

Electronic Funds Transfer Agreement and Disclosure Statement *for recurring debit entry payments*

A. Preauthorized Recurring Debit Entry Service

American Education Services (AES), an unincorporated division of the Pennsylvania Higher Education Assistance Agency (PHEAA), will electronically transfer funds to the student loan account(s) of your designation.

B. The Type and Nature of Electronic Funds Transfer

Each preauthorized electronic funds transfer to the student loan account(s) of your designation will be made monthly on the due date of the student loan payment(s) in question in an amount equal to your monthly student loan installment plus any additional amount you request by way of this Agreement. If your monthly student loan installment amount changes, any additional amount you request to be transferred will continue to be transferred, unless you contact AES. You have the right to receive documentation concerning all electronic funds transfers.

C. In Case of Errors or Questions About Your Electronic Funds Transfer

All questions about electronic funds transfers made under this Agreement must be directed to AES and not to the bank or other financial institution where you have your checking or savings account. AES is responsible for the electronic funds transfer and for resolving any errors associated with the transfers. You may contact AES in writing at AES Default Collections, P.O. Box 8147, Harrisburg, PA 17105-8147, by phone at 1.800.233.0751, or by e-mail at AESDFTPAY@aesSuccess.org.

If you believe there are errors with a transfer or if you have questions about a transfer, contact AES as soon as possible. AES must hear from you no later than sixty (60) days after you have been sent the first bank statement on which the alleged error appeared. In communicating with AES, you must at a minimum:

1. Provide your name, student loan account number(s), and checking or savings account number.
2. Describe the alleged error or the transaction about which you are unsure, and explain why you believe there is an error or why you need more information.
3. Provide the dollar amount of the suspected error or unauthorized transfer.
4. Provide to AES a complete bank statement or letter from your financial institution as evidence of the alleged error.

If you contact AES by phone, you may be required to submit your complaint or question in writing at the address listed above within ten (10) business days following the phone conversation. AES will determine whether an error occurred within ten (10) business days following receipt of your notice regarding the alleged error or question and will correct any error promptly. If AES needs more time, however, it may take up to forty-five (45) days to investigate the alleged error or questions. If AES decides it will need more than ten (10) days to investigate the alleged error or questions, it will credit your checking or savings account within ten (10) business days of the receipt of your complaint or inquiry, for the amount you allege is in error, so that you will have use of the money during the time it takes AES to complete its investigation. Please note this will not negate your responsibility to make payments on your student loan(s) as required by the terms and conditions of your promissory note(s) during the investigation. If AES requests that you submit the alleged error or question in writing and it does not receive the alleged error or question in writing within ten (10) business days, AES may at its discretion not credit your bank account. AES will notify you of the results of its investigation within three (3) business days after completing its investigation. If AES decides that there was no error, it will send you a written explanation. You may ask for copies of the documents that AES used in its investigation.

D. Your Liability for Unauthorized Transfers Arising From This Agreement

If you believe that someone has transferred or may transfer money without your permission from your bank account in violation of your directions to AES under this Agreement, call AES at 1.800.233.0751 or write to AES at AES Default Collections, P.O. Box 8147, Harrisburg, PA 17105-8147. AES' business days of operation are Monday through Friday.

Contact AES immediately if you suspect an unauthorized electronic funds transfer. A prompt telephone call is the best way to minimize your potential loss.

If you contact AES within two (2) business days of the unauthorized transfer you can lose no more than \$50.00 if an unauthorized transfer has occurred. If you DO NOT contact AES within two (2) business days after you learn of the unauthorized transfer, and if AES may prove that it could have stopped someone from transferring funds without your permission if you had told AES sooner, you could lose as much as \$500.00. In addition, if your statement shows preauthorized electronic funds transfers to AES that you did not make, contact AES immediately. If you do not contact AES within sixty (60) days after the bank statement was mailed to you, you may not get back any money you lost after the sixty (60) days if AES may prove that it could have prevented someone from making unauthorized electronic funds transfers if you had contacted AES about an unauthorized transfer, AES may at its sole discretion extend the time periods mentioned above.

E. How to Stop Preauthorized Electronic Funds Transfer

If you have preauthorized AES to make regular electronic funds transfers from your bank account towards your student loans(s), you may stop these payments by providing timely notice to AES. You must call or write to AES in time for AES to receive the request to stop the transfer three (3) business days or more before the transfer is scheduled to be made. If you contact AES by phone, AES will also require you submit your request in writing within fourteen (14) calendar days from the date of your call. A request to stop a transfer will only stop a single transfer to your student loan(s); your preauthorized electronic funds transfers will resume the following month. You will be responsible for making all monthly payments on your student loan(s) that you have canceled. If you want all preauthorized electronic funds transfers to stop, then you must inform AES in writing. If AES receives your request to stop a preauthorized electronic funds transfer three (3) business days or more before the transfer was scheduled to be made and AES fails to stop the transfer, it may be liable only for your damages, not to exceed that amount of the transfer in question, unless its failure to stop the transfer was due to circumstances beyond its control.

F. If AES Fails to Make a Transfer

If AES does not complete a transfer from your bank account on time or in the correct amount according to your directions as established by this Agreement, it will be liable for your losses or damages. However, there are some exceptions to this rule. AES shall not be liable:

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

G. Privacy

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

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

H. Other Agreements and Regulations

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

I. Termination, Changes, and Assignment

AES reserves the right to make changes to this Agreement or assign the obligation to process transfers at any time. AES may terminate preauthorized electronic funds transfer services without cause, and you may permanently terminate this Agreement at any time by giving sufficient written notice as indicated above. AES has the option in its sole discretion to terminate or cancel this Agreement for the foregoing reasons if there are ever more than three non-consecutive instances of insufficient funds in your checking or savings account within 12 months preventing the payment of your student loan(s). Changes to your bank information including, but not limited to, your ABA/Routing Number or your checking/savings account number, must be submitted in writing to allow sufficient time for processing.

J. Authorization and Agreement

I hereby authorize AES to initiate preauthorized electronic funds transfers to the student loan account(s) indicated from the bank or financial institution named pursuant to the terms and conditions set forth herein and as may be modified from time to time. I have read, understand, and agree to be bound by all of the terms and conditions of this Agreement. I understand if my loan(s) are consolidated, I will need to complete a new agreement to set up a new electronic funds transfer for the consolidation loan. My authorization for the preauthorized electronic funds transfers to my designated student loan(s) shall remain in full force and effect until terminated by AES or revoked by me pursuant to the terms and conditions of this Agreement.