party or by which it is bound; or result in the creation or imposition of any lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument; or violate any law or any order, rule or regulation applicable to the Depositor of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Depositor or its properties.

(f) There are no proceedings or investigations pending, or threatened, before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Depositor or its properties; (i) asserting the invalidity of the Agreement or this Supplement, (ii) seeking to prevent the consummation of any of the transactions contemplated by the Agreement or this Supplement, or (iii) seeking any determination or ruling that is likely to materially or adversely affect the performance by the Depositor of its obligations under, or the validity or enforceability of the Agreement or this Supplement.

Article 4: Cross Receipt.

The Program Lender hereby acknowledges receipt of the Minimum Purchase Price. The Depositor hereby acknowledges receipt of the Transferred Loans included in the Pool.

Article 5: Assignment of Origination, Guaranty and Servicing Rights.

The Program Lender hereby assigns and sets over to the Depositor any claims it may now or hereafter have under the Guaranty Agreement, the Origination Agreement, and the Servicing Agreement to the extent the same relate to the Transferred Loans described in Schedule I, other than any right to obtain servicing after the date hereof. It is the intent of this provision to vest in the Depositor any claim of the Program Lender relating to defects in origination, guaranty or servicing of the loans purchased hereunder in order to permit the Depositor to assert such claims directly and obviate any need to make the same claims against the Program Lender under this Supplement. The Program Lender also hereby assigns and sets over to the Depositor any claims it may now have or hereafter have to any collateral pledged by TERI to the Program Lender to secure its obligations under the Guaranty Agreement that relates to the Transferred Loans, and Program Lender hereby releases any security interest it may have in such collateral. Program Lender hereby authorizes the Depositor, its successors and assigns, to file in any public filing office where a Uniform Commercial Code Filing with respect to collateral pledged by TERI is of record, any partial release or assignment that it deems necessary or appropriate to reflect in the public records the conveyance and assignment effected hereby.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, the parties have caused this Supplement to be executed as of the date set forth above.

THE FIRST MARBLEHEAD CORPORATION

By: /s/ John A. Foxgrover
John A. Foxgrover
Senior Vice President

UNION FEDERAL SAVINGS BANK

By: /s/ Richard L. Shaw II
Richard L. Shaw II
President and Chief Financial Officer

THE NATIONAL COLLEGIATE FUNDING LLC

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By: GATE Holdings, Inc., Member

By: /s/ John A. Foxgrover
John A. Foxgrover
Vice President

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National Collegiate Student Loan Trust 2007-3				
Roster: UNION FEDERAL SAVINGS BANK				
Originator	Code	Market	Product	BSSN
UNION FEDERAL SAVINGS BANK	907792QC	Asstwr	Undergraduat	DTC - Undergraduate

START DATE	Term Date	Term	Rate Type	Margin
	8/21/2007	11 DP		5.75%

Fee Rate (wa)	DPF Admin Fee	Marketing Fee	Total Fees (wa)	Total Fee (wa)
9.50%	2.75%	0.25%	9944.75	8099.9988

Total Net Principal	Total Capitalized Interest	Total Outstanding Gross (w/ incpt)	Total Outstanding (w/ paid interest)	Administrative Fee Reimbursed (w/ incpt)
8999.9988	0	9944.75	90.47	0

Final Reconciliation Settlement Figures				
Original net w/ Reimbursement Due Bank	Total Marketing Fees	Marketing Fees Due FMS	Marketing Fees Due Bank	Total Amount Due Bank
100	562.4999	0	562.4999	10687.7199

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DEPOSIT AND SALE AGREEMENT
THE NATIONAL COLLEGIATE STUDENT LOAN TRUST 2007-3

This DEPOSIT AND SALE AGREEMENT (the "Sale Agreement"), dated as of September 20, 2007, between The National Collegiate Funding LLC, as seller (in such capacity, the "Seller"), and The National Collegiate Student Loan Trust 2007-3, as purchaser (the "Purchaser"), shall be effective upon execution by the parties hereto.

WHEREAS, the Seller is the owner of certain student loans; and

WHEREAS, the Seller desires to sell its interest in such student loans and the Purchaser desires to purchase such loans from the Seller.

NOW, THEREFORE, in connection with the mutual promises contained herein, the parties hereto agree as follows:

ARTICLE I
TERMS

This Sale Agreement sets forth the terms under which the Seller is selling and the Purchaser is purchasing the student loans listed on Schedule 1 or Schedule 2 to each of the Pool Supplements set forth on Schedule A attached hereto (the "Transferred Student Loans").

ARTICLE II
DEFINITIONS

Capitalized terms used but not otherwise defined herein shall have the definitions set forth in Appendix A of the Indenture dated as of September 1, 2007 between U.S. Bank National Association (the "Indenture Trustee") and the Purchaser.

ARTICLE III
SALE AND PURCHASE

Section 3.01. Sale of Loans. The Seller hereby sells and the Purchaser hereby purchases the Transferred Student Loans

Section 3.02. Assignment of Rights. The Seller hereby assigns to the Purchaser and the Purchaser hereby accepts all of the Seller's rights and interests under each of the Pool Supplements listed on Schedule A attached hereto and the related Student Loan Purchase Agreements listed on Schedule B attached hereto.

Section 3.03. Settlement of the Payment. The Purchaser shall pay the Seller the purchase price set forth in Article 2 of each of the Pool Supplements by wire transfer in immediately available funds to the account specified by the Seller.

Section 3.04. Assistance by Seller. Following the execution of this Sale Agreement, the Seller shall provide any reasonable assistance requested by the Purchaser in determining that all required documentation on the Transferred Student Loans is present and correct.

ARTICLE IV
REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER

Section 4.01 General. The Seller represents and warrants to the Purchaser that as of the date of this Sale Agreement:

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- (a) The Seller is duly organized and existing under the laws of the State of Delaware; and
- (b) The Seller has all requisite power and authority to enter into and to perform the terms of this Sale Agreement.

Section 4.02. Loan Representations. The Seller represents and warrants to the Purchaser that with respect to each Transferred Student Loan purchased by the Purchaser pursuant to this Sale Agreement, the Seller is making the same representations and warranties made by the respective program lender with respect to each Transferred Student Loan pursuant to the respective Student Loan Purchase Agreement listed on Schedule B attached hereto.

Section 4.03. Covenants. The Seller, in its capacity as purchaser of the Transferred Student Loans pursuant to the Pool Supplements, hereby covenants that it will enforce the covenants and agreements of each program lender in the respective Student Loan Purchase Agreement and related Pool Supplement. The Seller further covenants that it will not waive, amend, modify, supplement or terminate any Student Loan Purchase Agreement or Pool Supplement or any provision thereof without the consent of the Purchaser, which consent the Purchaser hereby agrees not to provide without the prior written consent of the Indenture Trustee and the Controlling Party in accordance with the Purchaser's covenant in Section 3.07(c) of the Indenture.

ARTICLE V PURCHASE OF LOANS; REIMBURSEMENT

Each party to this Sale Agreement shall give notice to the other such parties and to the Servicers, First Marblehead Data Services, Inc., the Indenture Trustee and Wilmington Trust Company (the "Owner Trustee") promptly, in writing, upon the discovery of any breach of the Seller's representations and warranties made pursuant to this Sale Agreement which has a materially adverse effect on the interest of the Purchaser in any Transferred Student Loan. In the event of such a material breach, the Seller shall cure or repurchase the Transferred Student Loan in accordance with the remedies set forth in the respective Student Loan Purchase Agreement.

ARTICLE VI LIABILITY OF SELLER; INDEMNITIES

The Seller shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Seller under this Sale Agreement.

(a) The Seller shall indemnify, defend and hold harmless the Purchaser and the Owner Trustee in its individual capacity and their officers, directors, employees and agents from and against any taxes that may at any time be asserted against any such Person with respect to the transactions contemplated herein and in the other Basic Documents (except any such income taxes arising out of fees paid to the Owner Trustee), including any sales, gross receipts, general corporation, tangible and intangible personal property, privilege or license taxes and costs and expenses in defending against the same.

(b) The Seller shall indemnify, defend and hold harmless the Purchaser and the Owner Trustee in its individual capacity and their officers, directors, employees and agents from and against any and all costs, expenses, losses, claims, damages and liabilities arising out of, or imposed upon such Person through, the Seller's willful misfeasance, bad faith or gross negligence in the performance of its duties under this Sale Agreement, or by reason of reckless disregard of its obligations and duties under this Sale Agreement.

Indemnification under this Section shall survive the termination of this Sale Agreement and shall include reasonable fees and expenses of counsel and expenses of litigation. If the Seller shall have made any indemnity payments pursuant to this Section and the Person to or for the benefit of whom such payments are made thereafter shall collect any of such amounts from others, such Person shall promptly repay such amounts to the Seller, without interest.

ARTICLE VII MERGER OR CONSOLIDATION OF, OR ASSUMPTION

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OF THE OBLIGATIONS OF, SELLER

Any Person (a) into which the Seller may be merged or consolidated, (b) which may result from any merger or consolidation to which the Seller shall be a party or (c) which may succeed to the properties and assets of the Seller substantially as a whole, shall be the successor to the Seller without the execution or filing of any document or any further act by any of the parties to this Sale Agreement; provided, however, that the Seller hereby covenants that it will not consummate any of the foregoing transactions except upon satisfaction of the following: (i) the surviving Person, if other than the Seller, executes an agreement of assumption to perform every obligation of the Seller under this Sale Agreement, (ii) immediately after giving effect to such transaction, no representation or warranty made pursuant to this Sale Agreement shall have been breached, (iii) the surviving Person, if other than the Seller, shall have delivered an Officers' Certificate and an opinion of counsel each stating that such consolidation, merger or succession and such agreement of assumption comply with this Section and that all conditions precedent, if any, provided for in this Sale Agreement relating to such transaction have been complied with, and that the Rating Agency Condition shall have been satisfied with respect to such transaction and, so long as any of the Notes are outstanding or any amounts are owed to the Note Insurer, the consent of the Note Insurer, (iv) if the Seller is not the surviving entity, such transaction will not result in a material adverse federal or state tax consequence to the Purchaser or the Noteholders, and (v) if the Seller is not the surviving entity, the Seller shall have delivered an opinion of counsel either (A) stating that, in the opinion of such counsel, all financing statements and continuation statements and amendments thereto have been executed and filed that are necessary fully to preserve and protect the interest of the Purchaser in the Transferred Student Loans and reciting the details of such filings, or (B) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such interests.

ARTICLE VIII LIMITATION ON LIABILITY OF SELLER AND OTHERS

The Seller and any director or officer or employee or agent thereof may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person respecting any matters arising hereunder (provided that such reliance shall not limit in any way the Seller's obligations under this Sale Agreement). The Seller shall not be under any obligation to appear in, prosecute or defend any legal action that shall not be incidental to its obligations under this Sale Agreement or the Student Loan Purchase Agreements, and that in its opinion may involve it in any expense or liability.

ARTICLE IX SURVIVAL OF COVENANTS

All covenants, agreements, representations and warranties made herein shall survive the consummation of the purchase of the Transferred Student Loans; provided, however, that to the extent any of the same relate to a corresponding covenant, agreement, representation or warranty contained in a Student Loan Purchase Agreement, the same shall survive to the extent that such corresponding covenant, agreement, representation or warranty survives the applicable Student Loan Purchase Agreement. All covenants, agreements, representations and warranties made or furnished pursuant hereto by or for the benefit of the Seller (including without limitation, under Article VI) shall bind and inure to the benefit of any successors or assigns of the Purchaser, including the Indenture Trustee. This Sale Agreement may be changed, modified or discharged, and any rights or obligations hereunder may be waived, only by a written instrument signed by a duly authorized officer of the party against whom enforcement of any such waiver, change, modification or discharge is sought. The waiver by the Indenture Trustee, at the direction of the Controlling Party or otherwise pursuant to the Indenture, of any covenant, agreement, representation or warranty required to be made or furnished by the Seller or the waiver by the Indenture Trustee, at the direction of the Controlling Party or otherwise pursuant to the Indenture, of any provision herein contained shall not be deemed to be a waiver of any breach of any other covenant, agreement, representation, warranty or provision herein contained, nor shall any waiver or any custom or practice which may evolve between the parties in the administration of the terms hereof, be construed to lessen the right of the Indenture Trustee, at the direction of the Controlling Party pursuant to the Indenture, to insist upon the performance by the Seller in strict accordance with said terms.

ARTICLE X COMMUNICATION AND NOTICE REQUIREMENTS

All communications, notices and approvals provided for hereunder shall be in writing and mailed or delivered to the

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Seller or the Purchaser, as the case may be. Notice given in any such communication, mailed to the Seller or the Purchaser by appropriately addressed registered mail, shall be deemed to have been given on the day following the date of such mailing and shall be addressed as follows:

If to the Purchaser, to:

The National Collegiate Student Loan Trust 2007-3
c/o Wilmington Trust Company, as Owner Trustee
Rodney Square North
100 North Market Street
Wilmington, Delaware 19890-0001
Attention: Corporate Trust Department

If to the Seller, to:

The National Collegiate Funding LLC
c/o First Marblehead Data Services, Inc.
The Prudential Tower
800 Boylston Street - 34th Floor
Boston, MA 02199-8157
Attention: Ms. Rosalyn Bonaventure

with a copy to:

First Marblehead Corporation
The Prudential Tower
800 Boylston Street - 34th Floor
Boston, MA 02199-8157
Attention: Corporate Law Department

or to such other address as either party shall have provided to the other parties in writing. Any notice required to be in writing hereunder shall be deemed given if such notice is mailed by certified mail, postage prepaid, or hand delivered to the address of such party as provided above.

ARTICLE XI AMENDMENT

This Sale Agreement may be amended by the parties hereto with the consent of the Note Insurer, but without the consent of the Noteholders, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Sale Agreement or of modifying in any manner the rights of such Noteholders; provided that such action will not, in the opinion of counsel reasonably satisfactory to the Indenture Trustee, materially affect the interest of any such Noteholder.

In addition, this Sale Agreement may also be amended from time to time by the Seller and the Purchaser, with the consent of the Noteholders of the Notes evidencing a majority of the Outstanding Amount of the Notes and the consent of the Certificateholders of the Certificates evidencing a majority of the percentage interest in the Certificates and, so long as any of the Notes are outstanding or any amounts are owed to the Note Insurer, the consent of the Note Insurer, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Sale Agreement or of modifying in any manner the rights of the Noteholders or the Certificateholders, respectively; provided, however, that no such amendment shall (a) increase or reduce in any manner the amount of, or accelerate or delay the time of, collections of payments with respect to Transferred Student Loans or distributions that shall be required to be made for the benefit of the Noteholders, or (b) reduce the aforesaid percentage of the Outstanding Amount of the Notes or the Certificates, the Noteholders or the Certificateholders of which are required to consent to any such amendment, without the consent of all outstanding Noteholders or Certificateholders, respectively.

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Promptly after the execution of any such amendment or consent (or, in the case of the Rating Agencies, five Business Days prior thereto), the Purchaser shall furnish written notification of the substance of such amendment or consent to the Indenture Trustee, the Note Insurer and each of the Rating Agencies.

It shall not be necessary for the consent of Noteholders pursuant to this Section to approve the particular form of any proposed amendment or consent, but it shall be sufficient if such consent shall approve the substance thereof.

Prior to the execution of any amendment to this Sale Agreement, the Owner Trustee shall be entitled to receive and rely upon an opinion of counsel stating that execution of such amendment is authorized or permitted by this Sale Agreement. The Owner Trustee may, but shall not be obligated to, enter into any such amendment which affects the Owner Trustee's own rights, duties or immunities under this Sale Agreement or otherwise.

ARTICLE XII ASSIGNMENT

The Seller hereby assigns its entire right, title and interest as purchaser under this Sale Agreement and each Student Loan Purchase Agreement to the Purchaser as of the date hereof and acknowledges that the Purchaser will assign the same, together with the right, title and interest of the Purchaser hereunder, to the Indenture Trustee under the Indenture.

ARTICLE XIII THIRD PARTY BENEFICIARY

The Noteholders and the Note Insurer are third party beneficiaries hereof.

ARTICLE XIV GOVERNING LAW

THIS SALE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, BUT OTHERWISE WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

ARTICLE XV LIMITATION OF LIABILITY OF OWNER TRUSTEE

Notwithstanding anything contained herein to the contrary, this instrument has been executed by Wilmington Trust Company, not in its individual capacity but solely in its capacity as Owner Trustee of the Purchaser, and in no event shall Wilmington Trust Company in its individual capacity or any beneficial owner of the Purchaser have any liability for the representations, warranties, covenants, agreements or other obligations of the Purchaser hereunder, as to all of which recourse shall be had solely to the assets of the Purchaser. For all purposes of this Sale Agreement, in the performance of any duties or obligations of the Purchaser hereunder, the Owner Trustee shall be subject to, and entitled to the benefits of, the terms and provisions of Articles VIII, IX and X of the Trust Agreement.

[Signature Pages Follow]

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IN WITNESS WHEREOF, the parties hereto have caused this Sale Agreement to be duly executed by their respective officers hereunto duly authorized, as of the day and year first above written.

THE NATIONAL COLLEGIATE FUNDING LLC,
as Seller

By: GATE Holdings, Inc., Member

By: /s/ John A. Foxgrover

Name: John A. Foxgrover
Title: Vice President

THE NATIONAL COLLEGIATE STUDENT LOAN TRUST
2007-3, as Purchaser

By: Wilmington Trust Company, not in its individual capacity
but solely as Owner Trustee

By: /s/ Patricia A. Evans

Name: Patricia A. Evans
Title: Vice President

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SCHEDULE A

Pool Supplements

Each of the following Pool Supplements was entered into by and among The First Marblehead Corporation, The National Collegiate Funding LLC and:

- Bank of America, N.A., dated September 20, 2007, for loans that were originated under Bank of America's Direct to Consumer Loan Program.
- Bank of America, N.A., dated September 20, 2007, for loans that were originated under Bank of America's Private Loan Program, TERI (School Channel) Loan Program and TERI ISLP Loan Program.
- RBS Citizens, N.A., successor by merger to Charter One Bank, N.A., dated September 20, 2007, for loans that were originated under the following Charter One programs: AAA Southern New England Bank, AES EducationGAIN Loan Program, Citibank Education Assistance Loan Program, College Loan Corporation Loan Program, EdFinancial Loan Program, Extra Credit II Loan Program (North Texas Higher Education), M&I Alternative Loan Program, National Education Loan Program, NextStudent Alternative Loan Program, Astrive Education (D/K/a START) Loan Program, AstriveAlliance Education (D/K/a START) Loan Program, Alternative Loan Program, E-Loan Private Loan Program, UPromise Alternative Loan Program, Collegiate Solutions Alternative Loan Program, College Board Alternative Loan Program, Axiom Alternative Loan Program, American Student Loan Services Private Loan Program, nBuy Private Loan Program and ThinkFinancial Alternative Loan Program.
- RBS Citizens, N.A., successor by merger to Citizens Bank of Rhode Island, dated September 20, 2007, for loans that were originated under Citizens Bank of Rhode Island's Alternative Loan Program, ISLP Loan Program, Compass Bank Loan Program, Navy Federal Alternative Loan Program, FinanSure Alternative Loan Program, Xanthus Alternative Loan Program and Penn State Undergraduate Loan Program.
- Comerica Bank, dated September 20, 2007, for loans that were originated under Comerica Bank's Private Loan Program.
- First National Bank Northeast, dated September 20, 2007, for loans that were originated under First National Bank Northeast's Netnet Undergraduate Alternative Loan Program.
- HSBC Bank USA, National Association, dated September 20, 2007, for loans that were originated under the HSBC Loan Program.
- The Huntington National Bank, dated September 20, 2007, for loans that were originated under the Huntington Education Loan Program.
- InsurBanc, dated September 20, 2007, for loans that were originated under the InsurBanc Loan Program.
- JPMorgan Chase Bank, N.A. (successor to Bank One, N.A.) dated September 20, 2007, for loans that were originated under Bank One's CORPORATE ADVANTAGE Loan Program, EDUCATION ONE Loan Program, and Campus One Loan Program.
- KeyBank National Association, dated September 20, 2007, for loans that were originated under KeyBank's Private Education Loan Program.
- Manufacturers and Traders Trust Company, dated September 20, 2007, for loans that were originated under the M&T Alternative Loan Program.

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- National City Bank, dated September 20, 2007, for loans that were originated under the National City Loan Program.
 - National City Bank, dated September 20, 2007, for loans that were originated under the National City Bank Referral Loan Program, including the Astute Private Loan Program.
 - PNC Bank, N.A., dated September 20, 2007, for loans that were originated under PNC Bank's PNC Bank Alternative Loan Program, Brazos Alternative Loan Program, Edvisors Alternative Loan Program, Fondo Futuro Loan Program, GE Money Bank Student Loan Program, Old National Bank Private Loan Program, and Regions Bank Private Loan Program.
 - Sovereign Bank, dated September 20, 2007, for loans that were originated under Sovereign Bank's Alternative Student Loan Program.
 - SunTrust Bank, dated September 20, 2007, for loans that were originated under the SunTrust Loan Program.
 - Union Federal Savings Bank, dated September 20, 2007, for loans that were originated under the UFSB Astrive Loan Program.
 - U.S. Bank National Association, dated September 20, 2007, for loans that were originated under the U.S. Bank Alternative Loan Program.
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SCHEDULE B

Note Purchase Agreements

Each of the Note Purchase Agreements, as amended or supplemented, was entered into by and between The First Marblehead Corporation and:

- Bank of America, N.A.; dated April 30, 2001, for loans that were originated under Bank of America's Private Loan Program, TERI School Channel Loan Program and ISLP Loan Program.
- Bank of America, N.A., dated June 30, 2006, for loans that were originated under Bank of America's Private Loan Program, TERI School Channel Loan Program and ISLP Loan Program.
- Bank of America, N.A., dated April 1, 2006, for loans that were originated under Bank of America's Direct to Consumer Loan Program.
- Charter One Bank, N.A., dated as of December 29, 2003 for loans that were originated under Charter One's AAA Southern New England Bank Loan Program.
- Charter One Bank, N.A., dated October 31, 2003, for loans that were originated under Charter One's AES EducationGAIN Loan Program.
- Charter One Bank, N.A., dated June 30, 2003, for loans that were originated under Charter One's Citibank Education Assistance Loan Program.
- Charter One Bank, N.A., dated July 1, 2002, for loans that were originated under Charter One's College Loan Corporation Loan Program.
- Charter One Bank, N.A., dated May 10, 2004, for loans that were originated under Charter One's EdFinancial Loan Program.
- Charter One Bank, N.A., dated September 15, 2003, for loans that were originated under Charter One's Extra Credit II Loan Program (North Texas Higher Education).
- Charter One Bank, N.A., dated September 20, 2003, for loans that were originated under Charter One's M&I Alternative Loan Program.
- Charter One Bank, N.A., dated November 17, 2003, for loans that were originated under Charter One's National Education Loan Program.
- Charter One Bank, N.A., dated May 15, 2002, for loans that were originated under Charter One's NextStudent Alternative Loan Program.
- Charter One Bank, N.A., dated March 25, 2004, for loans that were originated under Charter One's Astrive and AstriveAlliance Education (f/k/a START) Loan Programs.
- Charter One Bank, N.A., dated February 15, 2005, for loans that were originated under Charter One's Referral Loan Program (including loans in the Charter One Bank Alternative Loan Program, E-Loan Private Loan Program, UPromise Alternative Loan Program, Collegiate Solutions Alternative Loan Program, College Board Alternative Loan Program, Axiom Alternative Loan Program, American Student Loan Services Private Loan Program, nBuy Private Loan Program, and ThinkFinancial Alternative Loan Program).

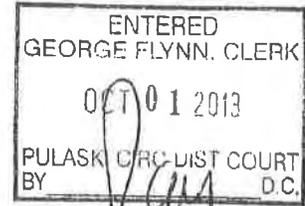
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- Citizens Bank of Rhode Island, dated April 30, 2004, for loans that were originated under Citizens Bank of Rhode Island's Alternative Loan Program, ISLP Loan Program, Compass Bank Loan Program, FinanSure Alternative Loan Program, Navy Federal Alternative Loan Program, and Xanthus Alternative Loan Program.
- Citizens Bank of Rhode Island, dated October 1, 2002, for loans that were originated under Citizens Bank of Rhode Island's Penn State Undergraduate Loan Program.
- Comerica Bank, dated June 30, 2006, for loans that were originated under Comerica Bank's Private Loan Program.
- First National Bank Northeast, dated August 1, 2001, for loans that were originated under First National Bank Northeast's Nelnet Undergraduate Alternative Loan Program.
- HSBC Bank USA, National Association, dated April 17, 2002, as amended on June 2, 2003 and August 1, 2003, for loans that were originated under the HSBC Loan Program.
- The Huntington National Bank, dated May 20, 2003, for loans that were originated under the Huntington Education Loan Program.
- InsurBanc, dated July 1, 2006, for loans that were originated under the InsurBanc Loan Program.
- JPMorgan Chase Bank, N.A., (successor to Bank One, N.A.), dated May 1, 2002, for loans that were originated under Bank One's CORPORATE ADVANTAGE Loan Program, EDUCATION ONE Loan Program, and Campus One Loan Program.
- KeyBank National Association, dated May 12, 2006, for loans that were originated under KeyBank's Private Education Loan Program.
- Manufacturers and Traders Trust Company, dated April 29, 2004, for loans that were originated under the M&T Alternative Loan Program.
- National City Bank, dated November 13, 2002, for loans that were originated under the National City Loan Program.
- National City Bank, dated July 21, 2006, for loans that were originated under the National City Referral Loan Program, including the Astute Private Loan Program.
- PNC Bank, N.A., dated April 22, 2004, for loans that were originated under PNC Bank's Alternative Loan Program, Brazos Alternative Loan Program, Edvisors Alternative Loan Program, Fondo Futuro Loan Program, GE Money Bank Student Loan Program, Old National Bank Private Loan Program, and Regions Bank Private Loan Program.
- Sovereign Bank, dated April 30, 2004, for loans that were originated under Sovereign Bank's Alternative Student Loan Program.
- SunTrust Bank, dated March 1, 2002, for loans that were originated under the SunTrust Loan Program.
- Union Federal Savings Bank, dated March 26, 2007, for loans that were originated under the UFSB Astrive Loan Program.
- U.S. Bank National Association, dated May 1, 2005, for loans that were originated under the U.S. Bank Alternative Loan Program.

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COMMONWEALTH OF KENTUCKY
PULASKI CIRCUIT COURT
CASE NO. 12-CI-629



NATIONAL COLLEGIATE LOAN TRUST 2007-3
C/O FMD LEGAL

PLAINTIFF

VS.

[REDACTED] A/K/A
[REDACTED]
[REDACTED] A/K/A
[REDACTED]

DEFENDANTS

ORDER SUSTAINING DEFENDANTS' EVIDENTIARY OBJECTION
AND
FINDINGS OF FACT AND CONCLUSIONS OF LAW

This matter came before the Court for an evidentiary hearing on September 16, 2013. The Plaintiff was represented by Richard P. Green of Javitch, Block and Rathbone. The Defendants were present and represented by Ms. Rebecca Babarsky of AppalReD Legal Aid.

The only evidence admitted into the record at that time was the oral testimony of the Defendants, [REDACTED] and [REDACTED].

Plaintiff presented no witnesses, but attempted to enter certain documents into evidence under KRE 803 (6) and KRE 901 (11). Defendants' objected to the admission of said documents on multiple grounds. Oral argument was heard on Defendants' objections, and Plaintiff was given the opportunity to respond. Both parties were advised to submit briefs regarding the evidentiary objections within ten (10) days.

I. FINDINGS OF FACT

1. On or about August 17, 2007 Defendants [REDACTED] and [REDACTED] [REDACTED] signed a "Loan Request/Credit Agreement" with Union Federal Savings Bank. This finding is supported by the testimony of [REDACTED] and [REDACTED].
2. The Court finds that Plaintiff is not the holder of a promissory note executed by the Defendants, as Plaintiff has failed to produce a negotiable promissory note.
3. Additionally, there has been no evidence presented to demonstrate that Union Federal Savings Bank has assigned their agreement with the Defendants to the Plaintiff.

II. CONCLUSIONS OF LAW

1. Plaintiff provided no witnesses at trial. Instead, Plaintiff attempted to offer a stack of documents into evidence under KRE 803 and KRE 902 (11). Mere attachment of a notarized document to records is not sufficient to allow the records to be introduced. Matthews v. Com., 163 S.W.3d 11, 24 (Ky. 2005). In relevant part, KRE 902 (11) provides that business records may be self authenticating in certain cases, "[u]nless the sources of information or other circumstances indicate a lack of trustworthiness . . ." KRE 902(11)(a). Here, the sources of information, as well as other circumstances, indicate a lack of trustworthiness: (1) Plaintiff's counsel's assertions at trial, particularly regarding the redaction of documentation in the proposed Exhibit B, conflicted with the affidavit's statement that "all documents attached are true and correct originals [sic] records or true and correct copies of the original record, being reproduced from the original records;" and (2) The FTC has recently filed a complaint against the employer of the affiant in federal court for, among other things, making made "Unsubstantiated Representations about Owing a Debt" and other "False and Misleading Representations." The

Court will therefore *sustain* Defendants' first objection to entry of Plaintiff's proposed Exhibits A and B in accordance with KRE 902(11)(a).

2. Plaintiff has plead that it is the "holder of a note," yet it has failed to produce a note endorsed either to Plaintiff or in blank. On July 26, 2012, Plaintiffs were advised by the Court that they could amend their pleading to include a contract claim. Plaintiff chose not to do so.

3. Even if Plaintiff had amended its pleading to include a contract claim, Plaintiff has still failed to provide the Court with any evidence that would serve to substantiate that Plaintiff was an assignee of the contract between Union Federal Savings Bank and the Defendants. As such, Plaintiff has failed to show that it is the real party in interest as required by CR 17.01.

4. In Bruner v. Discover Bank c/o DFS Services, LLC, 360 S.W.3d 774, 778 (Ky. App. 2012), the Court of Appeals set out three showings that a plaintiff must provide in order to succeed on a claim that it is has ownership of a debt when the plaintiff is not the original creditor. These showings are:

- (1) A bill of sale listing the name and account number of the defendant;
- (2) A document specifically detailing how the creditor/plaintiff reached the principal and interest amounts that it is suing for; and
- (3) Documentary evidence that the defendant is in fact the person responsible for the debt.

Defendants admitted that they signed an agreement with Union Federal Savings Bank, so Plaintiff is not required to provide (3) in this case. However, Plaintiff has failed to provide either (1) or (2).

5. As such, the Court finds that neither Defendant is indebted to either Student Loan Trust 2007-3 or FMD Legal.

IT IS HEREBY ORDERED AND ADJUDGED

1. That Defendants' objection to entry into evidence of Plaintiff's proposed Exhibits A and B is SUSTAINED;
2. That Judgment be entered in favor of Defendants [REDACTED] and [REDACTED] and [REDACTED];
3. That Defendants' counsel shall be awarded reasonable attorney's fees.

This is a final and appealable order.

So Ordered this 30th day of sept, 2013



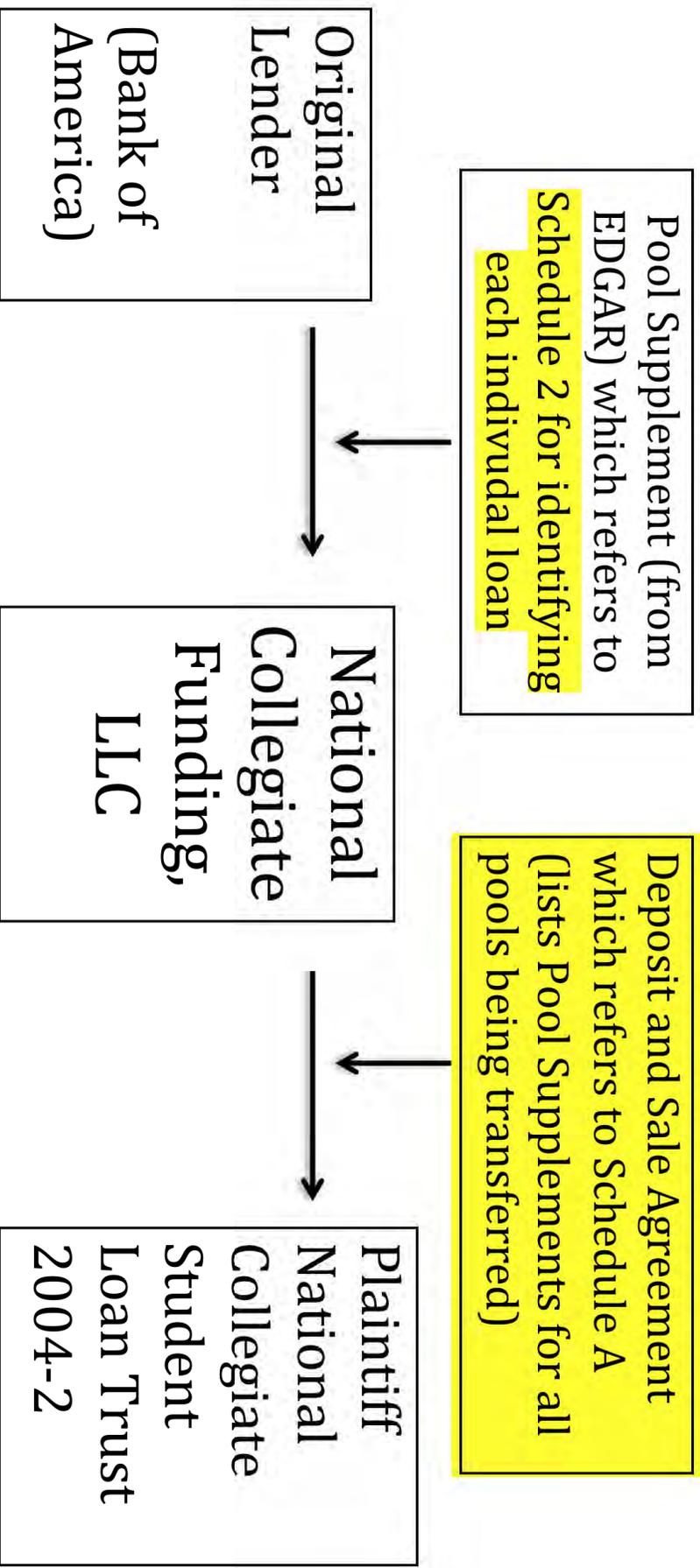
HON. DAVID TAPP, JUDGE
PULASKI COUNTY CIRCUIT COURT

Prepared and submitted by:

HON. REBECCA BABARSKY
APPALRED LEGAL AID
COUNSEL FOR DEFENDANTS
108 COLLEGE STREET
SOMERSET, KY 42501-1308
(606)679-7313

DISTRIBUTION

Chain of Assignment – NCSLT Case



APPENDIX 3

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State, Number, and address):

FOR COURT USE ONLY

LAW OFFICES OF PATENAUDE & FELIX, A.P.C. 2012020015:14 PATENAUDE & FELIX (858) 836-0318 Page 5 of 14

Raymond A. Patenaude, (#128855) / Michael R. Boulanger, (#226294)
Michael D. Kahn, (#236898) / Tara Natarajan, (#263333) / Kevin S. Landrith, (#125739)
4545 Murphy Canyon Road, 3rd Floor, San Diego, CA 92123

TELEPHONE NO.: (858) 244-7600 FAX NO. (Optional): (858) 836-0318

E-MAIL ADDRESS (Optional):

ATTORNEY FOR (Name): PLAINTIFF

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SACRAMENTO

STREET ADDRESS: 720 NINTH STREET RM 611
MAILING ADDRESS: SACRAMENTO CA 95814
CITY STATE AND ZIP CODE: SACRAMENTO CA 95814
BRANCH NAME: SACRAMENTO CIVIL DIVISION

PLAINTIFF: NATIONAL COLLEGIATE STUDENT LOAN TRUST
2006-2 ET AL, A DELAWARE STATUTORY TRUST(S)

DEFENDANT(S): HOLLI GIBSON, GORDON GIBSON

[X] and DOES 1 through 15, inclusive

CONTRACT

[X] COMPLAINT [] AMENDED COMPLAINT (Number):
[] CROSS-COMPLAINT [] AMENDED CROSS-COMPLAINT (Number)

Jurisdiction (check all that apply):

[] ACTION IS A LIMITED CIVIL CASE
Amount demanded [] does not exceed \$10,000
[] exceeds \$10,000 but does not exceed \$25,000
[X] ACTION IS AN UNLIMITED CIVIL CASE (exceeds \$25,000)
[] ACTION IS RECLASSIFIED by this amended complaint or cross-complaint
[] from limited to unlimited
[] from unlimited to limited

CASE NUMBER: DEPARTMENT ASSIGNMENTS
Case Management 35
Law and Motion 54
Minors Compromise 40

FILED
Superior Court Of California,
Sacramento
04/13/2012
ambcanu
By _____, Deputy
Case Number:
34-2012-00122405

1. Plaintiff* (name or names): NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-2 ET AL, A DELAWARE STATUTORY TRUST(S)

alleges causes of action against defendant(s)* (name or names): HOLLI GIBSON, GORDON GIBSON

2. This pleading, including attachments and exhibits, consists of the following number of pages: 6

3. a. Each plaintiff named above is a competent adult

[X] except plaintiff (name): NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-2 ET AL, A DELAWARE STATUTORY TRUST(S)

(1) [] a corporation qualified to do business in California

(2) [] an unincorporated entity (describe):

(3) [X] other (specify): a Delaware Statutory Trust(s)

b. [] Plaintiff (name):

a. [] has complied with the fictitious business name laws and is doing business under the fictitious name (specify):

b. [] has complied with all licensing requirements as a licensed (specify):

c. [] Information about additional plaintiffs who are not competent adults is shown in Attachment 3c.

4. a. Each defendant(s) named above is a natural person

[] except defendant (name):

(1) [] a business organization, form unknown

(2) [] a corporation

(3) [] an unincorporated entity (describe):

(4) [] a public entity (describe):

(5) [] other (specify):

[] except defendant (name):

(1) [] a business organization, form unknown

(2) [] a corporation

(3) [] an unincorporated entity (describe):

(4) [] a public entity (describe):

(5) [] other (specify):

*If this form is used as a cross-complaint, plaintiff means cross-complainant and defendant means cross-defendant.

4. (Continued)

- b. The true names of defendant(s) sued as Does are unknown to plaintiff.
- (1) Doe defendant(s) (specify Doe numbers): _____ were the agents or employees of the named defendant(s) and acted within the scope of that agency or employment.
- (2) Doe defendant(s) (specify Doe numbers): _____ are persons whose capacities are unknown to plaintiff.
- c. Information about additional defendants who are not natural persons is contained in Attachment 4c.
- d. Defendant(s) who are joined under Code of Civil Procedure section 382 are (names):

5. Plaintiff is required to comply with a claims statute, and

- a. has complied with applicable claims statutes, or
- b. is excused from complying because (specify):

6. This action is subject to Civil Code section 1812.10 Civil Code section 2984.4.

7. This court is the proper court because

- a. a defendant(s) entered into the contract here.
- b. a defendant(s) lived here when the contract was entered into.
- c. a defendant(s) lives here now.
- d. the contract was to be performed here.
- e. a defendant(s) is a corporation or unincorporated association and its principal place of business is here.
- f. real property that is the subject of this action is located here.
- g. other (specify):

8. The following causes of action are attached and the statements above apply to each (each complaint must have one or more causes of action attached):

- Breach of Contract
- Common Counts

Other (specify): Refer to Other allegations in number 9.

9. Other allegations: Before commencement of this action, in those cases where recovery of costs is dependent on such notices, Plaintiff informed the defendant(s) in writing it intended to file this action and that this action could result in a judgment against defendant(s) that would include court costs and necessary disbursements allowed by CCP Section 1033(b)(2).

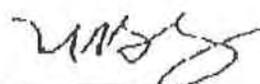
10. Plaintiff prays for judgment for costs of suit; for such relief as is fair, just, and equitable; and for

- a. damages of: \$44,488.47
- b. interest on the damages
- (1) according to proof
- (2) at the rate of (specify): _____ percent per year from (date):
- c. attorney's fees
- (1) of:
- (2) according to proof.
- d. other (specify): For such other relief as the Court deems just and fair.

11. The paragraphs of this pleading alleged on information and belief are as follows (specify paragraph numbers):

Date: February 08, 2012

MICHAEL BOULANGER, ESQ.
(TYPE OR PRINT NAME)


(SIGNATURE OF PLAINTIFF OR ATTORNEY)

(If you wish to verify this pleading, affix a verification.)

SHORT TITLE: NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-2 ET AL, A DELAWARE STATUTORY TRUST(S) VS. HOLLI GIBSON, GORDON GIBSON	CASE NUMBER:
--	--------------

FIRST _____ CAUSE OF ACTION—Breach of Contract
(number)

ATTACHMENT TO Complaint Cross-Complaint

(Use a separate cause of action form for each cause of action.)

BC-1. Plaintiff (name): NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-2 ET AL, A DELAWARE STATUTORY TRUST(S)

alleges that on or about (date): March 17, 2006

a written oral other (specify):

agreement was made between (name parties to agreement): NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-2 ET AL, A DELAWARE STATUTORY TRUST(S) and HOLLI GIBSON, GORDON GIBSON

A copy of the agreement is attached as Exhibit A, or
 The essential terms of the agreement are stated in Attachment BC-1 are as follows (specify):

Defendant(s) entered into a written contract with Plaintiff, whereby Plaintiff loaned money to Defendant(s) for the financing of Education expenses. Plaintiff is the assignee for consideration of this contract. The terms and conditions under which Defendant(s) agreed to repay Plaintiff for the monies loaned are set forth in a written contract and /or loan agreement between the parties. Defendant(s) indicated his/her/their consent to be bound by these terms either by an authorizing signature on the agreement or by Defendant(s) taking possession of and using the monies provided by Plaintiff.

BC-2. On or about (date): May 06, 2009

Defendant breached the agreement by the acts specified in Attachment BC-2 the following acts (specify):

Defendant(s) failed to make payments on the contract as agreed and, despite Plaintiff demand Defendant(s) continues to refuse to pay Plaintiff the amount owed under the contract. Defendant(s) is in default and, such under the terms of the contract Plaintiff is entitled to the unpaid balance, attorney's fees and costs.

BC-3. Plaintiff has performed all obligations to Defendant(s) except those obligations Plaintiff was prevented or excused from performing.

BC-4. Plaintiff suffered damages legally (proximately) caused by Defendant's breach of the agreement

as stated in Attachment BC-4 As follows :

1. The principal sum of \$18,173.84;
2. Costs of suit;
3. For such other and further relief as the Court deems just and fair.

BC-5. Plaintiff is entitled to attorney fees by an agreement or a statute

of \$
 according to proof:

BC-6. Other:

SHORT TITLE: 2139-020825374 2012020815:14 PATENAUE & FELIX (850) 836-0318 Page NUMBER: NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-2 ET AL, A DELAWARE STATUTORY TRUST(S) VS. HOLLI GIBSON, GORDON GIBSON	Page NUMBER:
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SECOND _____ **CAUSE OF ACTION—Common Counts**
(number)

ATTACHMENT TO Complaint Cross-Complaint

(Use a separate cause of action form for each cause of action.)

CC-1. Plaintiff *(name)*: NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-2 ET AL, A DELAWARE STATUTORY TRUST(S)

alleges that Defendant(s) *(name)*: HOLLI GIBSON, GORDON GIBSON

became indebted to plaintiff other *(name)*:

- a. within the last four years
 - (1) on an open book account for money due.
 - (2) because an account was stated in writing by and between plaintiff and defendant in which it was agreed that defendant was indebted to plaintiff.
- b. within the last two years four years
 - (1) for money had and received by defendant for the use and benefit of plaintiff.
 - (2) for work, labor, services and materials rendered at the special instance and request of defendant and for which defendant promised to pay plaintiff
 - the sum of \$
 - the reasonable value.
 - (3) for goods, wares, and merchandise sold and delivered to defendant and for which defendant promised to pay plaintiff
 - the sum of \$
 - the reasonable value.
 - (4) for money lent by plaintiff to defendant at defendant's request.
 - (5) for money paid, laid out, and expended to or for defendant at defendant's special instance and request.
 - (6) other *(specify)*: This cause of action is based upon account number XXXXX9613/002-001000 for the sum by which Defendant has been unjustly enriched by virtue of Defendant receiving monetary or other benefit, by Defendant knowingly requesting the funds at issue and/or accepting the benefits bestowed. It is inequitable for Defendant to retain said benefits without repaying Plaintiff the value thereof.

CC-2. \$18,173.84, which is the reasonable value, is due and unpaid despite plaintiff's demand, plus prejudgment interest according to proof at the rate of _____ percent per year from *(date)*:

CC-3. Plaintiff is entitled to attorney fees by an agreement or a statute of \$ according to proof.

CC-4. Other: For such other and further relief as the Court deems just and fair.

SHORT TITLE: NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-2 ET AL, A DELAWARE STATUTORY TRUST(S) vs. HOLLI GIBSON, GORDON GIBSON	Page 5 of 14
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THIRD _____ CAUSE OF ACTION—Breach of Contract
(number)

ATTACHMENT TO Complaint Cross-Complaint

(Use a separate cause of action form for each cause of action.)

BC-1. Plaintiff (name): NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-2 ET AL, A DELAWARE STATUTORY TRUST(S)

alleges that on or about (date): May 22, 2006

a written oral other (specify):

agreement was made between (name parties to agreement): NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-2 ET AL, A DELAWARE STATUTORY TRUST(S) and HOLLI GIBSON, GORDON GIBSON

A copy of the agreement is attached as Exhibit A, or
 The essential terms of the agreement are stated in Attachment BC-1 are as follows (specify):

Defendant(s) entered into a written contract with Plaintiff, whereby Plaintiff loaned money to Defendant(s) for the financing of Education expenses. Plaintiff is the assignee for consideration of this contract. The terms and conditions under which Defendant(s) agreed to repay Plaintiff for the monies loaned are set forth in a written contract and /or loan agreement between the parties. Defendant(s) indicated his/her/their consent to be bound by these terms either by an authorizing signature on the agreement or by Defendant(s) taking possession of and using the monies provided by Plaintiff.

BC-2. On or about (date): January 4, 2010
 Defendant breached the agreement by the acts specified in Attachment BC-2 the following acts

(specify): Defendant(s) failed to make payments on the contract as agreed and, despite Plaintiff demand Defendant(s) continues to refuse to pay Plaintiff the amount owed under the contract. Defendant(s) is in default and, such under the terms of the contract Plaintiff is entitled to the unpaid balance, attorney's fees and costs.

BC-3. Plaintiff has performed all obligations to Defendant(s) except those obligations Plaintiff was prevented or excused from performing.

BC-4. Plaintiff suffered damages legally (proximately) caused by Defendant's breach of the agreement

as stated in Attachment BC-4 As follows :

1. The principal sum of \$26,314.63;
2. Costs of suit;
3. For such other and further relief as the Court deems just and fair.

BC-5. Plaintiff is entitled to attorney fees by an agreement or a statute

of \$
 according to proof:

BC-6. Other:

SHORT TITLE: NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-2 ET AL, A DELAWARE STATUTORY TRUST(S) VS. HOLLI GIBSON, GORDON GIBSON	CASE NUMBER:
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FOURTH _____ CAUSE OF ACTION—Common Counts
(number)

ATTACHMENT TO Complaint Cross-Complaint

(Use a separate cause of action form for each cause of action.)

CC-1. Plaintiff (name): NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-2 ET AL, A DELAWARE STATUTORY TRUST(S)

alleges that Defendant(s) (name): HOLLI GIBSON, GORDON GIBSON

became indebted to plaintiff other (name):

- a. within the last four years
 - (1) on an open book account for money due.
 - (2) because an account was stated in writing by and between plaintiff and defendant in which it was agreed that defendant was indebted to plaintiff.
- b. within the last two years four years
 - (1) for money had and received by defendant for the use and benefit of plaintiff.
 - (2) for work, labor, services and materials rendered at the special instance and request of defendant and for which defendant promised to pay plaintiff
 - the sum of \$
 - the reasonable value.
 - (3) for goods, wares, and merchandise sold and delivered to defendant and for which defendant promised to pay plaintiff
 - the sum of \$
 - the reasonable value.
 - (4) for money lent by plaintiff to defendant at defendant's request.
 - (5) for money paid, laid out, and expended to or for defendant at defendant's special instance and request.
 - (6) other (specify): This cause of action is based upon account number XXXXX9613/003-001000 for the sum by which Defendant has been unjustly enriched by virtue of Defendant receiving monetary or other benefit, by Defendant knowingly requesting the funds at issue and/or accepting the benefits bestowed. It is inequitable for Defendant to retain said benefits without repaying Plaintiff the value thereof.

CC-2. \$26,314.63, which is the reasonable value, is due and unpaid despite plaintiff's demand, plus prejudgment interest according to proof at the rate of _____ percent per year from (date):

CC-3. Plaintiff is entitled to attorney fees by an agreement or a statute of \$ according to proof.

CC-4. Other: For such other and further relief as the Court deems just and fair.



1 **PATENAUDE & FELIX, A.P.C.**
Raymond A. Patenaude, Esq. (#128855)
2 Michael R. Boulanger, Esq. (#226294)
Michael D. Kahn, Esq. (#236898)
3 Tara Natarajan, Esq. (#263333)
Kevin S. Landrith, Esq. (#125739)
4 4545 Murphy Canyon Road, 3rd Floor
San Diego, California 92123
5 Tele: (858) 244-7600 Fax: (858) 836-0318

6 Attorneys for Plaintiff
7 **NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-2 ET AL, A DELAWARE**
8 **STATUTORY TRUST(S)**

9 **SUPERIOR COURT OF CALIFORNIA**

10 **COUNTY OF SACRAMENTO, SACRAMENTO DIVISION - UNLIMITED CIVIL CASE**

11 **NATIONAL COLLEGIATE STUDENT**
12 **LOAN TRUST 2006-2 ET AL, A**
13 **DELAWARE STATUTORY TRUST(S)**

Case No. 34-2012-00122405

DECLARATION / AFFIDAVIT IN
SUPPORT OF APPLICATION FOR ENTRY
OF DEFAULT JUDGMENT (CCP 585)

14 Plaintiff,

15 v.

16 **HOLLI GIBSON,**
GORDON GIBSON et al.,

17 Defendant(s).

PATENAUDE & FELIX, APC
ATTORNEYS AT LAW
4545 MURPHY CANYON ROAD, 3RD FLOOR
SAN DIEGO, CA 92123
TELE: (858) 244-7600 FAX: (858) 836-0318

28

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF SACRAMENTO, SACRAMENTO DIVISION - UNLIMITED CIVIL CASE**

NATIONAL COLLEGIATE STUDENT)
LOAN TRUST 2006-2 ET AL, A)
DELAWARE STATUTORY TRUST(S))
Plaintiff,)
v.)
HOLLI GIBSON,)
GORDON GIBSON)
Defendant(s))

Docket # 34-2012-00122405

AFFIDAVIT IN SUPPORT OF DEFAULT JUDGMENT

STATE OF MASSACHUSETTS)
COUNTY OF SUFFOLK)

BEFORE ME, the undersigned authority, personally appeared Affiant

Hollie J. Prince

, who being first duly sworn, deposes and says:

1. I am Supervisor, Collections & Recovery of First Marblehead Education Resources, Inc., (hereinafter "FMER"), authorized agent for the above-referenced plaintiff at the time complaint was filed. FMER act as Custodian of Records pertaining to the defendants' education loans forming the subject matter of the above-captioned Complaint.

2. I am competent and authorized to testify as to all matters relating to this action. The facts set forth below are based on my own personal knowledge upon review of the contents of defendants' education loan records, and the record management practices and procedures of plaintiff's loan servicers and other agent.

3. The education loan records, upon which the information herein is derived, were made and kept in the regular course of business at, or within a reasonable time after, the event which they record, by an individual with personal knowledge of the event.

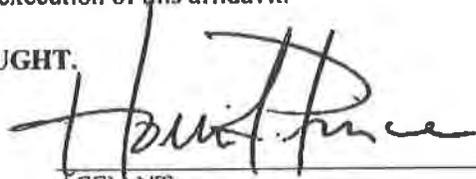
4. I have reviewed the education loan records regarding account number XXXXX9613/002-001000. Plaintiff's records indicate defendant owes the principal sum of \$16,185.02, together with accrued interest in the amount of \$1,988.82, totaling the sum of \$18,173.84.

5. I have reviewed the education loan records regarding account number XXXXX9613/003-001000. Plaintiff's records indicate defendant owes the principal sum of \$23,146.68, together with accrued interest in the amount of \$3,167.95, totaling the sum of \$26,314.63.

6. These amounts remain due and owing.

7. These records are true and accurate copies and information contained therein is true, upon information and believe, as of the date of execution of this affidavit.

FURTHER AFFIANT SAYETH NAUGHT.



AFFIANT

Print Name: Hollie J. Prince

Title: Supervisor, Collections & Recovery

ACKNOWLEDGMENT

On this day of August 17, 2012, before me, the undersigned notary public, personally appeared _____, who proved to me through satisfactory evidence of identification, to be the person whose name is signed above, and acknowledged to me that s/he signed it voluntarily for its stated purpose.

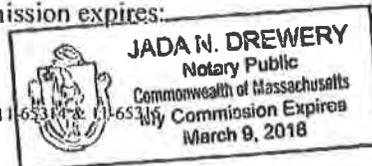
SEAL

CA_21R New NCT Dec



NOTARY PUBLIC

My commission expires:



**Affidavit
Paragraph 4
Loan Application/ Terms**

FROM : ABCDEFGHJTs

FAX NO. : 8889765653

Mar. 14 2008 04:53PM P1

#002

Secured Loan Request/Credit Agreement - Signature Page

NON-NEGOTIABLE CREDIT AGREEMENT - THIS IS A CONSUMER CREDIT TRANSACTION

LOAN INFORMATION

Education One® Education One Undergraduate Loan Academic Period: 04/2008-08/2008

Lender: JPMorgan Chase Bank, N.A. School: ART INST OF CALIFORNIA

Loan Amount Requested: \$11000.00 Repayment Option: Full Deferral

Deferment Period Margin: 4.65 Repayment Period Margin: 4.65 Loan Origination Fee Percentage: 10.50

BORROWER INFORMATION

Borrower Name: Holly R Gibson Home Address: 30282 Winchester Rd 107 139 Murietta, CA 92583

Social Security #: [REDACTED]-9913 Date of Birth: 01/02/[REDACTED] Home Telephone: 9519269395

Student Citizenship (check one box): U.S. Citizen Eligible Non-Citizen (Attach front & back copy of CIS or student visa card)

Note: Personal reference name and address cannot match that of the Cosigner.

Personal Reference Name: [REDACTED] Reference Home Tel #: [REDACTED] Work Tel #: [REDACTED]

Reference Street Address: [REDACTED]

Reference City/State/Zip: [REDACTED] CA 95635

COSIGNER INFORMATION

Cosigner Name: Gordon R Gibson Home Address: 6534 Quannah Way Orangevale, CA 95602

Social Security #: [REDACTED]-0092 Date of Birth: 09/14/[REDACTED] Home Telephone: 9169886850

Have you ever defaulted on a student loan or declared bankruptcy in the last 10 years? No Yes Employer Telephone: 9169886850

Current Employer: RETIRED Current Position: Unemployed (with income) Years There: [REDACTED]

Years of Previous Employment: [REDACTED]

Alimony, child support, or separate maintenance incomes do not have to be revealed if you do not want them considered for repaying this obligation. If you are relying on such additional income, please provide details on a separate sheet of paper.

Cosigner Citizenship (check one box): U.S. Citizen Eligible Non-Citizen (Attach front & back copy of CIS)

Note: Personal reference name and address cannot match that of the Borrower.

Personal Reference Name: [REDACTED] Reference Home Tel #: [REDACTED] Work Tel #: [REDACTED]

Reference Street Address: [REDACTED]

Reference City/State/Zip: [REDACTED] CA 95747

By my signature, I certify that I have read, understand and agree to the terms of and undertake the obligations set forth on all four (4) pages of this Loan Request/Credit Agreement EO-05-06-CSX1, IUDC-0105 ("Credit Agreement"). I understand that any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties, which may include fines or imprisonment. This Credit Agreement is signed under seal. I understand that I am not required to fix my signature on this Credit Agreement and any related notices that require signature. I intend: (i) my fix signature to be an electronic signature under applicable federal and state law, (ii) my fix printout of this Credit Agreement and related notices to be an original document, (iii) to conduct business with the Lender by electronic records and electronic signatures, and (iv) that this Credit Agreement will not be governed by Article 3 of the Uniform Commercial Code, and my obligations under this Credit Agreement will not be subject to, but any transfer of my obligations will be subject to, Article 9 of the Uniform Commercial Code. I, the Cosigner, have read the applicable cosigner notice(s).

- FOR ALABAMA RESIDENTS: CAUTION - IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT.**
- FOR WISCONSIN RESIDENTS: NOTICE TO CUSTOMER:**
- (a) DO NOT SIGN THIS CREDIT AGREEMENT BEFORE YOU READ THE WRITING ON THE FOLLOWING PAGES, EVEN IF OTHERWISE ADVISED.
 - (b) DO NOT SIGN THIS CREDIT AGREEMENT IF IT CONTAINS ANY BLANK SPACES.
 - (c) YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN.
 - (d) YOU HAVE THE RIGHT AT ANY TIME TO PAY IN ADVANCE THE UNPAID BALANCE UNDER THIS AGREEMENT AND YOU MAY BE ENTITLED TO A PARTIAL REFUND OF THE FINANCE CHARGE.

Signature of Borrower: [REDACTED] Date: 3-14-08

BY SIGNING THIS CREDIT AGREEMENT BELOW, I CERTIFY THAT I INTEND TO (I) APPLY FOR JOINT CREDIT AND (II) BE JOINTLY LIABLE WITH THE BORROWER FOR THIS LOAN.

Signature of Cosigner: [REDACTED] Date: 3-14-08

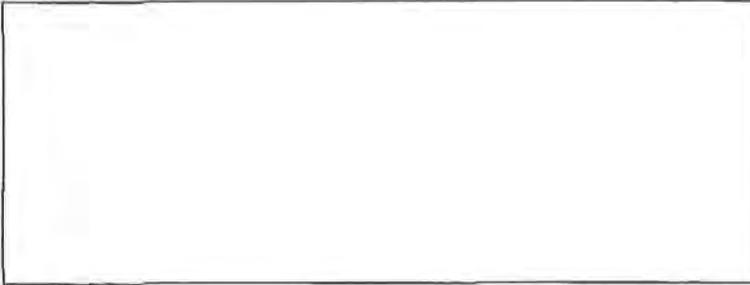
EO-05-06-CSX1, IUDC-0105

1 of 4 BORROWER COPY

EQUUP

Education One® Loan Request/Credit Agreement instructions

You have been conditionally approved for an Education One Loan. Attached is your Loan Request/Credit Agreement. Please review it carefully and follow the steps listed below for final loan approval and disbursement of your funds.



**This is a Legal Document
Urgent Reply Requested**

Follow these 4 steps to receive your loan funds quickly:

1. REVIEW all pre-printed information, complete and SIGN the Loan Request/Credit Agreement



- If you find any incorrect information, put one line through the item that needs to be corrected, make the appropriate change directly above the item and initial the change. Please do not use correction fluid ("white out") for any changes.
- Be sure to legibly sign and date the bottom of the first page of the Loan Request/Credit Agreement. Signatures of the borrower and cosigner must match the names pre-printed on the Loan Request/Credit Agreement.
- Do not cross out anything in the date or signature fields. If you have made an error on the signature or date lines, please contact us as you will need to complete a new Loan Request/Credit Agreement.

2. ATTACH proof of income



- For regular wage earners: provide a copy of the cosigner's current paycheck stub not more than 60 days old that contains the company name, the name of the employee, and year-to-date earnings.
- For self-employed individuals: provide the cosigner's Federal tax returns for the last 2 years, complete with all applicable schedules and signatures (or IRS receipt confirmation for electronically signed returns).
- For retired individuals: provide the cosigner's pension statement (1099) or social security statement (1099) for the last year.
- If the cosigner is relying on alimony or child support payments to repay this loan, please provide a complete copy of the divorce decree and a signed copy of the cosigner's federal tax return for the past year.

3. ATTACH proof of school enrollment and other required information



- School Enrollment (all forms must contain student and school name and must reflect the same academic period as the period for which the loan is requested)
- Copy of current tuition bill from the school for the academic period indicated on this Loan Request/Credit Agreement, OR
- Copy of acceptance letter from the school verifying enrollment for the academic period on this Loan Request/Credit Agreement, OR
- Copy of current registration schedule from the school for the academic period indicated on this Loan Request/Credit Agreement.
- If either the student or cosigner has defaulted on a student loan or declared bankruptcy in the last 10 years, please provide a letter indicating the state where you lived when this condition occurred, the reason it occurred, and the arrangements made to repay your debt(s).
- If the cosigner is a resident of Iowa, New York, South Carolina, or West Virginia, the cosigner must sign and return the applicable "Notice to Cosigner" page in the enclosed documents. This is in addition to the "Signature Page".
- If this loan is for a past due balance, please submit a current invoice (no more than 60 days old) indicating the name of the school, the name of the student, and the dates of and the amount owed for the specific academic period.
- If either the student or cosigner is an "eligible non-citizen," you must provide one of the following: Form F-1 or I-20, alien registration receipt card with valid expiration date, departure record I-94 with valid expiration date issued from CIS showing "Refugee, Asylum Granted, or Indefinite Parole" and/or Humanitarian Parole.

4. RETURN signed paperwork and all requested documents



- Please return all information described in Steps 2 and 3 above, and all pages that require signature. Retain all remaining pages for your records.
For regular delivery, mail to:
TERI
P.O. Box 848108
Boston, MA 02284-8108
- For overnight delivery, send to:
TERI, Second Floor
One Cabot Road, Second Floor
Medford, MA 02155-5141
- For faster loan processing, you can FAX to 1-800-704-9407 FROM A U.S. DOMESTIC FAX NUMBER the information described in Steps 2 and 3 and all pages that require signature.

Once I return my Loan Request/Credit Agreement, when will a disbursement date be set for my loan?

Final approval of your loan is based upon receipt of the signed signature page, proof of income and enrollment, and other requested information. Please allow 2 business days from receipt of your completed paperwork to disbursement of your funds. At the time your loan is disbursed, you will also be mailed a loan disclosure statement confirming the repayment terms of your loan.

How can I check the status of my loan and confirm the disbursement date of my funds?

You can check the status of your loan and confirm the disbursement date of your loan check at anytime. Simply visit us online at www.educationone.com or call 1-888-289-3133.

APPLICATIONS NOT COMPLETED WITHIN 90 DAYS WILL BE CONSIDERED WITHDRAWN.

Borrower and Cosigner: Before signing this Loan Request/Credit Agreement, read the entire document, including the Federal law notice for all applicants set forth at the beginning of Section M. Then, read and, where indicated, sign and date the next page.

[W0276709.8] **EO.05-06.CSX1.10DC.0105**

In this Credit Agreement, the words "I", "me", "my", and "mine" mean each and every Borrower and Cosigner, individually and collectively, who signed this Credit Agreement. The words "you", "your", "yours", and "Lender" mean the Lender named at the top of the first page of this Credit Agreement, its successors and assigns, and any other holder of this Credit Agreement. "School" means the school named at the top of the first page of this Credit Agreement. The "servicer" means the Lender or any entity it designates to service my loan.

A. PROMISE TO PAY: I promise to pay to your order, upon the terms and conditions of this Credit Agreement, the principal sum of the Loan Amount Requested shown on the first page of this Credit Agreement, to the extent it is advanced to me or paid on my behalf, and any Loan Origination Fee added to my loan (see Paragraph F) ("Principal Sum"), interest on such Principal Sum, interest on any unpaid interest added to the Principal Sum, and other charges set forth herein.

B. LOAN; DISCLOSURE STATEMENT:

1. By signing this Credit Agreement, and submitting it to you, I am requesting that you make this loan to me in an amount equal to the Loan Amount Requested plus any Loan Origination Fee described in Paragraph F of this Credit Agreement. When you receive my signed Application, you are not agreeing to lend me money. You have the right not to make a loan or to lend an amount less than the Loan Amount Requested. I agree to accept an amount less than the Loan Amount Requested and to repay that portion of the Loan Amount Requested that you actually lend to me.

2. If you agree to make a loan to me, you will mail me the disbursement check (the "Disbursement Check") and a statement disclosing certain information about the loan in accordance with the federal Truth-in-Lending Act (the "Disclosure Statement"). You have the right to disburse my Disbursement Check through an agent. At your option, you may also make any Disbursement Check co-payable to me and the Cosigner or to me and the School. In addition to other information, the Disclosure Statement will tell me the amount of my disbursement and the amount of the Loan Origination Fee. The Disclosure Statement is part of this Credit Agreement. Upon receipt of the Disclosure Statement, I will review the Disclosure Statement and notify you in writing if I have any questions. My endorsement of the Disbursement Check or allowing the loan proceeds to be used by or on behalf of the Student without objection will acknowledge receipt of the Disclosure Statement and my agreement to be legally bound by this Credit Agreement.

3. If I am not satisfied with the terms of my loan as disclosed in the Disclosure Statement, I may cancel my loan. To cancel my loan, I will give you a written cancellation notice, together with my unused Disbursement Check or, if I have already endorsed and delivered the Disbursement Check to the School, a good check, payable to you, in the full amount of the Disbursement Check. In any event, I cannot cancel more than ten (10) days after I receive the Disclosure Statement. If I give notice of cancellation but do not comply with the requirements of this Paragraph B.3, this Credit Agreement will not be canceled and I will be in default of this Credit Agreement. (See Paragraph I.)

C. DEFINITIONS:

1. "Disbursement Date" means the date shown on any Disbursement Check you prepare for me (not the date I endorse or negotiate my check).

2. The "Deferment Period" will begin on the Disbursement Date and end on the Deferment End Date.

3. "Deferment End Date" means the date specified below for the applicable loan program (the applicable loan program is stated on the first page of this Credit Agreement).

(a) **Education One Undergraduate Alternative Loan Program:** If I have elected the "Immediate Repayment" option (the applicable repayment option is stated on the first page of this Credit Agreement), there is no Deferment Period, and my first payment will be 30-60 days after the disbursement of my loan. If I have elected the "Interest Only" repayment option (the applicable repayment option is stated on the first page of this Credit Agreement), then interest payments will begin 30-60 days after the disbursement of my loan, the "Deferment End Date" will be the date the Student graduates or ceases to be enrolled at least half-time in the School (or another school participating in this loan program), and principal and interest payments will begin 30-60 days after that date. In any event, if I have elected the "Interest Only" repayment option, the Deferment End Date will be no more than 5 years after the Disbursement Date. If I have elected the "Full Deferral" repayment option (the applicable repayment option is stated on the first page of this Credit Agreement), then the "Deferment End Date" will be 180 days after the Student graduates or ceases to be enrolled at least half-time in the School (or another school participating in this Loan Program), and principal and interest payments will begin 30-60 days after that date. In any event, if I have elected the "Full Deferral" repayment option, the Deferment End Date will be no more than 5½ years after the Disbursement Date.

(b) **Education One Graduate Professional Education Loan Program:** 180 days after the Student graduates or ceases for any other reason to be enrolled at least half-time in the School (or another school participating in this Loan Program), but no more than 4½ years after the Disbursement Date; provided, however, that if the Student begins a medical residency or internship during the Deferment Period, then the Deferment Period will end 180 days after the day the residency or internship ends, but no more than 8½ years after the Disbursement Date.

4. The "Repayment Period" begins the day after the Deferment Period ends (or, if there is no Deferment Period, the day after the Disbursement Date for my loan). The

Repayment Period is 20 years, unless monthly payments equal to the minimum monthly payment amount (see Paragraph E.2) will repay all amounts owed in less than 20 years, in which case the Repayment Period will be the number of months necessary to pay in full the amount I owe at the minimum payment.

D. INTEREST:

1. **Accrual** – Beginning on the Disbursement Date, interest on the outstanding balance of this Credit Agreement (including any unpaid interest later added to principal according to Paragraph D.3) will accrue each day (including holidays and other days you are closed) at the Variable Rate (Paragraph D.2) divided by the number of days in that calendar year.

2. **Variable Rate** – The "Variable Rate" is equal to the Current Index plus a Margin. The Margins for both the Deferment Period and the Repayment Period are shown on the first page of this Credit Agreement. In no event will the Variable Rate exceed the maximum interest rate allowed by the laws of the State of Ohio. The Variable Rate will change quarterly on the first day of each January, April, July and October (the "Change Date(s)") if the Current Index changes. The "Current Index" for any calendar quarter beginning on a Change Date (or for any shorter period beginning on the Disbursement Date and ending on the last day of a calendar quarter) is based on the one month London Interbank Offered Rate ("LIBOR") as published in the "Money Rates" section of *The Wall Street Journal*. Each calendar quarter, the index will equal the average of the LIBOR rates published on the first business day of each of the three (3) calendar months immediately preceding such calendar quarter, rounded to the nearest one-hundredth percent (0.01%). If *The Wall Street Journal* is not published or if the LIBOR rate is not published on any one or more of the first business days of each of the three calendar months immediately preceding the calendar quarter, then the Current Index will be determined by using the immediately preceding Current Index. If more than one LIBOR rate is published on the first business day of any of the three preceding calendar months, then the highest rate published will be used to calculate the Current Index. If the LIBOR rate is no longer available, you will choose a comparable index.

3. **Capitalization** – If I have elected the "Full Deferral" repayment option (the applicable repayment option is stated on the first page of this Credit Agreement), I am not obligated to make any payments until the loan enters the Repayment Period and you will add unpaid accrued interest to the principal loan balance as of the last day of each calendar quarter (the last day of December, March, June and September) during the Deferment Period and as of the last day of my Deferment Period. Interest that is added to principal is called "Capitalized" interest. Capitalized interest will be treated as principal. In addition, if I am in default (see Paragraph I) and the loan has been sold to TERI (see Paragraph L.12), TERI may capitalize accrued and unpaid interest as of the date it purchases my loan. I understand that you will also add all accrued and unpaid interest to the principal balance of my loan at the end of any forbearance period (see Paragraph H).

E. TERMS OF REPAYMENT:

1. **Deferment Period** – If I have elected either the "Interest Only" repayment option or the "Full Deferral" repayment option (the applicable repayment option is stated on the first page of this Credit Agreement), you will send statements during the Deferment Period (showing the total outstanding principal balance of my loan and the interest that has accrued on my loan). You reserve the right to send statements or notices to either the Borrower or the Cosigner. Statements will be sent to the address shown on your records. If I have elected the "Interest Only" repayment option, I agree to make payments each month during the Deferment Period equal to the accrued interest on the outstanding balance of this Credit Agreement. If I have elected the "Full Deferral" repayment option I may, but am not required to make payments during the Deferment Period. You will add any interest that I do not pay during the Deferment Period to the principal balance, as described in Paragraph D.3.

2. **Repayment Period** – The amount of my monthly payment ("Monthly Payment Amount") will be established based on the rules in this Credit Agreement when my Repayment Period begins. During the Repayment Period, you will send monthly statements that show the Monthly Payment Amount and the payment due dates, and I will pay the Monthly Payment Amount shown on my monthly statement, which amount will in no event be less than \$25 or the unpaid balance, whichever is less. I understand that the Monthly Payment Amount is due each month. I may pay more than my Monthly Payment Amount at any time without penalty or charge. If my loan is in paid-ahead status, I may, but will not be required to make monthly payments. You reserve the right to send monthly statements to the Borrower and/or the Cosigner. Even if I do not receive monthly statements, I will make consecutive monthly payments in amounts at least equal to the Monthly Payment Amount by the applicable payment due dates until I have paid all of the principal and interest and any other charges I may owe under this Credit Agreement.

3. **Repayment Terms** – My Monthly Payment Amount will be calculated as of the day the Repayment Period begins ("Repayment Date"). It will be recalculated (a) once each year prior to the anniversary of the Repayment Date, (b) if the Variable Rate changes between anniversaries of the Repayment Date to the extent that the Monthly Payment Amount would not pay in full the accrued monthly interest on my loan, (c) following any subsequent deferment or forbearance period or (d) following any request by the Borrower to the servicer to change the monthly payment due date (each of which events is a new "Repayment Date"). As of any Repayment Date, my Monthly Payment Amount will be recalculated. My new Monthly Payment Amount will be disclosed to me by the servicer. The new Monthly Payment Amount will equal the

amount necessary to pay in full, over the number of months remaining in the Repayment Period, the amount I owe in equal monthly installments of principal and interest at the Variable Rate in effect at the time of the calculation. I understand that this may result in a reduction or increase in my monthly payment as calculated as of each Repayment Date. I understand that during the Repayment Period (and, if I have elected the "Interest Only" repayment option, during the period of interest payments) the servicer may change the monthly payment due date of future payments to a later date for the convenience of the servicer in processing payments or in order to coordinate the due dates of all of my loans processed by the servicer.

4. Amounts Owed at the End of the Repayment Period - Since interest accrues daily upon the unpaid principal balance of my loan, if I make payments after my payment due dates, I may owe additional principal, interest, and/or late fees at the end of the Repayment Period. If I have not paid my late fees, I will also owe additional amounts for those late fees. In such cases you will increase the amount of my last monthly payment to the amount necessary to repay my loan in full in a single payment.

5. Payments - Payments will be applied first to late fees and other fees and charges, then accrued interest, and the remainder to principal. If I have multiple loans processed by the servicer, and I submit a single payment that is not sufficient to pay all of the amounts I owe, such payment will be divided between or among the loans in accordance with applicable law and the servicer's customary procedures.

6. Other Charges - If any part of a monthly payment remains unpaid for a period of more than 15 days after the payment due date, I will pay a late fee not exceeding \$5.00 or 5% of the overdue payment amount, whichever is less. I will pay only one late fee for any (monthly) payment, regardless of the number of days it is late. To the extent permitted by law, I agree to pay you all amounts you incur in enforcing the terms of this Credit Agreement, including reasonable collection agency and attorney's fees and court costs and other collection costs.

F. LOAN ORIGINATION FEE: You may charge me an Origination Fee. If you charge me, at the time you issue any disbursement to me, or on my behalf, you may add the Origination Fee to my loan amount. The dollar amount of any Loan Origination Fee will be determined by multiplying the Principal Sum times the Loan Origination Fee Percentage shown on the first page of this Credit Agreement. The percentage would be higher if computed only on the amount advanced rather than on the entire Principal Sum (Loan Origination Fee plus the loan amount advanced). For example, a nominal Loan Origination Fee of 6.5% on the entire Principal Sum would equal 6.9519% of the loan amount advanced. The Loan Origination Fee I will pay, if any, will be shown on my Disclosure Statement and included with the Principal Sum. To the extent permitted by law, and unless I timely cancel this Credit Agreement (see Paragraph B.3), I will not be entitled to a refund of any Loan Origination Fee after my Disbursement Check has been negotiated.

G. RIGHT TO PREPAY: I have the right to prepay all or any part of my loan at any time without penalty or charge.

H. FORBEARANCE: If I am unable to repay my loan in accordance with the terms established under this Credit Agreement because of a hardship such as financial or medical difficulty, I may request that you modify these terms. I understand that such modification would be at your option. I understand that I will remain responsible for all interest accruing during any period of forbearance and that you will add any interest that I do not pay during any forbearance period to the principal balance, as described in Paragraph D.3.

I. WHOLE LOAN DUE: To the extent permitted by applicable law, I will be in default if: (1) I fail to make any monthly payment to you when due, (2) I die, (3) I break any of my other promises in this Credit Agreement, (4) any bankruptcy proceeding is begun by or against me, or I assign any of my assets for the benefit of my creditors, or (5) I make any false written statement in applying for this loan or any other loan or at any time during the Deferral or Repayment Periods. I understand that if I default on my loan, disclosure of my loan information to consumer reporting agencies may adversely affect my credit rating. If I default, I will be required to pay interest on this loan accruing after default. The interest rate after default will be subject to adjustment in the same manner as before default. To the extent permitted by law, upon default, you will have the right to give me notice that the whole outstanding principal balance, accrued interest, and all other amounts payable to you under the terms of this Credit Agreement are due and payable at once. Upon default, you may also capitalize any interest and fees (i.e., add accrued and unpaid interest and fees to the principal balance), and increase the Margin used to compute the Variable Rate by two percentage points (2%).

J. NOTICES:

1. I will send written notice to you, any subsequent holder of this Credit Agreement, and the servicer within ten days after any change in name, address, or enrollment status (for example, if the Borrower withdraws from the School or transfers to another school participating in this loan program).

2. Any notice required to be given to me by you will be effective when mailed by first class mail to the latest address you have for me. Unless required by applicable law, you need not give a separate notice to the Cosigner, if any.

K. INFORMATION:

1. I must update any and all information related to this Credit Agreement or my loan application whenever you ask me to do so.

2. I authorize you from time to time to request and receive from others credit related information about me (and about my spouse if I live in a community property state).

3. CREDIT BUREAU REPORTING

You may report information about my account to credit bureaus. Late payments, missed payments, or other defaults in my account may be reflected in my credit report.

I understand that the reporting of information about my account to credit bureaus may adversely affect my credit rating and my ability to obtain other credit. You may also report the status of my loan and my payment history, including information about a late payment, missed payment or other defaults, to the School and others in accordance with applicable law.

L. ADDITIONAL AGREEMENTS:

1. I understand that you are located in OHIO and that this Credit Agreement will be entered into in the same state. CONSEQUENTLY, THE PROVISIONS OF THIS CREDIT AGREEMENT WILL BE GOVERNED BY FEDERAL LAW AND THE LAWS OF THE STATE OF OHIO, WITHOUT REGARD TO CONFLICT OF LAW RULES.

2. The proceeds of this loan will be used only for my educational expenses at the School. The Cosigner will not receive any of the loan proceeds.

3. My responsibility for paying the loan evidenced by this Credit Agreement is unaffected by the inability of any other person to me or by your failure to notify me that a required payment has not been made. Without losing any of your rights under this Credit Agreement you may accept (a) late payments, (b) partial payments or (c) payments marked "paid in full" or with other restrictions. You may delay, fail to exercise, or waive any of your rights on any occasion without losing your entitlement to exercise the right at any future time, or on any future occasion. You will not be obligated to make any demand upon me, send me any notice, present this Credit Agreement to me for payment or make protest of non-payment to me before suing to collect on this Credit Agreement if I am in default, and to the extent permitted by applicable law, I hereby waive any right I might otherwise have to require such actions. I WILL NOT SEND "PAID IN FULL", "WITHOUT RECOURSE" OR WITH OTHER SIMILAR LANGUAGE UNLESS THOSE PAYMENTS ARE MARKED FOR SPECIAL HANDLING AND SENT TO THE ADDRESS IDENTIFIED FOR SUCH PAYMENTS ON MY BILLING STATEMENT, OR TO SUCH OTHER ADDRESS AS I MAY BE GIVEN IN THE FUTURE.

4. I may not assign this Credit Agreement or any of its benefits or obligations. You may assign this Credit Agreement at any time.

5. The terms and conditions set forth in this Credit Agreement and Instructions and the Disclosure Statement constitute the entire agreement between you and me.

6. If any provision of this Credit Agreement is held invalid or unenforceable, that provision shall be considered omitted from this Credit Agreement without affecting the validity or enforceability of the remainder of this Credit Agreement.

7. A provision of this Credit Agreement may only be modified if jointly agreed upon in writing by you and me. Any modification will not affect the validity or enforceability of the remainder of this Credit Agreement. If I tax my Credit Agreement, I have read and understand the prohibition regarding changes in Paragraph L.16.

8. To the extent permitted by law, you have the right to apply money from any of my deposit account(s) with you to pay all or a portion of any amount overdue under this Credit Agreement. If I am in default at any time (including but not limited to a situation where I give an improper cancellation notice), you may exercise on my behalf any right that I may have to receive a full or partial refund of payments made to the School. I authorize the School to pay any or all of such amounts directly to you upon receipt of notice from you that I am in default under this Credit Agreement.

9. The Borrower and the Cosigner each agrees that any communication between you and the Borrower or the Cosigner will be binding on the Borrower and the Cosigner.

The Borrower and Cosigner intend to be treated as principals of this Credit Agreement and not as sureties. To the extent the Borrower or the Cosigner may be treated as a surety, the Borrower and the Cosigner waive all notices otherwise required or available by law, and all suretyship defenses that might be available (including, without limitation, contribution, subrogation and exoneration). The Cosigner agrees that the Borrower may agree to any forbearance or other modification of the repayment schedule and that such agreement will be binding on the Cosigner. It shall not be necessary for you to resort to or exhaust your remedies against the Borrower before calling upon the Cosigner to make repayment.

10. All dollar amounts stated in this Credit Agreement are in United States dollars. I will make all payments in United States dollars with no deduction for currency exchange.

11. The Student's failure to complete the education program paid for with this loan will not relieve any Borrower of any obligation under this Credit Agreement.

12. I acknowledge that the requested loan is subject to the limitations on dischargeability in bankruptcy contained in Section 523 (a) (8) of the United States Bankruptcy Code. Specifically, I understand that you have purchased a guaranty of this loan, and that this loan is guaranteed by The Education Resources Institute, Inc. ("TERI"), a non-profit institution.

13. I authorize any school that I may attend to release to you, and any other persons designated by you, any requested information pertinent to this loan (e.g., enrollment status, prior loan history, and current address).

14. I authorize the Lender, any subsequent holder of this Credit Agreement, and their agents to: (1) advise the School of the status of my application and my loan, (2) respond to inquiries from prior or subsequent lenders or holders with respect to my Credit Agreement and related documents, (3) release information and make inquiries to the persons I have given you as references, for the purposes of learning my current

address and telephone number, (4) check my credit and employment history and to answer questions about their credit experience with me, and (5) disclose to TERI, the Borrower, and/or the Cosigner either in connection with this transaction or any future transaction all information (including status information and non-public personal information) of the Borrower and/or the Cosigner provided in connection with this Credit Agreement.

15. Waiver by Lender: You waive (give up) any right to claim a security interest in any property to secure this Credit Agreement. This does not affect any right to offset as a matter of law.

16. If I fax my signature(s) on the first page of this Credit Agreement back to you and keep the copy I signed, I understand that under federal law the fax you receive will be an original of the first page of this Credit Agreement and I will refax the first page upon request by Lender. I may NOT amend the Credit Agreement by making changes to the Signature Page, which are then faxed to Lender. If the Borrower faxes the Signature Page, and the Lender approves the application, you and I agree that all copies of this Credit Agreement (including the fax you receive and the copy I retain), taken together, shall constitute a single original agreement.

M. DISCLOSURE NOTICES

ALL APPLICANTS: IMPORTANT FEDERAL LAW NOTICE—

Important information about procedures for opening a new account:

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you (the Borrower and the Cosigner):

When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

CALIFORNIA RESIDENTS: I have the right to prohibit the use of information contained in my credit file in connection with transactions not initiated by me. I may exercise this right by notifying the consumer credit reporting agency. A married applicant may apply for a separate account. If you take any adverse action as defined by Section 1785.3 of the California Civil Code and the adverse action is based, in whole or in part, on any information contained in a consumer credit report, I have the right to obtain within 60 days a free copy of my consumer credit report from the consumer reporting agency who furnished you my consumer credit report and from any other consumer credit reporting agency which compiles and maintains files on consumers on a nationwide basis. I have the right as described by Section 1785.16 of the California Civil Code to dispute the accuracy or completeness of any information in a consumer credit report furnished by the consumer credit reporting agency.

CALIFORNIA and UTAH RESIDENTS: As required by California and Utah law, I am hereby notified that a negative credit report reflecting on my credit record may be submitted to a credit reporting agency if I fail to fulfill the terms of my credit obligations. (For purposes of the following two notices, the word "you" refers to the Borrower and the Cosigner, not the Lender.)

IOWA RESIDENTS: If you are an Iowa resident and your amount financed is \$25,000 or less, this is a consumer credit transaction.

IOWA, KANSAS and NEBRASKA RESIDENTS: (For purposes of the following notice, the word "you" refers to the Borrower and the Cosigner, not the Lender.) **NOTICE TO CONSUMER:** 1. Do not sign this Credit Agreement before you read it. 2. You are entitled to a copy of this Credit Agreement. 3. You may prepay the unpaid balance at any time without penalty and may be entitled to receive a refund of unearned charges in accordance with law.

MARYLAND RESIDENTS: In Paragraph L.1, Lender and I have agreed that this Credit Agreement is governed by federal law and the laws of OHIO, without regard to conflict of laws rules; if any court should nevertheless determine that this Credit Agreement is subject to Maryland laws concerning credit, then only to the extent that Maryland law applies, Lender and I agree and elect that this loan is made under and governed by Subtitle 10, Credit Grantor Closed End Credit Provisions, of Title 12 of the Commercial Law Article of the Annotated Code of Maryland, except as preempted by federal law.

MISSOURI RESIDENTS: ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT 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 WE MAY LATER AGREE IN WRITING TO MODIFY IT.

NEVADA RESIDENTS: This is a loan for study.

NEW YORK, RHODE ISLAND, and VERMONT RESIDENTS: I understand and agree that you may obtain a consumer credit report in connection with updates, renewals of extensions of any credit as a result of this application. If I ask, I will be informed

whether or not such a report was obtained and, if so, the name and address of the agency that furnished the report. I also understand and agree that you may obtain a consumer credit report in connection with the review or collection of any loan made to me as a result of this application or for other legitimate purposes related to such loans.

NEW JERSEY RESIDENTS: The section headings of this Credit Agreement are a table of contents and not contract terms. Portions of this Credit Agreement with references to actions taken to the extent of applicable law apply to acts or practices that New Jersey law permits or requires. In this Credit Agreement, acts or practices (i) by you which are or may be permitted by "applicable law" are permitted by New Jersey law, and (ii) that may or will be taken by you unless prohibited by "applicable law" are permitted by New Jersey law.

OHIO RESIDENTS: The Ohio laws against discrimination require that all creditors make credit equally available to all credit-worthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

OKLAHOMA RESIDENTS: If I am in default and only if the total amount disbursed under this Credit Agreement is greater than \$3,600 (or any higher dollar amount established by law for the payment of such fees), I agree to pay the Lender's attorney's fees and court costs up to 15% of the unpaid debt.

WISCONSIN RESIDENTS: For married Wisconsin residents, my signature confirms that this loan obligation is being incurred in the interest of my marriage or family. No provision of any marital property agreement (pre-marital agreement), unilateral statement under Section 766.59 of the Wisconsin Statutes or court decree under Section 766.70 adversely affects your interest unless, prior to the time that the loan is approved, you are furnished with a copy of the marital property agreement, a statement or a decree or have actual knowledge of the adverse provision. If the loan for which I am applying is granted, I will notify you if I have a spouse who needs to receive notification that credit has been extended to me.

N. BORROWER'S CERTIFICATION: I declare under penalty of perjury under the laws of the United States of America that the following is true and correct I certify that all information I provided to you in connection with this loan, including without limitation the information contained in this Credit Agreement, is true, complete and correct to the best of my knowledge and belief and is made in good faith. I understand that I am responsible for repaying immediately any funds that I receive which are not to be used or are not used for educational expenses related to attendance at the School for the academic period stated. I certify that I am not now in default on a Federal Perkins Loan, a Federal Stafford Loan, a Federally Insured Student Loan, a Federal Supplemental Loan for Students (SLS), a Federal PLUS Loan, an Income Contingent Loan, a Federal Consolidation Loan, a Federal Ford Direct Loan, or any other education loan received for attendance at any school.

O. STATE-SPECIFIC COSIGNER NOTICES: For the purposes of the following notices only, the words "you" and "your" refer to the Cosigner, where applicable, not to the Lender.

FOR OBLIGORS COSIGNING IN VERMONT: For purposes of the following notice, the words "you" and "your" refer to any Cosigner, not to the Lender. "Credit Agreement" means this Credit Agreement.

NOTICE TO COSIGNER:

YOUR SIGNATURE ON THIS CREDIT AGREEMENT MEANS THAT YOU ARE EQUALLY LIABLE FOR REPAYMENT OF THIS LOAN. IF THE BORROWER DOES NOT PAY, THE LENDER HAS A LEGAL RIGHT TO COLLECT FROM YOU.

FEDERAL AND CALIFORNIA COSIGNER NOTICES

For the purposes of these Notices, the words "you" and "your" refer to the Cosigner, not the Lender.

NOTICE TO COSIGNER (Traducción en Inglés Se Requiere Por La Ley):

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the borrower. The holder of the loan can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become part of *your* credit record.

This notice is not the contract that makes you liable for the debt.

AVISO PARA EL FIADOR (Spanish Translation Required by Law):

Se le está pidiendo que garantice esta deuda. Piénselo con cuidado antes de ponerse de acuerdo. Si la persona que ha pedido este préstamo no paga la deuda, usted tendrá que pagarla. Está seguro de que usted podrá pagar si sea obligado a pagarla y de que usted desea aceptar la responsabilidad.

Si la persona que ha pedido el préstamo no paga la deuda, es posible que usted tenga que pagar la suma total de la deuda, mas los cargos por tardarse en el pago o el costo de cobranza, lo cual aumenta el total de esta suma.

El acreedor (financiero) puede cobrarle a usted sin, primeramente, tratar de cobrarle al deudor. Los mismos metodos de cobranza que pueden usarse contra el deudor, podran usarse contra usted, tales como presentar una demanda en corte, quitar parte de su sueldo, etc. Si alguna vez no se cumpla con la obligación de pagar esta deuda, se puede incluir esa información en la historia de credito *de usted*.

Este aviso no es el contrato mismo en que se le echa a usted la responsabilidad de la deuda.

Notice to Cosigner

**SUPPLEMENT TO LOAN REQUEST/CREDIT AGREEMENT
for IOWA, NEW YORK, and SOUTH CAROLINA RESIDENTS**

You agree to pay the debt identified below although you may not personally receive the education or money. You may be sued for payment although the person who receives the education or money is able to pay. The Loan Amount listed below may be higher than the approved loan amount and does not include interest, late fees, court costs, attorney's fees and other charges that are stated in the credit agreement. You may also have to pay some or all of these costs and charges under the terms of the credit agreement that you are guaranteeing. You will receive a disclosure of the approved loan amount when the loan is disbursed.

**This notice is not the credit agreement that obligates you to pay the debt.
Read the Credit Agreement for the exact terms of your obligation.**

IDENTIFICATION OF DEBT YOU MAY HAVE TO PAY

(Name of Student Borrower)

(Social Security Number of Student Borrower)

See Credit Agreement
(Name of Lender)

Education One® Student Loan
(Kind of Debt)

\$Will be disclosed to you
(Amount of Loan)

I have kept a complete copy of this notice and the Credit Agreement that obligates me and the Student Borrower on this debt.

(Date)

(Signature of Non-Student Cosigner)

Cosigner: If you are a resident of Iowa, New York, or South Carolina, please SIGN, DATE, and RETURN (by mail or fax) an original of this notice with the Signature Page of this Credit Agreement and other requested documents.

NOTICE TO COSIGNER

**SUPPLEMENT TO LOAN REQUEST/CREDIT AGREEMENT
for WEST VIRGINIA RESIDENTS**

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay it if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default that fact may become part of your credit record.

This notice is not the contract that makes you liable for the debt.

IDENTIFICATION OF DEBT YOU MAY HAVE TO PAY

(Name of Student Borrower)

(Social Security Number of Student Borrower)

See Credit Agreement
(Name of Lender)

Education One® Student Loan
(Kind of Debt)

\$Will be disclosed to you
(Amount of Loan)

I have kept a complete copy of this notice and the Credit Agreement that obligates me and the Student Borrower on this debt.

(Date)

(Signature of Non-Student Cosigner)

Cosigner: If you are a resident of West Virginia, please SIGN, DATE, and RETURN (by mail or fax) an original of this notice with the Signature Page of this Credit Agreement and other requested documents.

NOTE DISCLOSURE STATEMENT

\$ 12,290.50
8603
 Loan No.

Borrower(s) HOLLI R GIBSON
GORDON R GIBSON

Student: HOLLI R GIBSON
 Date: March 17, 2006

HOLLI R GIBSON

MURRIETA, CA 92563

Lender Name and Address:
BANK ONE (JP MORGAN CHASE BANK, N.A.)
100 EAST BROAD STREET
COLUMBUS, OH 43123

This disclosure statement relates to your Loan Note disbursed on March 17, 2006.
 Because your Loan is either being disbursed or entering repayment, or the repayment terms are being modified, the following information about your Loan is being given to you.

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate. <u>9.864</u> %	The dollar amount the credit will cost you. \$ <u>21,786.40</u>	The amount of credit provided to you or on your behalf. \$ <u>11,000.00</u>	The amount you will have paid after you have made all payments scheduled. \$ <u>32,786.40</u>

Your payment schedule will be:

Number of Payments	Amount of Payments	When Payments are due
240	\$ 136.61	On the 15th day of each month beginning on 12/2008

VARIABLE RATE: The Annual Percentage Rate, which is based on an index plus a margin, may increase during the term of the loan if the index rate increases. The index is (check one):

- Prime Rate Index Adjusted Monthly - The highest U.S. bank prime rate published in the "Money Rates" section of *The Wall Street Journal* on the last business day of each calendar month.
- Prime Rate Index Adjusted Quarterly - The highest U.S. bank prime rate published in the "Money Rates" section of *The Wall Street Journal* on the last business day of each calendar quarter.
- LIBOR Index Adjusted Quarterly - The average of the one-month London Interbank Offered Rates published in the "Money Rates" section of *The Wall Street Journal* on the first business day of each of the three (3) calendar months immediately preceding the first day of each calendar quarter.

Any increase in the index and the Annual Percentage Rate which occurs while principal payments are deferred will increase the amount of any current and all future payments. Any increase in the index and the Annual Percentage Rate which occurs while principal and interest payments are deferred will increase the amount of all future payments. Any increase in the index and the Annual Percentage Rate which occurs after you have begun to make principal and interest payments on your loan will increase the amount of your future principal and interest payments beginning with your next annual payment adjustment date. For example, assume you obtain a loan in your junior year, in the amount of \$10,000, at an interest rate of 11%, and you defer principal and interest payments until after your graduation, and the repayment term of the loan is 20 years. If the interest rate increased to 12% on January 1st of your senior year, the interest which accrues while principal and interest payments are deferred will increase by \$91.01, and your monthly principal and interest payments would increase by \$9.37.

SECURITY: You have given a security interest in all refunds or amounts owed to you at any time by the student's educational institution. Collateral securing other loans with the Lender may also secure this Loan.

LATE CHARGES: If a payment is more than 15 days late, you may be charged \$5.00 or 5% of the payment, whichever is less. If you default, Lender (or any subsequent holder or any subsequent holder of your Loan Note) may increase the margin used to compute the Annual Percentage Rate by two percentage points (2%).

PREPAYMENT: If you pay off early, you will not have to pay a penalty.

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

Estimates: All numerical disclosures except the late payment disclosure are estimates.

Principal Amount of Note (Amount Financed plus Prepaid Finance Charge) \$ 12,290.50

Itemization of Amount Financed

Amount paid to HOLLI R GIBSON and _____ \$ _____
 Amount paid to GORDON R GIBSON _____ \$ 11,000.00
 Total Amount Financed \$ 11,000.00

Itemization of Prepaid Finance Charge

Origination Fee \$ 1,290.50
 Total Prepaid Finance Charge(s) \$ 1,290.50

**Affidavit
Paragraph 4
Bill of Sale / Assignment**

**2006-2 POOL SUPPLEMENT
JPMORGAN CHASE BANK, N.A.**

This Pool Supplement (the "Supplement") is entered into pursuant to and forms a part of that certain Note Purchase Agreement (the "Agreement") dated as of September 30, 2003 as amended, by and between The First Marblehead Corporation ("FMC") and JPMorgan Chase Bank, N.A. (the "Program Lender"). This Supplement is dated as of June 8, 2006. Capitalized terms used in this Supplement without definitions have the meanings set forth in the Agreement.

Article 1: Purchase and Sale.

In consideration of the Minimum Purchase Price, the Program Lender hereby transfers, sells, sets over and assigns to The National Collegiate Funding LLC (the "Depositor"), upon the terms and conditions set forth in the Agreement (which are incorporated herein by reference with the same force and effect as if set forth in full herein), each Chase ExtraSM Conforming Loan described in the attached Schedule 1 (the "Transferred Chase Extra Loans") along with all of the Program Lender's rights under the Guaranty Agreement, and any of the Program Lender's rights in or to the certain account pledged by TERI as collateral for its obligations under the Guaranty Agreement (the "Pledged Account"), in each case specifically relating to the Transferred Chase Extra Loans. The Depositor in turn will sell the Transferred Chase Extra Loans to The National Collegiate Student Loan Trust 2006-2 (the "Trust"). The Program Lender hereby transfers and delivers to the Depositor each Chase Extra Note evidencing such Chase Extra Conforming Loan and all Origination Records relating thereto, in accordance with the terms of the Agreement. The Depositor hereby purchases said Chase Extra Notes on said terms and conditions.

Article 2: Price.

The amount paid pursuant to this Supplement is the Minimum Purchase Price, as that term is defined in Section 2.04 of the Agreement.

Article 3: Representations and Warranties.

3.01. By Program Lender.

The Program Lender repeats the representations and warranties contained in Section 5.02 of the Agreement for the benefit of each of the Depositor and the Trust and confirms the same are true and correct as of the date hereof with respect to the Agreement and to this Supplement.

3.02. By Depositor.

The Depositor hereby represents and warrants to the Program Lender that at the date of execution and delivery of this Supplement by the Depositor:

(a) The Depositor is duly organized and validly existing as a limited liability company under the laws of the State of Delaware with due power and authority to own its properties and to conduct its business as such properties are currently owned and such business is

presently conducted, and had at all relevant times, and has, the power, authority and legal right to acquire and own the Transferred Chase Extra Loans.

(b) The Depositor is duly qualified to do business and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business shall require such qualifications.

(c) The Depositor has the power and authority to execute and deliver this Supplement and to carry out its respective terms; the Depositor has the power and authority to purchase the Transferred Chase Extra Loans and rights relating thereto as provided herein from the Program Lender and the Depositor has duly authorized such purchase from the Program Lender by all necessary action; and the execution, delivery and performance of this Supplement has been duly authorized by the Depositor by all necessary action on the part of the Depositor.

(d) This Supplement, together with the Agreement of which this Supplement forms a part, constitutes a legal, valid and binding obligation of the Depositor, enforceable in accordance with its terms.

(e) The consummation of the transactions contemplated by the Agreement and this Supplement and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the governing instruments of the Depositor or any indenture, agreement or other instrument to which the Depositor is a party or by which it is bound; or result in the creation or imposition of any lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument; or violate any law or any order, rule or regulation applicable to the Depositor of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Depositor or its properties.

(f) There are no proceedings or investigations pending, or threatened, before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Depositor or its properties: (1) asserting the invalidity of the Agreement or this Supplement, (2) seeking to prevent the consummation of any of the transactions contemplated by the Agreement or this Supplement, or (3) seeking any determination or ruling that is likely to materially or adversely affect the performance by the Depositor of its obligations under, or the validity or enforceability of the Agreement or this Supplement.

Article 4: Cross Receipt.

The Program Lender hereby acknowledges receipt of the Minimum Purchase Price. The Depositor hereby acknowledges receipt of the Transferred Chase Extra Loans included in the Pool.

Article 5: Assignment of Origination, Guaranty and Servicing Rights.

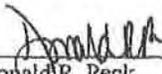
The Program Lender hereby assigns and sets over to the Depositor any claims it may now or hereafter have under the Guaranty Agreement the Origination Agreement, and the Servicing

Agreement to the extent the same relate to the Transferred Chase Extra Loans described in Schedule 2, other than any right to obtain servicing after the date hereof. It is the intent of this provision to vest in the Depositor any claim of the Program Lender relating to defects in origination, guaranty, or servicing of the loans purchased hereunder in order to permit the Depositor to assert such claims directly and obviate any need to make the same claims against the Program Lender under this Supplement. The Program Lender also hereby assigns and sets over to the Depositor any claims it may now have or hereafter have to the Pledged Account pledged under the Guaranty Agreement and under the Deposit and Security Agreement that relate to the Transferred Chase Extra Loans, and the Program Lender hereby releases any security interest it may have in such Pledged Account relating to the Transferred Chase Extra Loans. The Program Lender hereby authorizes the Depositor, its successors and assigns, to file in any public filing office where a Uniform Commercial Code Filing with respect to collateral pledged by TERI is of record, any partial release or assignment that it deems necessary or appropriate to reflect in the public records the conveyance and assignment effected hereby.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, the parties have caused this Supplement to be executed as of the date set forth above.

THE FIRST MARBLEHEAD CORPORATION

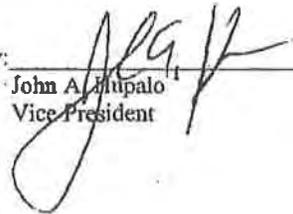
By: 
Donald R. Peck
Executive Vice President

JPMORGAN CHASE BANK, N.A.

By: _____
Name:
Title:

THE NATIONAL COLLEGIATE FUNDING LLC

By: GATE Holdings, Inc., Member

By: 
John A. Lupalo
Vice President

IN WITNESS WHEREOF, the parties have caused this Supplement to be executed as of the date set forth above.

THE FIRST MARBLEHEAD CORPORATION

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A.

By: Joseph F. Sorci
Name: JOSEPH F. SORCI
Title: 1ST VP

THE NATIONAL COLLEGIATE FUNDING LLC

By: GATE Holdings, Inc., Member

By: _____
Name:
Title:

Schedule 1

TRANSFERRED CHASE EXTRA LOANS

[On file with FMC]

**Affidavit
Paragraph 4
Account Payment History**

DATE...: 04/20/12 07:07
PROGRAM: RASBD11P V6.0
PAGE...: 1

RECOVERY MANAGEMENT SYSTEM
CONTRACT MASTER

ACTIVE
User Id: BARZEY

Account : ██████████613/002-001000
Tax Id : ██████████613
Name : GIBSON, HOLLI
Address : 1073 PO BOX
City : HEMET
Zip Code : 925461073
Employer Address :
County : 002

Status : LFS
Contact Freq :
Last Contact :
Next Contact :
Phone (Home) : (951) 596-6492
Phone (Office) : (951) 696-3559
Recoverer : DRPL
Agency/Atty : NAWL

CA Time Zone:

Birthdate : 01/01/██████████
Own/Rent Code :
Rent Payment : .00
Mnthly Income : 18,111.47
Other Payment : 1,926.45
Other Income : 16,185.02
Date Assigned : 10/27/11
Judgment Date:
Deed Transfer:

RECOVERY MANAGEMENT SYSTEM
 CONTRACT MASTER

ACTIVE
 User Id: BARZEY

Product Balance Information

		Original	Judgment
Product Type :	EOU		
Officer Code :	777062		
Pymt Freq/Ind :	0		
Payment Terms :			
Last Payment :	00/00/00		
Last Pymt Amt :	1347.94		
Pymt Due Date :			
Payment Amt :	.00		
Past Due :	.00		
Interest % :	4.650		
Last Interest :	04/02/12		
Lending % :	.00		
Commission % :	.00		
Chg-Off Reason :			
Chg-Off Date :	05/06/09		
Received Date :	02/09/09		
Contract Date :	03/17/06		
Delinquency Date :			
Pmt Susp Date :			
Memo Balance :	N		
Currency Type :			
Pymt Appl Cd :	1		
Vehicle Rate Cd :	FU		
Pymt Schedule :			
Pymt Counter :			
Charge Off Amount		16,185.02	
Recovered Principal			
Excess Recoveries		16,185.02	
Net Charge Off		197.50	
Associated Costs			
Recovered Costs		197.50	
Net Costs		2,319.93	
Accrued Interest			
Recovered Interest		2,319.93	
Net Interest		18,702.45	
Balance			

ACTIVE

User ID: BARZEY

RECOVERY MANAGEMENT SYSTEM
CONTRACT MASTER

DATE...: 04/20/12 07:07
PROGRAM: RMSBD111F V6.0
PAGE...: 3

Court and Legal Information for Guarantor

Case Number:		Court Name		Court Time:
File Date :	00/00/00	Court Date :	00/00/00	
Reason :		Court Addr1 :		
Judgment On :		Court Addr2 :		
Judgment Rec :		Court City :		
Record Book :		Court County :		
Recorded Page :		Court State :		
Defnd Atty :		Court Zip :		
Atty Addr1 :		Court Phone :		
Atty Addr2 :		Court Fax :		
Atty City :		Court Comment :		
Atty State :		Trustee Name :		
Atty Zip :		Trustee Addr1 :		
Atty Phone :		Trustee Addr2 :		
Atty FAX :		Trustee City :		
Atty Comment :		Trustee State :		
Suit Pcp1 :	0.00	Trustee Zip :		
Suit Int :	0.00	Trustee Phone :		
Suit Costs :	0.00	Trustee Fax :		
Suit Balance :	0.00	Trustee Comment :		
Service Date :	00/00/00	Nemo Date :	00/00/00	
Execute Date :	00/00/00	Discharge Date :	00/00/00	
Motion Date :	00/00/00	Cert. Service Date :	00/00/00	
Bar Date :	00/00/00	Ballot Date :	00/00/00	
Dismissal Date :	00/00/00	Reaffirmation Date :	00/00/00	
Plan App. Date :	00/00/00	Plan Rec. Date :	00/00/00	
Next Meet Date :	00/00/00	Stay Lifted Date :	00/00/00	
Plan Chv. Date :		POC File Date :	00/00/00	
Plan Conv Nbr :		POC Accept Date :	00/00/00	
Claim Type :		POC Amend Date :	00/00/00	
Claim Number :		POC Amend Date :	00/00/00	
Claim Amount :	0.00	POC Amendment Nbr :		0.00
Chapter Number :		Plan Amount :		
Secured Flag :		Plan Term :		
Recovery Percent :		Collateral Type :		

RECOVERY MANAGEMENT SYSTEM
 CONTRACT MASTER

ACTIVE
 User Id: BARZEY

 Guarantor: GIBSON, GORDON
 Tax Id : 78092
 Address: 6634 QUINNAN WAY
 Address:
 City : ORANGEVALE CA
 Ph(fno) : (916) 355-5322 Zip : 95662-
 Ph(fax) : (916) 988-6560 County:
 Employ :
 Address:
 Relationship:
 Contact/Report Flag:
 Guarantor Agency:
 Liability Flag:
 Limit of Liability:
 Guarantor Status:
 Date Assigned: 00/00/00
 *** NO LEGAL RECORD ***

 User Defined Fields

Sold to.....	
Reclaims File Num..	0.00
Repurchase Date....	
Terms/Claims/Reject:	0.00
Claims/payout prin:	
Claims Pay/Rej Date:	0.00
ORIG Lender.....	
Claims Payoff Int..	0.00
Int Rate @ Repurch:	0.00
Amount of Repurchase	
Repay Start Date...	
SCHOOL CODE NAME...:	ART INSTITUTE OF CALIFORNIA SAN DIEGO
Claims Int Per Diem:	0.00
DEF/FOR# Start Date:	
Borrower Email.....	
DEF/FORD End Date...	
Coborrower Email....	
Expt Ln Payoff Date	2005-06
Program Year.....	0.00
Judgment diff.....	
Letter/placed Date..	

RECOVERY MANAGEMENT SYSTEM
 CONTRACT MASTER

DATE...: 04/30/12 07:07
 PROGRAM: RMSBD11IP V6.0
 PAGES...: 5

ACTIVE
 User Id: BARREY

User	Date	Time	Code	Description	Sys Cmt	Amount
CRPCLM	07/19/08	19:16	10060	LOAN AMOUNT		15,233.79
CHBUNGY	02/09/09	14:57	10300	LOAN AMOUNT		705.75
BATCH	05/21/09	16:30	15CLM	ACCURED INT/ADJ FOR PAYOFF		245.48
BATCH	05/31/09	79:33	01DEF	16185.02@ 5.100/050609-053109		56.54
BATCH	05/31/09	61:57	01DEF	16185.02@ 5.100/053109-050109		2.26
BATCH	06/30/09	78:22	01410	16185.02@ 5.100/060109-063009		65.58
BATCH	07/01/09	60:66	01410	16185.02@ 5.060/063009-070109		2.24
BATCH	07/31/09	77:35	01410	16185.02@ 5.060/070109-073109		67.31
BATCH	08/03/09	05:49	01410	16185.02@ 5.060/073109-080309		2.24
BATCH	08/03/09	08:50	01410	16185.02@ 5.060/080309-083109		4.49
BATCH	08/31/09	76:00	01410	16185.02@ 5.060/083109-090109		52.82
BATCH	09/01/09	58:96	01410	16185.02@ 5.060/090109-093009		2.24
BATCH	09/30/09	75:50	0141E	16185.02@ 5.060/093009-100109		65.07
BATCH	10/31/09	57:63	01SPC	16185.02@ 4.930/100109-103109		2.24
BATCH	11/02/09	94:68	01SEC	16185.02@ 4.930/103109-110209		65.58
BATCH	11/02/09	94:89	01SEC	16185.02@ 4.930/110209-113009		2.19
BATCH	11/30/09	74:09	01420	16185.02@ 4.930/110209-113009		61.21
BATCH	12/01/09	55:69	01420	16185.02@ 4.930/113009-120109		2.19
BATCH	12/31/09	74:32	01420	16185.02@ 4.930/120109-123109		65.58
BATCH	01/04/10	64:31	01420	16185.02@ 4.930/123109-010410		8.74
BATCH	01/31/10	74:01	01420	16185.02@ 4.890/010410-013110		2.17
BATCH	02/01/10	56:53	01420	16185.02@ 4.890/013110-020110		58.55
BATCH	02/28/10	73:26	01420	16185.02@ 4.890/020110-022810		2.17
BATCH	03/01/10	55:73	01420	16185.02@ 4.890/022810-030110		67.22
BATCH	04/05/10	06:50	01420	16185.02@ 4.890/030110-040510		8.66
BATCH	04/30/10	74:09	01420	16185.02@ 4.890/040510-043010		54.10
BATCH	05/03/10	62:05	01420	16185.02@ 4.880/043010-050310		6.49
BATCH	05/31/10	73:92	01420	16185.02@ 4.880/050310-053110		60.59
BATCH	06/01/10	55:61	01420	16185.02@ 4.880/053110-060110		2.16
BATCH	06/30/10	72:94	01SKP	16185.02@ 4.880/060110-063010		62.75
BATCH	07/01/10	55:52	01SKP	16185.02@ 4.880/063010-070110		2.16
BATCH	07/31/10	73:02	01430	16185.02@ 4.940/070110-073110		65.72
BATCH	08/02/10	59:43	01430	16185.02@ 4.940/073110-080210		4.78
BATCH	08/31/10	71:77	01430	16185.02@ 4.940/080210-083110		63.53
BATCH	09/01/10	54:07	01430	16185.02@ 4.940/083110-090110		2.19
BATCH	09/30/10	72:24	01430	16185.02@ 4.940/090110-093010		53.53
BATCH	10/01/10	53:31	01430	16185.02@ 4.940/093010-100210		2.19
BATCH	10/31/10	69:42	01430	16185.02@ 4.950/100210-103110		65.05
BATCH	11/01/10	53:24	01430	16185.02@ 4.950/103110-110110		2.19
BATCH	11/30/10	71:41	01430	16185.02@ 4.950/110110-113010		63.65
BATCH	12/01/10	53:27	01430	16185.02@ 4.950/113010-120110		2.19
BATCH	12/31/10	69:19	01430	16185.02@ 4.950/120110-123110		65.85
BATCH	01/02/11	50:15	01430	16185.02@ 4.950/123110-010311		6.58
BATCH	01/31/11	71:08	01430	16185.02@ 4.910/010311-013111		60.96
BATCH	02/01/11	52:07	01430	16185.02@ 4.910/013111-020111		2.18
BATCH	02/28/11	71:32	01430	16185.02@ 4.910/020111-022811		58.78
BATCH	03/01/11	52:57	01430	16185.02@ 4.910/022811-030111		2.16

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, Street number, and address):
LAW OFFICES OF PATENAUDE & FELIX, A.P.C.
 Raymond A. Palenaude, Esq. (#128855) / Michael R. Boulanger, Esq. (#226294)
 Michael D. Kahn, Esq. (#236898) / Tara Natarajan, Esq. (#263333) / Kevin S. Landrith, Esq. (#125739)
 4545 Murphy Canyon Road, 3rd Floor, San Diego, CA 92123
 TELEPHONE NO.: (858) 244-7600 FAX NO. (Optional): (858) 836-0318
 E-MAIL ADDRESS (Optional):
 ATTORNEY FOR (Name): **PLAINTIFF**

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SACRAMENTO
 STREET ADDRESS: 720 NINTH STREET RM 611
 MAILING ADDRESS:
 CITY AND ZIP CODE: SACRAMENTO CA 95814
 BRANCH NAME: SACRAMENTO DIVISION - UNLIMITED CIVIL CASE

PLAINTIFF: NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-2 ET AL, A DELAWARE STATUTORY TRUST(S)
 DEFENDANT: HOLLI GIBSON, GORDON GIBSON

JUDGMENT

By Clerk By Default After Court Trial
 By Court On Stipulation Defendant Did Not Appear at Trial

FOR COURT USE ONLY

FILED/ENDORSED

MAY 13 2013

By: **B. SINGH**
DEPUTY CLERK

CASE NUMBER:
34-2012-00122405

JUDGMENT

1. **BY DEFAULT**
 - a. Defendant was properly served with a copy of the summons and complaint
 - b. Defendant failed to answer the complaint or appear and defend the action within the time allowed by law.
 - c. Defendant's default was entered by the clerk upon plaintiff's application.
 - d. **Clerk's Judgment** (Code Civ. Proc., § 585(a)). Defendant was sued only on a contract or judgment of a court of this state for the recovery of money.
 - e. **Court Judgment** (Code Civ. Proc., § 585(b)). The court considered
 - (1) plaintiff's testimony and other evidence.
 - (2) plaintiff's written declaration (Code Civ. Proc., § 585(d)).
2. **ON STIPULATION**
 - a. Plaintiff and defendant agreed (stipulated) that a judgment be entered in this case. The court approved the stipulated judgment and
 - b. the signed written stipulation was filed in the case.
 - c. the stipulation was stated in open court the stipulation was stated on the record.
3. **AFTER COURT TRIAL**. The jury was waived. The court considered the evidence.
 - a. The case was tried on (date and time):
before (name of judicial officer):
 - b. Appearances by:

<input type="checkbox"/> Plaintiff (name each): (1) (2)	<input type="checkbox"/> Plaintiff's attorney (name each): (1) (2)
<input type="checkbox"/> Continued on Attachment 3b. <input type="checkbox"/> Defendant (name each): (1) (2)	<input type="checkbox"/> Defendant's attorney (name each): (1) (2)
 - c. Defendant did not appear at trial. Defendant was properly served with notice of trial.
 - d. A statement of decision (Code Civ. Proc., § 632) was not was requested.

PLAINTIFF: NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-2 ET AL, A
DEFENDANT: DELAWARE STATUTORY TRUST(S)
HOLLI GIBSON, GORDON GIBSON

CASE NUMBER:
34-2012-00122405

JUDGMENT IS ENTERED AS FOLLOWS BY: THE COURT THE CLERK

4. Stipulated Judgment. Judgment is entered according to the stipulation of the parties.

5. Parties. Judgment is

a. for plaintiff (name each):

NATIONAL COLLEGIATE STUDENT LOAN TRUST 2006-2 ET AL, A DELAWARE STATUTORY TRUST(S)
and against defendant (name):

HOLLI GIBSON, GORDON GIBSON

Continued on Attachment 5a.

b. for defendant (name each):

c. for cross-complaint (name each):

and against cross-defendant (name each):

Continued on Attachment 5c.

d. for defendant (name each):

6. Amount.

a. Defendant named in item 5a above must pay plaintiff on the complaint:

c. Cross-defendant named in item 5c above must pay cross-complainant on the cross-complaint:

(1) <input checked="" type="checkbox"/> Damages	\$44,488.47
(2) <input type="checkbox"/> Prejudgment interest at the annual rate of 0.00%	
(3) <input type="checkbox"/> Attorney fees	
(4) <input checked="" type="checkbox"/> Costs	\$692.50
(5) <input type="checkbox"/> Other (specify):	
(6) TOTAL	\$45,180.97

(1) <input type="checkbox"/> Damages	\$
(2) <input type="checkbox"/> Prejudgment interest at the annual rate of %	
(3) <input type="checkbox"/> Attorney fees	\$
(4) <input type="checkbox"/> Costs	\$
(5) <input type="checkbox"/> Other (specify):	\$
(6) TOTAL	\$

b. Plaintiff to receive nothing from defendant named in item 5b.

Defendant named in item 5b to recover costs \$

and attorney fees \$

d. Cross-complainant to receive nothing from cross-defendant named in item 5d.

Cross-defendant named in item 5d to recover costs \$

and attorney fees \$

7. Other (specify):

Date: MAY 13 2013



David I. Brown DAVID I. BROWN
JUDICIAL OFFICER

Date: Clerk, by _____ Deputy

(SEAL)

CLERK'S CERTIFICATE (Optional)

I certify that this is a true copy of the original judgment on file in the court.

Date: _____

Clerk, by _____ Deputy

APPENDIX 4

0A235 - R95

IN THE FRANKLIN COUNTY COMMON PLEAS COURT
FRANKLIN COUNTY, OHIO

National Collegiate Student Loan Trust 2007-1
C/O FMD Legal
800 Boylston St, 34Th Floor
Boston, MA 02199-

Plaintiff

vs.

Benjamin Westbrook
AKA Benjamin K. Westbrook
[REDACTED]
New Albany OH 43054-

Defendant(s)

CASE NUMBER:

JUDGE:

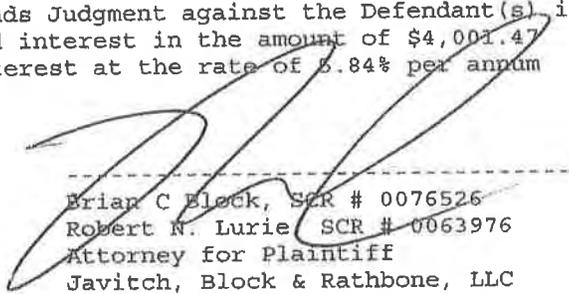
COMPLAINT FOR MONEY

1. Plaintiff is the holder of a Promissory Note(s) executed by the Defendant on December 12, 2006. A copy of the said Promissory Note(s) is/are attached hereto and incorporated herein as "Exhibit A".

2. The amount due and owing on the Promissory Note(s) by the Defendant(s) to the Plaintiff is \$26,507.45 plus accrued interest of \$4,001.47 through January 21, 2012 plus interest at the rate of 5.84% per annum thereafter.

3. Although demand has been made, Defendant(s) has/have failed to liquidate the balance due and owing.

WHEREFORE, the Plaintiff demands Judgment against the Defendant(s) in the amount of \$26,507.45 plus accrued interest in the amount of \$4,001.47 through January 21, 2012 plus interest at the rate of 5.84% per annum thereafter and costs herein.



Brian C Block, SCR # 0076526
Robert N. Lurie SCR # 0063976
Attorney for Plaintiff
Javitch, Block & Rathbone, LLC
1100 Superior Ave, 19Th Floor
Cleveland OH 44114-2518
(216) 687-1199
CLE@JBANDR.COM
FAX 216-623-0190

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#003

NON-NEGOTIABLE CREDIT AGREEMENT - THIS IS A CONSUMER CREDIT TRANSACTION

Education One® Education One Undergraduate Loan	Academic Period: 04/2006-04/2007
Lender: JPMorgan Chase Bank, N.A.	School: UNIVERSITY OF PHOENIX
Loan Amount Requested: \$21500.00	Repayment Option: Interest Only
Deferment Period Margin: 5.65	Repayment Period Margin: 5.65
	Loan Origination Fee Percentage: 9.00

Borrower Name: Benjamin K Westbrook	Home Address: 6063 Mapleton Drive New Albany, OH 43054
Social Security: [REDACTED]	Date of Birth: [REDACTED]
	Home Telephone: [REDACTED]
Current Employer: ONSITE MANAGEMENT	Employer Telephone: [REDACTED]
Current Position: Blue collar worker	Years There: 2 Years 1 Month
Years at Previous Employment: 0 Years	
Alimony, child support, or separate maintenance incomes do not have to be revealed if you do not want them considered for repaying this obligation. If you are relying on such additional income, please provide details on a separate sheet of paper.	
Borrower Citizenship (check one box): <input checked="" type="checkbox"/> U.S. Citizen	<input type="checkbox"/> Eligible Non-Citizen (Attach front & back copy of CIS or student visa card)
Personal Reference Name: Amber D Westbrook	Reference Home Tel: [REDACTED]
Reference Street Address: [REDACTED]	Work Tel #: [REDACTED]
Reference City/State/Zip: Bowling OH 45714	

By my signature, I certify that I have read, understand and agree to the terms of and undertake the obligations set forth on all four (4) pages of this Loan Request/Credit Agreement EO.06-07.CRWO.10DC.0106 ("Credit Agreement"). I understand that any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties, which may include fines or imprisonment. This Credit Agreement is signed under seal. I understand that I am not required to fax my signature on this Credit Agreement and any related notices that require signature. If I choose to fax my signature on this Credit Agreement and any related notices that require signature, I intend: (i) my fax signature to be an electronic signature under applicable federal and state law, (ii) any fax printout of this Credit Agreement and related notices to be an original document, (iii) to conduct business with the Lender by electronic records and electronic signatures, and (iv) that this Credit Agreement will not be governed by Article 3 of the Uniform Commercial Code, and my obligations under this Credit Agreement will not be subject to, but any transfer of my obligations will be subject to, Article 9 of the Uniform Commercial Code.

For purposes of the following notices, "you" means the Borrower, not the Lender.

FOR ALABAMA RESIDENTS: CAUTION - IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT.

FOR WISCONSIN RESIDENTS - NOTICE TO CUSTOMER:

- (a) **DO NOT SIGN THIS CREDIT AGREEMENT BEFORE YOU READ THE WRITING ON THE FOLLOWING PAGES, EVEN IF OTHERWISE ADVISED.**
- (b) **DO NOT SIGN THIS CREDIT AGREEMENT IF IT CONTAINS ANY BLANK SPACES.**
- (c) **YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN.**
- (d) **YOU HAVE THE RIGHT AT ANY TIME TO PAY IN ADVANCE THE UNPAID BALANCE UNDER THIS AGREEMENT AND YOU MAY BE ENTITLED TO A PARTIAL REFUND OF THE FINANCE CHARGE.**

2008 DEC 18 P 2:3

Signature of Borrower Benjamin K Westbrook

Date 12-12-06

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LENDER COPY

EQMJK **A**

0A235 - R97

NOTE DISCLOSURE STATEMENT

\$ 23,626.37
 Loan

Borrower(s) BENJAMIN K WESTBROOK

Student: BENJAMIN K WESTBROOK
 Date: December 18, 2006

BENJAMIN K WESTBROOK
 NEW ALBANY, OH 43054 USA

Lender Name and Address:
JPMORGAN CHASE BANK, N.A., N.A.
100 EAST BROAD STREET
COLOMBUS, OH 43123

This disclosure statement relates to your Loan Note disbursed on December 18, 2006.
 Because your Loan is either being disbursed or entering repayment, or the repayment terms are being modified, the following information about your Loan is being given to you.

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate. <u>12.383</u> %	The dollar amount the credit will cost you. <u>\$ 41,116.83</u>	The amount of credit provided to you or on your behalf. <u>\$ 21,500.00</u>	The amount you will have paid after you have made all payments scheduled. <u>\$ 62,616.83</u>

Your payment schedule will be:

Number of Payments	Amount of Payments	When Payments are due
19	\$ 215.99	On the 18th day of each month beginning 1/2007
1	\$ 99.42	On the 1st day of each month beginning 8/2008
240	\$ 243.39	On the 1st day of each month beginning 9/2008

VARIABLE RATE: The Annual Percentage Rate, which is based on an Index plus a margin, may increase during the term of the loan if the index rate increases. The index is (check one):

- Prime Rate Index Adjusted Monthly - The highest U.S. bank prime rate published in the "Money Rates" section of *The Wall Street Journal (Eastern Edition)* on the last business day of each calendar month.
- Prime Rate Index Adjusted Quarterly - The highest U.S. bank prime rate published in the "Money Rates" section of *The Wall Street Journal (Eastern Edition)* on the last business day of each calendar quarter.
- LIBOR Index Adjusted Quarterly - The average of the one-month London Interbank Offered Rates published in the "Money Rates" section of *The Wall Street Journal (Eastern Edition)* on the first business day of each of the three (3) calendar months immediately preceding the first day of each calendar quarter.
- LIBOR Index Adjusted Monthly - The one-month London Interbank Offered Rate published in the "Money Rates" section of *The Wall Street Journal (Eastern Edition)* on the first business day of the preceding calendar month.

Any increase in the index and the Annual Percentage Rate which occurs while principal payments are deferred will increase the amount of any current and all future payments. Any increase in the index and the Annual Percentage Rate which occurs while principal and interest payments are deferred will increase the amount of all future payments. Any increase in the index and the Annual Percentage Rate which occurs after you have begun to make principal and interest payments on your loan will increase the amount of your future principal and interest payments beginning with your next annual payment adjustment date. For example, assume you obtain a loan in your junior year, in the amount of \$10,000, at an interest rate of 11%, and you defer principal and interest payments until after your graduation, and the repayment term of the loan is 20 years. If the interest rate increased to 12% on January 1st of your senior year, the interest which accrues while principal and interest payments are deferred will increase by \$91.01, and your monthly principal and interest payments would increase by \$9.37.

LATE CHARGES: If a payment is more than 15 days late, you may be charged \$5.00 or 5% of the payment, whichever is less. If you default, Lender (or any subsequent holder of your Loan Note) may increase the margin used to compute the Annual Percentage Rate by two percentage points (2%).

PREPAYMENT: If you pay off early, you will not have to pay a penalty.

Estimates: All numerical disclosures except the late payment disclosure are estimates.

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

Principal Amount of Note (Amount Financed plus Prepaid Finance Charge) \$ 23,626.37

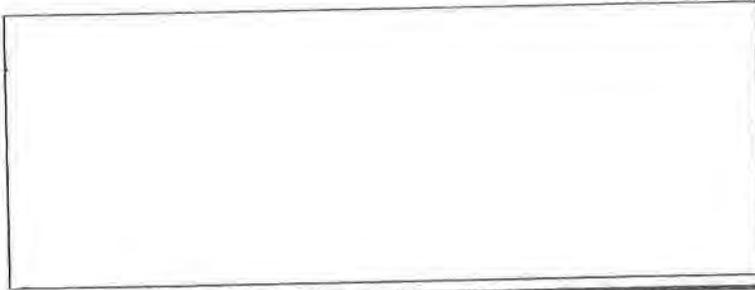
Itemization of Amount Financed
 Amount paid to BENJAMIN K WESTBROOK \$ 21,500.00
 Amount paid to _____ \$ _____
 Total Amount Financed \$ 21,500.00

Itemization of Prepaid Finance Charge
 Origination Fee \$ 2,126.37
 Total Prepaid Finance Charge(s) \$ 2,126.37

0A235 - R98

Education One Loan Request/Credit Agreement Instructions

You have been conditionally approved for an Education One Loan. Attached is your Loan Request/Credit Agreement. Please review it carefully and follow the steps listed below for final loan approval and disbursement of your funds.



This is a Legal Document
Urgent Reply Requested

Please follow the instructions on the following page to complete your application. Be sure to include your Loan ID# and/or SS [REDACTED]



Your Loan ID# is located in the footer of this page. It is the eight digit number following "A1".

Once Completed – RETURN all signed paperwork and all requested documents.

- For faster loan processing, fax all documents to [REDACTED].
- Return all information by mail to one of the addresses below.

For regular delivery, send to:

[REDACTED]
P.O. Box 848108
Boston, MA 02284-8108

For overnight delivery, send to:

[REDACTED]
One Cabot Road, Second Floor
Medford, MA 02155-5141

Frequently Asked Questions

- Q: What could cause my loan to be delayed?
- A: The most common delays are caused by incomplete or incorrect information or incomplete information on the following page.
- Q: How can I check the status of my loan and confirm the disbursement date of my loan?
- A: You can check the status of your loan and confirm the disbursement date at anytime simply visit us online at [REDACTED] or call us at [REDACTED].



Applications not completed within 90 days will be considered withdrawn.
Before returning this Credit Agreement, read the entire document and sign and date the Signature Page where indicated.

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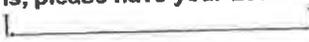
0A235 - R99

Credit Agreement Instructions Checklist

(For your reference only; you do not need to return this checklist)

<p>Step 1:</p> <p><input type="checkbox"/></p> <p>Check Box</p>	<p>REVIEW all pre-printed information, complete and SIGN the Credit Agreement</p> <p>If you find any incorrect information, please correct the information and initial the changes. Please note that certain changes may require the issuance of a new Credit Agreement for signature.</p> <p>Legibly sign and date by hand the bottom of the Signature Page of the Credit Agreement. Your signature must match the name pre-printed on the Credit Agreement.</p> <p>If you have made an error on the signature or date lines, either download another copy or contact us, as you will need to complete a new Credit Agreement.</p>			
<p>Step 2:</p> <p><input type="checkbox"/></p> <p>Check Box</p>	<p>ATTACH proof of enrollment</p> <ul style="list-style-type: none"> If this loan is for the <u>current and/or an upcoming semester</u>, please submit documentation in one of the following formats: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;"> <p>1. Current tuition bill or current class/ registration schedule that shows the following:</p> <ul style="list-style-type: none"> Student Name School Name Academic period that matches the period on the Credit Agreement </td> <td style="width: 10%; text-align: center; vertical-align: middle;">OR</td> <td style="width: 40%; padding: 5px;"> <p>2. Acceptance letter from the school verifying enrollment that shows the following:</p> <ul style="list-style-type: none"> Student Name School Name Academic period that matches the period on the Credit Agreement </td> </tr> </table> If this loan is for a <u>past due balance</u>, please submit a current invoice (less than 60 days old) indicating the name of the school, the name of the student, and the dates of and the amount owed for the specific academic period. 	<p>1. Current tuition bill or current class/ registration schedule that shows the following:</p> <ul style="list-style-type: none"> Student Name School Name Academic period that matches the period on the Credit Agreement 	OR	<p>2. Acceptance letter from the school verifying enrollment that shows the following:</p> <ul style="list-style-type: none"> Student Name School Name Academic period that matches the period on the Credit Agreement
<p>1. Current tuition bill or current class/ registration schedule that shows the following:</p> <ul style="list-style-type: none"> Student Name School Name Academic period that matches the period on the Credit Agreement 	OR	<p>2. Acceptance letter from the school verifying enrollment that shows the following:</p> <ul style="list-style-type: none"> Student Name School Name Academic period that matches the period on the Credit Agreement 		
<p>Step 3:</p> <p><input type="checkbox"/></p> <p>Check Box</p>	<p>ATTACH proof of income:</p> <p><u>For wage earners:</u> Provide one of the following documents:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;"> <p>1. Recent copy of your current paystub that shows the following:</p> <ul style="list-style-type: none"> Dated within the last 60 days Employee Name Employer Name Year-to-date earnings or date of hire </td> <td style="width: 10%; text-align: center; vertical-align: middle;">OR</td> <td style="width: 40%; padding: 5px;"> <p>2. Signed letter from your employer that shows the following:</p> <ul style="list-style-type: none"> Dated within the last 60 days Employer Name and letterhead Employee Name Year-to-date earnings or annual salary Employee hire date </td> </tr> </table> <p><u>For self-employed individuals:</u> Provide the first two pages of your federal tax returns (1040's) for the last 2 years, complete with all schedules and signatures for IRS receipt confirmation for electronically filed returns.</p> <p><u>For retired individuals:</u> Provide your pension statement (1099) or Social Security Statement (1099) for the last year or a current year award letter showing pension or retirement income.</p> <p><u>For individuals relying on alimony or child support payments to repay this loan:</u> Provide a complete copy of the divorce decree and a signed copy of your federal tax returns (1040's) for the past two years.</p>	<p>1. Recent copy of your current paystub that shows the following:</p> <ul style="list-style-type: none"> Dated within the last 60 days Employee Name Employer Name Year-to-date earnings or date of hire 	OR	<p>2. Signed letter from your employer that shows the following:</p> <ul style="list-style-type: none"> Dated within the last 60 days Employer Name and letterhead Employee Name Year-to-date earnings or annual salary Employee hire date
<p>1. Recent copy of your current paystub that shows the following:</p> <ul style="list-style-type: none"> Dated within the last 60 days Employee Name Employer Name Year-to-date earnings or date of hire 	OR	<p>2. Signed letter from your employer that shows the following:</p> <ul style="list-style-type: none"> Dated within the last 60 days Employer Name and letterhead Employee Name Year-to-date earnings or annual salary Employee hire date 		
<p>Step 4:</p> <p><input type="checkbox"/></p> <p>Check Box</p>	<p>ATTACH proof of immigration status (for eligible non-U.S. citizens only)</p> <ul style="list-style-type: none"> If you are an "eligible non-citizen," you must provide Form I-151 or Form I-551 (i.e., Green Card) demonstrating that you are a permanent resident alien of the United States. 			

If you have questions, please have your Loan ID# available and call:



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Creditworthy Student * Loan Request/Credit Agreement - Signature Page

NON-NEGOTIABLE CREDIT AGREEMENT - THIS IS A CONSUMER CREDIT TRANSACTION

LOAN PROGRAM INFORMATION		
Education One [®] Loan Program	Academic Period:	
Lender: JPMorgan Chase Bank, N.A.	School:	
Loan Amount Requested:	Repayment Option:	
Deferment Period Margin:	Repayment Period Margin:	Loan Origination Fee Percentage:

BORROWER INFORMATION (Must be at least 18 years of age)		
Borrower Name:	Home Address:	Home Telephone:
Social Security #:	Date of Birth:	Employer Telephone:
Current Employer:	Years There:	
Current Position:		
Years at Previous Employment:	Alimony, child support, or separate maintenance incomes do not have to be revealed if you do not want them considered for repaying this obligation. If you are relying on such additional income, please provide details on a separate sheet of paper.	
Borrower Citizenship (check one box):	<input type="checkbox"/> U.S. Citizen	<input type="checkbox"/> Eligible Non-Citizen (Attach front & back copy of CIS or student visa card)
Personal Reference Name:	Reference Home Tel #:	Work Tel #:
Reference Street Address:		
Reference City/State/Zip:		

By my signature, I certify that I have read, understand and agree to the terms of and undertake the obligations set forth on all four (4) pages of this Loan Request/Credit Agreement EO.06-07.CRWO.10DC.0106 ("Credit Agreement"). I understand that any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties, which may include fines or imprisonment. This Credit Agreement is signed under seal. I understand that I am not required to fax my signature on this Credit Agreement and any related notices that require signature. If I choose to fax my signature on this Credit Agreement and any related notices that require signature, I intend: (i) my fax signature to be an electronic signature under applicable federal and state law, (ii) any fax printout of this Credit Agreement and related notices to be an original document, (iii) to conduct business with the Lender by electronic records and electronic signatures, and (iv) that this Credit Agreement will not be governed by Article 3 of the Uniform Commercial Code, and my obligations under this Credit Agreement will not be subject to, but any transfer of my obligations will be subject to, Article 9 of the Uniform Commercial Code.

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FOR WISCONSIN RESIDENTS - NOTICE TO CUSTOMER:

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- (b) **DO NOT SIGN THIS CREDIT AGREEMENT IF IT CONTAINS ANY BLANK SPACES.**
- (c) **YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN.**
- (d) **YOU HAVE THE RIGHT AT ANY TIME TO PAY IN ADVANCE THE UNPAID BALANCE UNDER THIS AGREEMENT AND YOU MAY BE ENTITLED TO A PARTIAL REFUND OF THE FINANCE CHARGE.**

PLEASE SIGN BELOW - RETURN This Page with Proof of Income and Other Information (if applicable) - FAX TO: 800-704-9407

Signature of Borrower _____ Date _____

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In this Credit Agreement, the words "I", "me", "my", and "mine" mean the person who signed this Credit Agreement as Borrower. The words "you", "your", "yours", and "Lender" means the Lender named at the top of the first page of this Credit Agreement, its successors and assigns, and any other holder of this Credit Agreement. "School" means the school named at the top of the first page of this Credit Agreement. The "servicer" means the Lender or any entity it designates to service my loan.

A. PROMISE TO PAY: I promise to pay to your order, upon the terms and conditions of this Credit Agreement, the principal sum of the Loan Amount Requested shown on the first page of this Credit Agreement, to the extent it is advanced to me or paid on my behalf, and any Loan Origination Fee added to my loan (see Paragraph F) (together the "Principal Sum"), interest on such Principal Sum, interest on any unpaid interest added to the Principal Sum, and other charges set forth herein.

B. LOAN; DISCLOSURE STATEMENT:

1. By signing this Credit Agreement, and submitting it to you, I am requesting that you make this loan to me in an amount equal to the Loan Amount Requested plus any Loan Origination Fee described in Paragraph F of this Credit Agreement. When you receive my signed Application, you are not agreeing to lend me money. You have the right not to make a loan or to lend an amount less than the Loan Amount Requested. I agree to accept an amount less than the Loan Amount Requested and to repay that portion of the Loan Amount Requested that you actually lend to me along with interest and all other amounts I owe (see Paragraph A).

2. If you agree to make a loan to me, you will mail me a disbursement check (the "Disbursement Check") and a statement disclosing certain information about the loan in accordance with the federal Truth-in-Lending Act (the "Disclosure Statement"). You have the right to disburse my Disbursement Check through an agent. At your option, you may make the Disbursement Check co-payable to me and the School. In addition to other information, the Disclosure Statement will tell me the amount of my disbursement and the amount of the Loan Origination Fee. The Disclosure Statement is part of this Credit Agreement. Upon receipt of the Disclosure Statement, I will review the Disclosure Statement and notify you in writing if I have any questions. My endorsement of the Disbursement Check or allowing the loan proceeds to be used by or on behalf of the Borrower without objection will acknowledge receipt of the Disclosure Statement and my agreement to be legally bound by this Credit Agreement.

3. If I am not satisfied with the terms of my loan as disclosed in the Disclosure Statement, I may cancel my loan. To cancel my loan, I will give you a written cancellation notice, together with my unused Disbursement Check or, if I have already endorsed and delivered the Disbursement Check to the School, a good check, payable to you, in the full amount of the Disbursement Check. In any event, I cannot cancel more than ten (10) days after I receive the Disclosure Statement. If I give notice of cancellation but do not comply with the requirements of this Paragraph B.3, this Credit Agreement will not be canceled and I will be in default of this Credit Agreement. (See Paragraph I.)

C. DEFINITIONS:

1. "Disbursement Date" means the date shown on any Disbursement Check you prepare for me (not the date I endorse or negotiate my check).

2. The "Deferment Period" will begin on the Disbursement Date and end on the Deferment End Date.

3. "Deferment End Date" means the date specified below for the applicable loan program (the applicable loan program is stated on the first page of this Credit Agreement).

(a) **Education One Undergraduate Alternative Loan Program:** If I have elected the "Immediate Repayment" option (the applicable repayment option is stated on the first page of this Credit Agreement), there is no Deferment Period, and my first payment will be 30-60 days after the disbursement of my loan. If I have elected the "Interest Only" repayment option (the applicable repayment option is stated on the first page of this Credit Agreement), then interest payments will begin 30-60 days after the disbursement of my loan, the "Deferment End Date" will be the date the Borrower first graduates or ceases to be enrolled at least half-time in the School (or another school participating in this loan program), and principal and interest payments will begin 30-60 days after that date. In any event, if I have elected the "Interest Only" repayment option, the Deferment End Date will be no more than 5 years after the Disbursement Date. If I have elected the "Full Deferral" repayment option (the applicable repayment option is stated on the first page of this Credit Agreement), then the "Deferment End Date" will be 180 days after the date the Borrower first graduates or ceases to be enrolled at least half-time in the School (or another school participating in this Loan Program), and principal and interest payments will begin 30-60 days after that date. In any event, if I have elected the "Full Deferral" repayment option, the Deferment End Date will be no more than 5½ years after the Disbursement Date. For borrowers who chose the "Interest Only" or "Full Deferral" repayment options, a student who receives the first of joint or serial degrees (e.g., associates to bachelors) may continue in-school deferment while completing their second degree, up to the 5-year or 5½-year maximum.

(b) **Education One Graduate Professional Education Loan Program:** The Deferment End Date will be 180 days after the Borrower graduates or ceases for any

other reason to be enrolled at least half-time in the School (or another school participating in this Loan Program), but no more than 4½ years after the Disbursement Date; provided, however, that if the Borrower begins a medical residency or internship during the Deferment Period, then the Deferment Period will end 180 days after the day the residency or internship ends, but no more than 8½ years after the Disbursement Date.

4. The "Repayment Period" begins the day after the Deferment Period ends, or, if there is no Deferment Period, the day after the Disbursement Date for my loan. The Repayment Period is 20 years unless monthly payments equal to the minimum monthly payment amount (see Paragraph E.2) will repay all amounts owed in less than 20 years, in which case the Repayment Period will be the number of months necessary to pay in full the amount I owe at the minimum payment.

D. INTEREST:

1. **Accrual** – Beginning on the Disbursement Date, interest on the outstanding balance of this Credit Agreement (including any unpaid interest later added to principal according to Paragraph D.3) will accrue each day (including holidays and other days you are closed) at the Variable Rate (Paragraph D.2) divided by the number of days in that calendar year.

2. **Variable Rate** – The "Variable Rate" is equal to the Current Index plus a Margin. The Margins for both the Deferment Period and the Repayment Period are shown on the first page of this Credit Agreement. In no event will the Variable Rate exceed the maximum interest rate allowed by the laws of the State of Ohio. The Variable Rate will change monthly on the first day of each calendar month (the "Change Date(s)") if the Current Index changes. The "Current Index" for any calendar month (or for any shorter period beginning on the Disbursement Date and ending on the last day of a calendar month) is based on the one-month London Interbank Offered Rate ("LIBOR") as published in the "Money Rates" section of *The Wall Street Journal* (Eastern Edition). The index for each calendar month (or for any shorter period beginning on a Disbursement Date and ending on the last day of a calendar month) will equal the LIBOR rate published on the first business day of the immediately preceding calendar month, rounded to the nearest one-hundredth of one percent (0.01%). If *The Wall Street Journal* (Eastern Edition) is not published or the Current Index is not given on that date, then the Current Index will be determined by using the immediately preceding published Current Index. If the Current Index is no longer available, you will choose a comparable index.

3. **Capitalization** – If I have elected the "Full Deferral" repayment option (the applicable repayment option is stated on the first page of this Credit Agreement), I am not obligated to make any payments until the loan enters the Repayment Period and you will add unpaid accrued interest to the principal loan balance as of the last day of each calendar quarter (the last day of December, March, June and September) during the Deferment Period and as of the last day of my Deferment Period. Interest that is added to principal is called "Capitalized" interest. Capitalized interest will be treated as principal. In addition, if I am in default (see Paragraph I) and the loan has been sold to TERI (see Paragraph L.11), TERI may capitalize accrued and unpaid interest as of the date it purchases my loan. In all cases, the sum of interest you capitalize plus the then-outstanding principal balance is thereafter considered the principal balance, and interest will accrue on the new principal balance.

E. TERMS OF REPAYMENT:

1. **Deferment Period** – If I have elected either the "Interest Only" repayment option or the "Full Deferral" repayment option (the applicable repayment option is stated on the first page of this Credit Agreement), you will send statements during the Deferment Period (showing the total outstanding principal balance of my loan and the interest that has accrued on my loan). Statements will be sent to the address shown on your records. If I have elected the "Interest Only" repayment option, I agree to make payments each month during the Deferment Period equal to the accrued interest on the outstanding balance of this Credit Agreement. If I have elected the "Full Deferral" repayment option I may, but am not required to make payments during the Deferment Period. You will add any interest that I do not pay during the Deferment Period to the principal balance, as described in Paragraph D.3.

2. **Repayment Period** – The amount of my monthly payment ("Monthly Payment Amount") will be established based on the rules in this Credit Agreement when my Repayment Period begins. During the Repayment Period, you will send monthly statements that show the Monthly Payment Amount and the payment due dates, and I will pay the Monthly Payment Amount shown on my monthly statement, which amount will in no event be less than \$25 or the unpaid balance, whichever is less. I understand that the Monthly Payment Amount is due each month. I may pay more than my Monthly Payment Amount at any time without penalty or charge. If my loan is in paid-ahead status, I may, but will not be required to make monthly payments. Even if I do not receive monthly statements, I will make consecutive monthly payments in amounts at least equal to the Monthly Payment Amount by the applicable payment due dates until I have paid all of the principal and interest and any other charges I may owe under this Credit Agreement.

3. **Repayment Terms** – My Monthly Payment Amount will be calculated when the Repayment Period begins ("Repayment Date"). It will be recalculated on each year prior to the anniversary of the Repayment Date, (b) if the variable rate changes between anniversaries of the Repayment Date to the extent that the Monthly

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Payment Amount would not pay in full the accrued monthly interest on my loan, (c) following any subsequent deferment or forbearance period or (d) following any request by the Borrower to the servicer to change the monthly payment due date (each of which events is a new "Repayment Date"). As of any Repayment Date, my Monthly Payment Amount will be recalculated. My new Monthly Payment Amount will be disclosed to me by the servicer. The new Monthly Payment Amount will equal the amount necessary to pay in full, over the number of months remaining in the Repayment Period, the amount I owe in equal monthly installments of principal and interest at the Variable Rate in effect at the time of the calculation. I understand that this may result in a reduction or increase in my monthly payment as calculated as of each Repayment Date. I understand that during the Repayment Period (and, if I have elected the "Interest Only" repayment option, during the period of interest payments) the servicer may change the monthly payment due date of future payments to a later date for the convenience of the servicer in processing payments or in order to coordinate the due dates of all of my loans processed by the servicer.

4. Amounts Owed at the End of the Repayment Period - Since interest accrues daily upon the unpaid principal balance of my loan, if I make payments after my payment due dates, I may owe additional principal, interest, and/or late fees at the end of the Repayment Period. If I have not paid my late fees, I will also owe additional amounts for those late fees. In such cases you will increase the amount of my last monthly payment to the amount necessary to repay my loan in full in a single payment.

5. Payments - Payments will be applied first to late fees and other fees and charges, then accrued interest, and the remainder to principal. If I have multiple loans processed by the servicer, and I submit a single payment that is not sufficient to pay all of the amounts I owe, such payment may be divided between or among the loans in accordance with applicable law and the servicer's customary procedures.

6. Other Charges - If any part of a monthly payment remains unpaid for a period of more than 15 days after the payment due date, I will pay a late fee not exceeding \$5.00 or 5% of the overdue payment amount, whichever is less. I will pay only one late fee for any (monthly) payment, regardless of the number of days it is late. To the extent permitted by law, I agree to pay you all amounts you incur in enforcing the terms of this Credit Agreement, including reasonable collection agency and attorney's fees and court costs and other collection costs.

F. LOAN ORIGATION FEE: You may charge me an Origination Fee. If you charge me, at the time you issue any disbursement to me, or on my behalf, you may add the Origination Fee to my loan amount. The dollar amount of any Loan Origination Fee will be determined by multiplying the Principal Sum times the Loan Origination Fee Percentage shown on the first page of this Credit Agreement. The percentage would be higher if computed only on the amount advanced rather than on the entire Principal Sum (Loan Origination Fee plus the loan amount advanced). For example, a nominal Loan Origination Fee of 8% on the entire Principal Sum would equal 8.6957% of the loan amount advanced. The Loan Origination Fee I will pay, if any, will be shown on my Disclosure Statement and included with the Principal Sum. To the extent permitted by law, and unless I timely cancel this Credit Agreement (see Paragraph B.3), I will not be entitled to a refund of any Loan Origination Fee after my Disbursement Check has been negotiated.

G. RIGHT TO PREPAY: I have the right to prepay all or any part of my loan at any time without penalty or charge.

H. FORBEARANCE: If I am unable to repay my loan in accordance with the terms established under this Credit Agreement because of a hardship such as financial or medical difficulty, I may request that you modify these terms. I understand that such modification would be at your option, and, to the extent not prohibited by applicable law, you may charge me a fee equal to two percent 2% of the outstanding principal balance if you agree to modify the terms of this Credit Agreement. I understand that I will remain responsible for all interest accruing during any period of forbearance and that you will add any 2% fee described in the previous sentence and all interest that I do not pay during any forbearance period to the principal balance, as described in Paragraph D.3.

I. WHOLE LOAN DUE: To the extent permitted by applicable law, I will be in default if: (1) I fail to make any monthly payment to you when due, (2) I die, (3) I break any of my other promises in this Credit Agreement, (4) any bankruptcy proceeding is begun by or against me, or I assign any of my assets for the benefit of my creditors, or (5) I make any false written statement in applying for this loan or any other loan or at any time during the Deferment or Repayment Periods. I understand that if I default on my loan, disclosure of my loan information to consumer reporting agencies may adversely affect my credit rating. If I default, I will be required to pay interest on this loan accruing after default. The interest rate after default will be subject to adjustment in the same manner as before default. To the extent permitted by law, upon default, you will have the right to give me notice that the whole outstanding principal balance, accrued interest, and all other amounts payable to you under the terms of this Credit Agreement are due and payable at once. Upon default, you may also capitalize any interest and fees (i.e., add accrued and unpaid interest and fees to the principal balance), and increase the Margin used to compute the Variable Rate by two percentage points (2%).

J. NOTICES:

1. I will send written notice to you, any subsequent holder of this Credit Agreement,

and the servicer within ten days after any change in name, address, or enrollment status (for example, if the Borrower withdraws from the School or transfers to another school participating in this loan program).

2. Any notice required to be given to me by you will be effective when mailed by first class mail to the latest address you have for me.

K. INFORMATION:

1. I must update any and all information related to this Credit Agreement or my loan application whenever you ask me to do so.

2. I authorize you from time to time to request and receive from others credit related information about me (and about my spouse if I live in a community property state).

3. CREDIT BUREAU REPORTING

You may report information about my account to credit bureaus. Late payments, missed payments, or other defaults in my account may be reflected in my credit report.

I understand that the reporting of information about my account to credit bureaus may adversely affect my credit rating and my ability to obtain other credit. You may also provide the School with certain personally-identifiable information about me (such as my Social Security Number and my Loan ID number) and report the status of my loan and my payment history, including information about a late payment, missed payment or other defaults, to the School and others in accordance with applicable law.

L. ADDITIONAL AGREEMENTS:

1. I understand that you are located in OHIO and that this Credit Agreement will be entered into in the same state. CONSEQUENTLY, THE PROVISIONS OF THIS CREDIT AGREEMENT WILL BE GOVERNED BY FEDERAL LAW AND THE LAWS OF THE STATE OF OHIO, WITHOUT REGARD TO CONFLICT OF LAW RULES.

2. The proceeds of this loan will be used only for my educational expenses at the School.

3. My responsibility for paying the loan evidenced by this Credit Agreement is unaffected by the liability of any other person to me or by your failure to notify me that a required payment has not been made. Without losing any of your rights under this Credit Agreement you may accept (a) late payments, (b) partial payments or (c) payments marked "paid in full" or with other restrictions. You may delay, fail to exercise, or waive any of your rights on any occasion without losing your entitlement to exercise the right at any future time, or on any future occasion. You will not be obligated to make any demand upon me, send me any notice, present this Credit Agreement to me for payment or make protest of non-payment to me before suing to collect on this Credit Agreement if I am in default, and to the extent permitted by applicable law, I hereby waive any right I might otherwise have to require such actions. I WILL NOT SEND YOU PAYMENTS MARKED "PAID IN FULL", "WITHOUT RECOURSE" OR WITH OTHER SIMILAR LANGUAGE UNLESS THOSE PAYMENTS ARE MARKED FOR SPECIAL HANDLING AND SENT TO THE ADDRESS IDENTIFIED FOR SUCH PAYMENTS ON MY BILLING STATEMENT, OR TO SUCH OTHER ADDRESS AS I MAY BE GIVEN IN THE FUTURE.

4. I may not assign this Credit Agreement or any of its benefits or obligations. You may assign this Credit Agreement at any time.

5. The terms and conditions set forth in this Credit Agreement and the Disclosure Statement constitute the entire agreement between you and me.

6. If any provision of this Credit Agreement is held invalid or unenforceable, that provision shall be considered omitted from this Credit Agreement without affecting the validity or enforceability of the remainder of this Credit Agreement.

7. A provision of this Credit Agreement may only be modified if jointly agreed upon in writing by you and me. Any modification will not affect the validity or enforceability of the remainder of this Credit Agreement. If I fax my Credit Agreement, I have read and understand the prohibition regarding changes in Paragraph L.15.

8. To the extent permitted by law, you have the right to apply money from any of my deposit account(s) with you to pay all or a portion of any amount overdue under this Credit Agreement. If I am in default at any time (including but not limited to a situation where I give an improper cancellation notice), you may exercise on my behalf any right that I may have to receive a full or partial refund of payments made to the School. I authorize the School to pay any or all of such amounts directly to you upon receipt of notice from you that I am in default under this Credit Agreement.

9. All dollar amounts stated in this Credit Agreement are in United States dollars. I will make all payments in United States dollars with no deduction for currency exchange.

10. The Borrower's failure to complete the education program paid for with this loan will not relieve any Borrower of any obligation under this Credit Agreement.

11. I understand and agree that this loan is an education loan and certify that it will be used only for costs of attendance at the School. I acknowledge that the requested loan is subject to the limitations on dischargeability in bankruptcy contained in Section 523 (a) (8) of the United States Bankruptcy Code because either or both of the following apply: (a) this loan was made pursuant to a program funded in whole or in part by The Education Resources Institute, Inc. ("TERI"), a non-profit institution, or (b) this is a qualified education loan as defined in the Internal Revenue Code. This means that if, in a bankruptcy, my other debts are discharged, I will probably not have to pay this loan in full.

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12. I authorize any school that I may attend to release to you, and any other persons designated by you, any requested information pertinent to this loan (e.g. enrollment status, prior loan history, and current address).
13. I authorize the Lender, any subsequent holder of this Credit Agreement, and their agents to: (1) advise the School of the status of my application and my loan, (2) respond to inquiries from prior or subsequent lenders or holders with respect to my Credit Agreement and related documents, (3) release information and make inquiries to the persons I have given you as references, for the purposes of learning my current address and telephone number, (4) check my credit and employment history and to answer questions about their credit experience with me, and (5) disclose to TERI either in connection with this transaction or any future transaction all information (including status information and non-public personal information) of the Borrower provided in connection with this Credit Agreement.
14. Waiver by Lender: You waive (give up) any right to claim a security interest in any property to secure this Credit Agreement. This does not affect any right to offset as a matter of law.
15. If I fax my signature(s) on the first page of this Credit Agreement back to you and keep the copy I signed, I understand that under federal law the fax you receive will be an original of the first page of this Credit Agreement and I will refax the first page upon request by Lender. I may NOT amend the Credit Agreement by making changes to the Signature Page, which are then faxed to Lender. If the Borrower faxes the Signature Page, and the Lender approves the application, you and I agree that all copies of this Credit Agreement (including the fax you receive and the copy I retain), taken together, shall constitute a single original agreement.

M. DISCLOSURE NOTICES**ALL APPLICANTS:
IMPORTANT FEDERAL LAW NOTICE—*****Important information about procedures for opening a new account:***

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you:

When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

CALIFORNIA RESIDENTS: I have the right to prohibit the use of information contained in my credit file in connection with transactions not initiated by me. I may exercise this right by notifying the consumer credit reporting agency. A married applicant may apply for a separate account. If you take any adverse action as defined by Section 1785.3 of the California Civil Code and the adverse action is based, in whole or in part, on any information contained in a consumer credit report, I have the right to obtain within 60 days a free copy of my consumer credit report from the consumer reporting agency who furnished you my consumer credit report and from any other consumer credit reporting agency which compiles and maintains files on consumers on a nationwide basis. I have the right as described by Section 1785.16 of the California Civil Code to dispute the accuracy or completeness of any information in a consumer credit report furnished by the consumer credit reporting agency.

CALIFORNIA and UTAH RESIDENTS: As required by California and Utah law, I am hereby notified that a negative credit report reflecting on my credit record may be submitted to a credit reporting agency if I fail to fulfill the terms of my credit obligations. (For purposes of the following two notices, the word "you" refers to the Borrower, not the Lender.)

IOWA RESIDENTS: If you are an Iowa resident and your amount financed is \$25,000 or less, this is a consumer credit transaction.

IOWA, KANSAS and NEBRASKA RESIDENTS: (For purposes of the following notice, the word "you" refers to the Borrower, not the Lender.) **NOTICE TO CONSUMER:** 1. Do not sign this Credit Agreement before you read it. 2. You are entitled to a copy of this Credit Agreement. 3. You may prepay the unpaid balance at any time without penalty and may be entitled to receive a refund of unearned charges in accordance with law.

MARYLAND RESIDENTS: In Paragraph L.1, Lender and I have agreed that this Credit Agreement is governed by federal law and the laws of OHIO, without regard to conflict of laws rules; if any court should nevertheless determine that this Credit Agreement is subject to Maryland laws concerning credit, then only to the extent that Maryland law applies, Lender and I agree and elect that this loan is made under and governed by Subtitle 10, Credit Grantor Closed End Credit Provisions, of Title 12 of the Commercial Law Article of the Annotated Code of Maryland, except as preempted by federal law.

MISSOURI RESIDENTS: ORAL AGREEMENTS OR COMMITMENTS TO LOAN

MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT 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 WE MAY LATER AGREE IN WRITING TO MODIFY IT.

NEVADA RESIDENTS: This is a loan for study.

NEW YORK, RHODE ISLAND, and VERMONT RESIDENTS: I understand and agree that you may obtain a consumer credit report in connection with updates, renewals of extensions of any credit as a result of this application. If I ask, I will be informed whether or not such a report was obtained and, if so, the name and address of the agency that furnished the report. I also understand and agree that you may obtain a consumer credit report in connection with the review or collection of any loan made to me as a result of this application or for other legitimate purposes related to such loans.

NEW JERSEY RESIDENTS: The section headings of this Credit Agreement are a table of contents and not contract terms. Portions of this Credit Agreement with references to actions taken to the extent of applicable law apply to acts or practices that New Jersey law permits or requires. In this Credit Agreement, acts or practices (j) by you which are or may be permitted by "applicable law" are permitted by New Jersey law, and (k) that may or will be taken by you unless prohibited by "applicable law" are permitted by New Jersey law.

OHIO RESIDENTS: The Ohio laws against discrimination require that all creditors make credit equally available to all credit-worthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

OKLAHOMA RESIDENTS: If I am in default and only if the total amount disbursed under this Credit Agreement is greater than \$3,600 (or any higher dollar amount established by law for the payment of such fees), I agree to pay the Lender's attorney's fees and court costs up to 15% of the unpaid debt.

WISCONSIN RESIDENTS: For married Wisconsin residents, my signature confirms that this loan obligation is being incurred in the interest of my marriage or family. No provision of any marital property agreement (pre-marital agreement), unilateral statement under Section 766.59 of the Wisconsin Statutes or court decree under Section 766.70 adversely affects your interest unless, prior to the time that the loan is approved, you are furnished with a copy of the marital property agreement, a statement or a decree or have actual knowledge of the adverse provision. If the loan for which I am applying is granted, I will notify you if I have a spouse who needs to receive notification that credit has been extended to me.

N. BORROWER'S CERTIFICATION: I declare under penalty of perjury under the laws of the United States of America that the following is true and correct. I certify that all information I provided to you in connection with this loan, including without limitation the information contained in this Credit Agreement, is true, complete and correct to the best of my knowledge and belief and is made in good faith. I understand that I am responsible for repaying immediately any funds that I receive which are not to be used or are not used for educational expenses related to attendance at the School for the academic period stated. I certify that I am not now in default on a Federal Perkins Loan, a Federal Stafford Loan, a Federally Insured Student Loan, a Federal Supplemental Loan for Students (SLS), a Federal PLUS Loan, an Income Contingent Loan, a Federal Consolidation Loan, a Federal Direct Loan, or any other education loan received for attendance at any school. The legal age for entering into contracts is 18 years of age in every State in the United States except the following: Alabama and Nebraska (19 years old), and Mississippi and Puerto Rico (21 years old). I certify that I meet these state age requirements.

(W0470244.1) 4 of 4

EO.06-07.CRWO.10DC.0106

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IN THE FRANKLIN COUNTY COMMON PLEAS COURT
FRANKLIN COUNTY, OHIO

National Collegiate Student Loan Trust 2007-1)

C/O FMD Legal)
800 Boylston St, 34Th Floor)
Boston, MA 02199-)

Plaintiff)

vs.)

Benjamin Westbrook)
AKA Benjamin K. Westbrook)
[REDACTED])
New Albany OH 43054-)

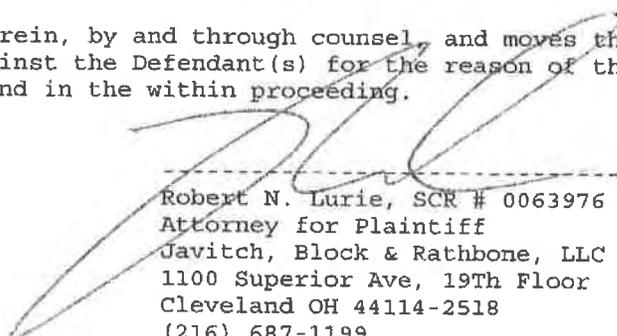
Defendant (s))

CASE NUMBER: 12CV002100

JUDGE: Laurel
Beatty

MOTION FOR DEFAULT JUDGMENT

Now comes the Plaintiff herein, by and through counsel, and moves this Court for a default judgment against the Defendant(s) for the reason of the failure to plead or otherwise defend in the within proceeding.



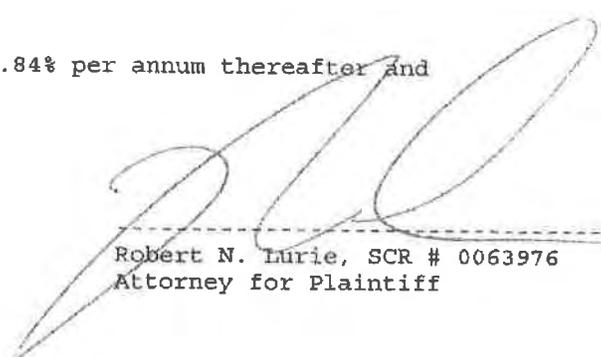
Robert N. Lurie, SCR # 0063976
Attorney for Plaintiff
Javitch, Block & Rathbone, LLC
1100 Superior Ave, 19Th Floor
Cleveland OH 44114-2518
(216) 687-1199
CLE@JBANDR.COM
FAX 216-623-0190

MEMORANDUM

Plaintiff filed its Complaint on February 17, 2012. On April 6, 2012 Service of Process was obtained on Defendant(s). Defendant(s) therefore failed to plead or otherwise defend as provided by the Rules of Civil Procedure. Plaintiff, therefore, is entitled to recover a Default Judgment against the Defendant(s), pursuant to Civil Rule 55(A) in the amount of \$26,507.45 plus accrued interest in the amount of \$4,416.85 through April 28, 2012

CCD L42103 A AG2

and interest at the rate of 5.84% per annum thereafter and costs of the within action.

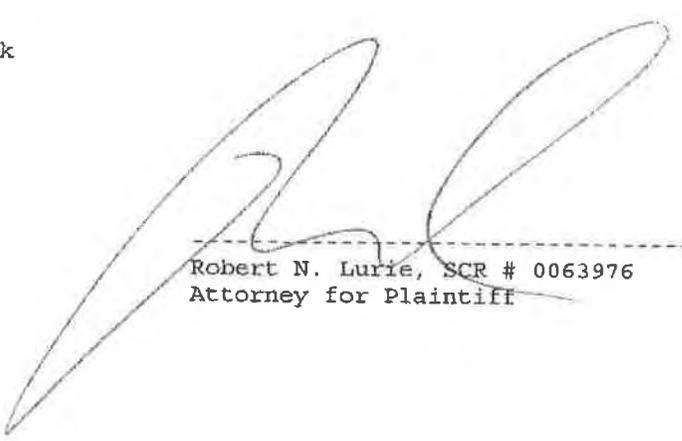


Robert N. Lurie, SCR # 0063976
Attorney for Plaintiff

SERVICE

A copy of the within Motion was mailed by regular U.S. Mail on
MAY 18 2012
_____ to the Defendant(s) at:

Benjamin Westbrook
AKA Benjamin K. Westbrook
[REDACTED]
New Albany OH 43054-



Robert N. Lurie, SCR # 0063976
Attorney for Plaintiff

THIS IS A COMMUNICATION FROM A DEBT COLLECTOR

301-60 r 10.13.11
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RCD L42103

IN THE FRANKLIN COUNTY COMMON PLEAS COURT
FRANKLIN COUNTY, OHIO

National Collegiate Student Loan Trust) Case No.: 12CV002100
) Judge:
Laurel
Beatty

)
Plaintiff)

vs.)

) Judgment Entry

) Benjamin Westbrook
) AKA Benjamin K. Westbrook

)
)
Defendant(s))

This cause came on for consideration on the Plaintiff's Motion for Default Judgment.

The Court FINDS that proper service of summons on the Defendant(s) has been obtained on April 6, 2012 and that the Defendant(s) failed to plead or otherwise defend in the within proceeding within the time period specified under Ohio Civil Rule 12.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that pursuant to Ohio Civil Rule 55, default judgment is hereby rendered against Defendant in the amount of \$26,507.45 plus accrued interest in the amount of \$4,416.85 through April 28, 2012 plus interest at the rate of 5.84% per annum thereafter and costs of the within action.

JUDGE

Submitted by:

_____/s/ Robert
Lurie
Robert N. Lurie, SCR #0063976
Attorney for Plaintiff
Javitch, Block and Rathbone LLP
1100 Superior Avenue, 19th Floor
Cleveland, OH 44114-2518
216-623-0000

301-64 r 11.30.09

CLE@JBANDR.COM
FAX 216-623-0190

301-64 r 11.30.09

Franklin County Court of Common Pleas

Date: 06-26-2012
Case Title: NATIONAL COLLEGIATE STUDENT LOAN TRUST -VS-
BENJAMIN WESTBROOK
Case Number: 12CV002100
Type: JUDGMENT ENTRY

It Is So Ordered.

A handwritten signature in cursive script, "Laurel A. Beatty", is written over a circular embossed seal. The seal features a central emblem surrounded by text, likely the official seal of the Franklin County Court of Common Pleas.

/s/ Judge Laurel A. Beatty

Court Disposition

Case Number: 12CV002100

Case Style: NATIONAL COLLEGIATE STUDENT LOAN TRUST -VS- BENJAMIN WESTBROOK

Case Terminated: 12 - Default

Final Appealable Order: Yes

Motion Tie Off Information:

- 1. Motion CMS Document Id: 12CV0021002012-05-3099970000
Document Title: 05-30-2012-MOTION FOR DEFAULT JUDGMENT
Disposition: MOTION GRANTED**

APPENDIX 5

5. On or about 10/20/2002, Defendant entered into a Promissory Note in the amount of \$30000.00. A copy of the Promissory Note is attached hereto and incorporated herein as "Exhibit A."

6. There is presently due and owing on the Promissory Note \$35402.30, together with accrued interest of \$7162.21.

WHEREFORE, Plaintiff demands judgment against the Defendant on Count I for a total judgment the amount of \$35402.30, plus accrued interest in the sum of \$7162.21 , for a total judgment of \$42,564.51, together with interest thereafter at the rate of 3% on \$35,402.30 from date of judgment and costs.

/s/ Eric Wasserman
ERIC WASSERMAN
0020604
Attorney for the Plaintiff
BABCOCK & WASSERMAN, CO., LPA
55 Public Square, Suite 700
Cleveland, Ohio 44113
(216) 367-7744
email: courtmail@bwlp.com
Fax: (216) 367-7750

Creditworthy Student Loan Application/Promissory Note - Signature Page

NON-NEGOTIABLE CREDIT AGREEMENT - THIS IS A CONSUMER CREDIT TRANSACTION

LOAN PROGRAM INFORMATION

Education One SM Undergraduate Loan	Lender: Bank One, N.A.	Academic Period: 10/2002-10/2003
Loan Amount Requested: \$30000.00	School: PITT INST OF AERONAUTICS	
Deferral Period Margin: 4.65	Repayment Period Margin: 4.65	
Loan Origination Fee Percentage: 8.50	Repayment Option: Deferred Principal and Interest	

STUDENT BORROWER INFORMATION (Must be at least 18 years of age)

Borrower Name: Matthew Jones	Home Address: [REDACTED]	Home Telephone: [REDACTED]
Social Security #: [REDACTED] 580	Date of Birth: [REDACTED]	
Have you ever defaulted on a student loan or declared bankruptcy? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		
Current Employer: ROCKNES PUB	Employer Telephone: [REDACTED]	Gross Annual Salary: \$17000.00
Current Position: Manager	Years There: 4 Years	

Allimony, child support, or separate maintenance incomes do not have to be revealed if you do not want them considered for repaying this obligation. If you are relying on such additional income, please provide details on a separate sheet of paper.

Please complete the required information below:

Student Citizenship (check one box): <input checked="" type="checkbox"/> U.S. Citizen <input type="checkbox"/> Eligible Non-Citizen	Reference Home Tel #: [REDACTED]	Work Tel #: _____
Personal Reference Name: Brian Jones		
Reference Street Address: 5680 Two Ln. <u>FILED</u>		
Reference City/State/Zip: Austin, OH 44505		



Attach Paycheck Stub Here (if applicable)

By my signature, I certify that I have read, understand and agree to the terms of and undertake the obligations set forth on all four (4) pages of this Application/Promissory Note EO.02-03.CRWO.20.0602. I understand that any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties, which may include fines or imprisonment. I understand that I am not required to fax my signature on this Application/Promissory Note to Lender. If I choose to fax my signature on this Application/Promissory Note to Lender, I intend: (i) my fax signature to be binding on me and to be an electronic signature under applicable federal and state law, (ii) the fax printout received by the Lender to be an original document, (iii) to conduct business with the Lender by electronic records and electronic signatures, and (iv) that this Application/Promissory Note will not be governed by Article 3 or Article 9 of the Uniform Commercial Code.

FOR ALABAMA RESIDENTS: CAUTION - IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT.

FOR WISCONSIN RESIDENTS - NOTICE TO CUSTOMER: (a) DO NOT SIGN THIS APPLICATION/PROMISSORY NOTE BEFORE YOU READ THE WRITING ON THE FOLLOWING PAGES, EVEN IF OTHERWISE ADVISED. (b) DO NOT SIGN THIS APPLICATION/PROMISSORY NOTE IF IT CONTAINS ANY BLANK SPACES. (c) YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN. (d) YOU HAVE THE RIGHT AT ANY TIME TO PAY IN ADVANCE THE UNPAID BALANCE UNDER THIS AGREEMENT AND YOU MAY BE ENTITLED TO A PARTIAL REFUND OF THE FINANCE CHARGE.

PLEASE SIGN BELOW. RETURN This Page With Proof of Income and Other Information (if applicable). FAX TO: 800-704-9407.

Signature of Borrower [Signature] Date 10/20/02

2002 OCT 21 A 9:05

EO.02-03.CRWO.20.0602
 PN03_EC_02-03_CRWO_F_X_JONE [REDACTED]

LENDER COPY



\$ 32,786.89
 Loan No

Borrower(s) MATTHEW JONES
 Student: MATTHEW JONES
 Date: NOVEMBER 13, 2002

Lender Name and Address:
 BANK ONE, NA (OHIO)
 100 EAST BROAD STREET
 COLUMBUS, OH 43123

This disclosure statement relates to your Loan Note disbursed on NOVEMBER 13, 2002. Because your Loan is either being disbursed entering repayment, or the repayment terms are being modified, the following information about your Loan is being given to you.

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	Amount Financed The amount of credit provided to you or on your behalf.	Total of Payments The amount you will have paid after you have made all payments scheduled.
7.397 %	\$ 37,939.20	\$ 30,000.00	\$ 67,939.20

Your payment schedule will be:

Number of Payments	Amount of Payment	When Payments are due
240	\$ 283.08	On the 1st day of each month beginning on 04/2005

- VARIABLE RATE: The Annual Percentage Rate, which is based on an index plus a margin, may increase during the term of the loan if the index rate increases. The index is (check one):
- Prime Rate Index Adjusted Monthly - The highest U.S. bank prime rate published in the "Money Rates" section of The Wall Street Journal on the last business day of each calendar month.
 - Prime Rate Index Adjusted Quarterly - The highest U.S. bank prime rate published in the "Money Rates" section of The Wall Street Journal on the last business day of each calendar quarter.
 - United States Treasury Bill ("T-Bill") Index - The index is the "Auction Average (Investment) - 3 month" rate most recently published by the Federal Reserve Board before the first day of the calendar quarter.
 - LIBOR Index Adjusted Quarterly - The average of the one-month London Interbank Offered Rates published in the "Money Rates" section of The Wall Street Journal on the first business day of each of the three (3) calendar months immediately preceding the first day of each calendar quarter.

Any increase in the index and the Annual Percentage Rate which occurs while principal payments or principal and interest payments are deferred will increase the amount of any current and all future payments. Any increase in the index and the Annual Percentage Rate which occurs after you have begun to make principal and interest payments on your loan will increase the number of principal and interest payments you must make, unless the monthly payment amount is not sufficient to pay the monthly accrued interest and to repay the principal amount of the loan in full over the maximum repayment period, in which case the monthly payment amount may be increased to the minimum amount necessary to do so. For example, if your loan were for \$10,000 at 11% for seven years, and the rate increased to 12% in one year after you began making principal and interest payments, you would have to make three additional payments.

SECURITY: You have given a security interest in all refunds or amounts owed to you at any time by the student's educational institution. Collateral securing other loans with the Lender may also secure this Loan.

LATE CHARGES: If a payment is more than 15 days late, you may be charged \$5.00 or 5% of the payment, whichever is less. If you default, Lender (or any subsequent holder of your Loan Note) may increase the margin used to compute the Annual Percentage Rate by two percentage points (2%).

PREPAYMENT: If you pay off early, you will not have to pay a penalty.

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

Principal Amount of Note (Amount Financed plus Prepaid Finance Charge) \$ 32,786.89

Itemization of Amount Financed
 Amount paid to MATTHEW JONES and \$
 Amount paid to PIIT INST OF AERONAUTICS \$ 30,000.00

Total Amount Financed \$ 30,000.00

Itemization of Prepaid Finance Charge
 Origination Fee \$ 2,786.89
 Total Prepaid Finance Charge(s) \$ 2,786.89

Estimates: If payments of principal or principal and interest on your Loan are deferred while the Student is enrolled in school, all numerical disclosures except the late payment disclosure are estimates.

N003095

**IN THE COMMON PLEAS COURT
FRANKLIN COUNTY, OHIO**

NATIONAL COLLEGIATE MASTER
STUDENT LOAN TRUST-1,

Plaintiff,

v.

MATTHEW JONES,

Defendant.

* Case No. 2013 CV 000078

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* MOTION FOR
* DEFAULT JUDGMENT

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Now comes the Plaintiff and respectfully moves this Court for judgment against the Defendant. Said Defendant has been duly served with the summons and is in default of pleading or motion although due time has been allowed.

/s/ Eric Wasserman
ERIC WASSERMAN
0020604
Attorney for Plaintiff
Babcock & Wasserman Co., L.P.A.
55 Public Square, Suite 700
Cleveland, Ohio 44113
216/367-7744
email: courtmail@bwlpa.com
Fax: 216/367-7750

SERVICE

A copy of the foregoing Motion for Default Judgment has been sent to the Defendant via ordinary U.S. mail on March 7, 2013.

/s/ Eric Wasserman
ERIC WASSERMAN
0020604
Attorney for Plaintiff

N003095

STATE OF OHIO
IN THE FRANKLIN COUNTY COMMON PLEAS COURT

NATIONAL COLLEGIATE MASTER
STUDENT LOAN TRUST - I, et al
A Delaware Statutory Trust

Plaintiff,

-vs-

MATTHEW JONES

Defendant.

*
* Docket Number: 2013 CV 000078
*
*
*
*
*

AFFIDAVIT AND VERIFICATION OF ACCOUNT

STATE OF GEORGIA)
)
COUNTY OF GWINNETT)

BEFORE ME, the undersigned authority, personally appeared Affiant

Francesca L. Giampiccolo, who being first duly sworn, deposes and says:

1. I am employed by NCO Financial Systems, Inc. (hereinafter NCO), the designated Custodian of Records for Plaintiff pertaining to the Defendant's education loans forming the subject matter of the above-captioned Complaint. I am employed by NCO in the position of Legal Support Case Manager. I am duly authorized by Plaintiff to make the representations contained in this Affidavit and I am over the age of 18 and competent to testify to the matters stated in this Affidavit.

2. I am competent and authorized to testify relating to this action through personal knowledge of the business records, including the electronic data, sent to NCO that detail the education

loan records. I also have personal knowledge of the record management practices and procedures of Plaintiff and the practices and procedures Plaintiff requires of its loan servicers and other agents.

3. This lawsuit arose out of an unpaid loan or loans owed by defendant Matthew Jones to Plaintiff. Specifically Defendant entered into an education loan agreement at Defendant's special instance and request. A loan was extended for Defendant's to use pursuant to the terms of the loan agreements. Defendant has failed, refused, and/or neglected to pay the balance or balances pursuant to the agreed repayment schedule or schedules.

4. Education loan account records are compiled and recorded as part of Plaintiff's regularly conducted business activity at or near the time of the event and from information transmitted from a person with knowledge of said event, by or from information transmitted by a person with knowledge of the accounts or events described within the business record. Such records are kept, maintained, and relied upon in the course of ordinary and regularly conducted business activity.

5. I am familiar with the education loan records within my possession as custodian of records related to this matter. I have been authorized by Plaintiff to make this certification on behalf of Plaintiff for this case.

6. I have reviewed the education loan records as business records described in this affidavit regarding account number xxxxx6580/001-001000. No payment has been made since 9/3/08. After all payments, credits and offsets have been applied, Defendant Matthew Jones owes the principal sum of \$35,402.30, together with accrued interest in the amount of \$7,162.21, totaling the sum of \$42,564.51 as of 7/23/12. Attached hereto as Exhibit "A" and incorporated herein are true and correct copies of the loan records. All documents attached are true and correct original records or true and correct copies of the original record, being reproduced from the original records.

7. Based on records maintained by Plaintiff, the Defendant is not a minor or incompetent. A reasonable inquiry has been made to determine if the Defendant is in the military service of the United States of America, and to the best of my knowledge, that Defendant is not in such military services and is therefore not entitled to the rights and privileges provided under the Soldiers and Sailors Civil Relief Act of 1940, as amended. Attached hereto as Exhibit "B" is a copy of the Department of Defense SCRA website file.

8. I declare under the penalty of perjury under the laws of the forum state that the foregoing is true and correct to the best of my knowledge, information and belief.

FURTHER AFFIANT SAYETH NAUGHT.


AFFIANT
Print Name: **Francesca L. Giampiccolo**
Title: **Legal Support Case Manager**

SWORN AND SUBSCRIBED to before me this 28th day of February, 2013.




NOTARY PUBLIC
My Commission Expires on **August 29, 2015**

N003095

**IN THE COMMON PLEAS COURT
FRANKLIN COUNTY, OHIO**

NATIONAL COLLEGIATE MASTER
STUDENT LOAN TRUST-1,

Plaintiff,

v.

MATTHEW JONES,

Defendant.

* Case No. 2013 CV 000078
*
* Judge Brown
*
JUDGMENT ENTRY
*
*
*
*

This cause came on to be regularly heard upon the motion of the Plaintiff for default judgment against the Defendant herein; and the Court having duly considered the same finds that the Defendant has been duly served with summons and is in default of motion, answer or other pleading; that the Court has jurisdiction over the subject matter and the parties and that said motion of the Plaintiff is well-taken and sustained.

It is, therefore, the finding of this Court that the allegations of Plaintiff's Complaint are true and judgment is therefore rendered in favor of the Plaintiff National Collegiate Master Student Loan Trust-1 and against Defendant Matthew Jones in the sum of \$35,402.30 plus accrued interest of \$7,162.21 for a total judgment in the amount of \$42,564.51 with interest at the rate of 3.00% on \$35,402.30 from date of judgment plus costs of this action.

IT IS SO ORDERED.

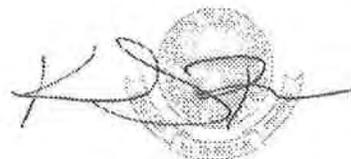
JUDGE Brown

/s/ Eric Wasserman
ERIC WASSERMAN
0020604
Attorneys for Plaintiff
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55 Public Square, Suite 700
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216/367-7744
e-mail: courtmail@bwlp.com
Fax: 216/367-7750

Franklin County Court of Common Pleas

Date: 04-08-2013
Case Title: NATIONAL COLLEGIATE STUDENT LOAN TRUST -VS-
MATTHEW JONES
Case Number: 13CV000078
Type: JUDGMENT ENTRY

It Is So Ordered.

A handwritten signature in black ink is written over a circular official seal. The signature appears to be 'K. Brown'. The seal is partially obscured by the signature.

/s/ Judge Kim Brown

Electronically signed on 2013-Apr-08 page 2 of 2

Court Disposition

Case Number: 13CV000078

**Case Style: NATIONAL COLLEGIATE STUDENT LOAN TRUST -VS-
MATTHEW JONES**

Case Terminated: 12 - Default

Motion Tie Off Information:

- 1. Motion CMS Document Id: 13CV0000782013-03-0799980000
Document Title: 03-07-2013-MOTION FOR DEFAULT JUDGMENT
Disposition: MOTION GRANTED**