

Electronic Funds Transfer Agreement and Disclosure Statement for Monthly Recurring Direct Debit Payments

A. Preauthorize Recurring Debit Payments

The Pennsylvania Higher Education Assistance Agency, doing business as FedLoan Servicing, will electronically transfer funds from your designated checking/savings account(s) to the student loan account(s) of your designation ("Transfer(s)").

B. The Type and Nature of Transfers

Each Transfer 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 due date falls on a weekend or a holiday, you will receive credit for the payment as of the due date listed. Please allow 2 to 3 business days for the payment to display in your account details.

C. Questions about Your Electronic Funds Transfers

If you have questions about Transfers made under this Agreement, contact FedLoan Servicing in writing at **FedLoan Servicing, P.O. Box 3661, Harrisburg, PA 17105-3661**, by phone at **1-800-699-2908**, or by e-mail through the Contact Us feature of Account Access.

D. Revocation of Authorization

Revocation of Authorization after you have authorized FedLoan Servicing to make Transfers pursuant to this Agreement, you may stop a Transfer by visiting [MyFedLoan.org](https://myfedloan.org) and logging into your online account. FedLoan Servicing must receive your request at least three (3) business days before a scheduled Transfer date in order for the Transfer to be stopped. A transfer can be suspended for one due date, or cancelled for all future due dates. You are responsible for making all required payments on your student loan after you suspend or cancel Transfers.

E. Forbearance, Deferment or Grace Period

If you preauthorize Transfers and are subsequently granted a forbearance, deferment, or grace period, Transfers will be suspended and will resume with the first payment due following the deferment, forbearance or grace period, unless you cancel future Transfers as set forth above. If you are eligible for an interest rate reduction, that reduction may be suspended until you resume with the first payment due following the deferment, forbearance or grace period. If your loans are past due, we may apply a forbearance to cover all payments due before automatic debit begins. If a forbearance is placed on the account, all unpaid interest will be capitalized.

F. Termination, Changes or Insufficient Funds

FedLoan Servicing reserves the right to make changes to this Agreement or to terminate this Agreement at its sole discretion. It is your responsibility to ensure that you have sufficient funds to cover each Transfer. FedLoan Servicing reserves the right to collect from you any additional fees, as permitted by law and/or your promissory note(s), resulting from non-sufficient funds. If your payment is returned due to non-sufficient funds for 3 extractions in a 12 month period, your *Direct Debit* may be cancelled. Visit [MyFedLoan.org](https://myfedloan.org) for more information. FedLoan Servicing may represent an unsuccessful monthly debit to your financial institution. You are required to submit a new Agreement in order to preauthorize Transfers for any additional student loans or any student loans previously excluded from this Agreement. If a Transfer will vary in amount from the previous Transfer, FedLoan Servicing will inform you of the new Transfer amount at least 10 days in advance.

G. Paid Ahead Status

FedLoan Servicing will debit your scheduled installment amount and any additional amount you have requested on the due date each month, even if your account is in a paid ahead or partially paid ahead status. Visit [MyFedLoan.org/paidahead](https://myfedloan.org/paidahead) to learn more about paid ahead and partially paid ahead statuses.

You may make additional, one-time payments at any time by visiting [MyFedLoan.org](https://myfedloan.org) or mailing a payment to the payment address listed on your monthly statement.

H. Interest Rate Reduction

If your student loan owner offers an interest rate reduction while your loans are enrolled in *Direct Debit*, the interest rate reduction may be lost if *Direct Debit* is cancelled or suspended for any reason.

I. Extraction Variance

FedLoan Servicing will debit your scheduled installment amount and any additional amount you have requested on the due date each month. If your extraction amount changes, you will receive advanced notice from FedLoan Servicing as to the new extraction amount and when it will become effective. However, any changes in your extraction amount equal to or less than \$1.00 may not be communicated. By accepting the terms for *Direct Debit*, you are agreeing that a change within this range is something that can be anticipated by you and does not need to be communicated.

J. Consolidation Loan Groupings

Subsidized and unsubsidized portions of a federal consolidation loan may be assigned individual loan numbers. However, these subsidized and unsubsidized portions are serviced together and considered to be a single consolidation loan. Because of this, if a new loan is added to your existing consolidation group, it will be automatically added to any existing *Direct Debit* agreement. This ensures that all the individual consolidation portions remain aligned.

K. Limitation of Liability

FedLoan Servicing shall not be liable in its performance of the *Direct Debit* service except for its gross negligence or intentional misconduct in performing the service. In no event shall FedLoan Servicing be liable for exemplary, special, consequential, or punitive damages arising or resulting from *Direct Debit*.