

Better Future Forward ISA Application and Solicitation Disclosure

About the Income Share Agreement

- The ISA percentage is not an interest rate or an annual percentage rate. It is the percentage of your income that will be used to calculate your monthly payment amounts throughout the duration of the ISA.
- Your ISA percentage is fixed. It will not change over the duration of the ISA.
- Your ISA payments (the amount you will pay to us) will vary based on the amount of your earned income.
- Early Completion: Your payment obligation ends when your payments (including any amounts paid beyond amounts that are due) reach the early completion amount (your funded amount growing at 7.50% annually), and you've paid any outstanding payments and fees.

What are the details of my ISA?

How will I complete my ISA?

Your ISA Obligation				Your ISA Obligation Ends When You Meet One of These Three Finish Points:		
ISA Funding Amount	Percentage of Income	Lower Income Cutoff	Upper Income Cutoff	You have made the Maximum Number of Monthly Income-Determined Payments	When the Payments You Have Made Trigger the Early Completion Clause	When you reach the Maximum Length of ISA Payment Window
\$1,000 and \$50,000	0.25% and 10%	\$40,000.00	\$75,000.00	120	Your funding amount growing at a 7.50% APR.	240 Months
The amount of funding that has been disbursed to you, paid to others on your behalf, and/or used to cancel prior ISAs.	The percentage that is used to calculate your monthly payment. We will multiply the percentage of income by your gross monthly income to determine your monthly payment amounts (when you have income above the lower income cutoff).	You are required to make payments when your monthly income (expressed as an annual amount) is at or above this amount.	You are required to make payments when your monthly income (expressed as an annual amount) is at or above this amount.	The maximum number of monthly income-determined payments (when your income is above the minimum income cutoff) needed to satisfy the ISA obligation.	If, after each monthly payment, BFF calculates that you would have paid off a loan with a 7.5% interest rate and with the same funding amount, a deferment and transition period identical to your ISA, and where the payments on the loan match any payments you make on the ISA, your obligation is immediately done under the Early Completion Clause.	Your obligation ends 240 months after you enter the payment window, excluding any months where you use a Payment Relief Pause. Your payment window begins after you leave school and after your transition period has ended.

How long will my ISA obligation last?

Minimum Term (<1 month)	Maximum Term (252 months)
The shortest time your obligation could last. This case occurs if you trigger the Early Completion Clause.	The longest time your obligation could last. This does not include the period of time when you are in school or any time included in the transition period. This case occurs if you have at least 120 months of zero payments (months where your income is below the lower income cut-off) and you use all 12 of the Payment Relief Pause months available to you.

Income Share Agreement Fees

There are certain fees associated with applying for and disbursing the funding amount of your ISA. Moreover, if you do not follow the rules of your ISA, you may be responsible for the payment of additional fees to us.

- **Application Fee** \$0.00
- **Late Payment Fee** \$7.80 or 5% of the payment whichever is greater
- **Late Document Fee** \$20.00
- **Stop Payment/Returned Check Fee** \$30.00
- **Returned Item or Electronic Debit** \$30.00

Your Obligations While In School

- Update your current contact information any time your contact information changes
- Update your enrollment status and whether you are graduating or plan to take a leave of absence or leave school
- Complete & send any documents we request

Your Obligations After You Leave School

- Make your income share payments
- Tell us if there is any change to information you have previously provided to us
- Inform us of any change in employment status
- Let us know if there is any increase or decrease in your income

Income Share Agreement Payment Example

Your education is important. You should be aware of different sources of financing available for higher education. Unlike a fixed interest rate loan (where there is a fixed payment obligation) or a variable rate interest loan (where monthly payments are based on an interest-rate index), ISA payments will vary depending on your income and the total amount you pay to us may be more or less than the funding amount you initially receive. An ISA requires that you pay a fixed percentage of your income for a fixed term. However, if your payments, including any pay ahead amount, reach the early completion amount, your obligation will be complete early. The table and graph below are for informational purposes only and demonstrate the monthly and total ISA payments for different levels of income. For simplicity, the chart assumes that your Personal Income is consistent throughout the entire Term and all payments are rounded up.

Monthly Payment Comparison

Salary	Loan Products (\$10,000.00) †			Income Share Agreement (\$10,000.00)		
	Federal Direct Subsidized Student Loan (3.73%)	Private Student Loan (4.25%)	Private Student Loan (12.35%)	Monthly Payment 2.7% Income Share Percentage*	Number of Months in Payment Term (240 months max, but obligation ends early if payments the Early Cancellation Amount)	Effective APR**
Less than \$20,000	\$101.03	\$108.25	\$167.18	\$0	240 months	0%
\$20,000	\$101.03	\$108.25	\$167.18	\$0	240 months	0%
\$30,000	\$101.03	\$108.25	\$167.18	\$0	240 months	0%
\$40,000	\$101.03	\$108.25	\$167.18	\$90.00	120 months	1.199%
\$50,000	\$101.03	\$108.25	\$167.18	\$112.50	120 months	4.74%
\$60,000	\$101.03	\$108.25	\$167.18	\$135.00	115 months	7.223%
\$70,000	\$101.03	\$108.25	\$167.18	\$157.50	92 months	7.16%
\$80,000	\$101.03	\$108.25	\$167.18	\$168.75	85 months	7.324%
\$90,000	\$101.03	\$108.25	\$167.18	\$168.75	85 months	7.324%
\$100,000	\$101.03	\$108.25	\$167.18	\$168.75	85 months	7.324%

*This assumes you have the same income from the first day after your transition period to the end of the payment window. Your income will likely change over time.

**Assuming no changes in your income, this is the cost of your ISA as a yearly rate. This calculation assumes that payments start after the close of your transition period.

†Private Student Loan Numbers are based on the lowest and highest interest rates under the Sallie Mae Bank Private Education Smart Option Student Loan, as of August 3, 2020. The interest rate on a private education loan will vary based on your credit score. We have assumed a 10-year term on the comparison loans.

NOTES ON ILLUSTRATED PAYMENT SCHEDULE. For informational purposes only. Payments all rounded up to the next whole dollar. Total of Payments shown assumes that your Income does not change over time (most students' Incomes change over time) and reflects a trigger of the early completion clause, if it is reached. Figures based on disbursements on funding of \$10,000.00 on your behalf on 8/1/2021 and graduation on 7/1/2022. This example assumes that your grace period closes on January 1 of the following year with the first payment due on February 1 of the year after graduation.

Total Payment Comparison

Salary	Loan Products (\$10,000.00) *			Income Share Agreement (\$10,000.00)	
	Federal Direct Subsidized Student Loan (3.73%)	Private Student Loan (4.25%)	Private Student Loan (12.35%)	Total Payment 2.7% Income Share Percentage	Number of Payment Months (240 months max, but obligation ends early if payments hit the Early Cancellation Amount)
Less than \$20,000	\$12,124.18	\$12,990.06	\$20,061.01	\$0	240 months
\$20,000	\$12,124.18	\$12,990.06	\$20,061.01	\$0	240 months
\$30,000	\$12,124.18	\$12,990.06	\$20,061.01	\$0	240 months
\$40,000	\$12,124.18	\$12,990.06	\$20,061.01	\$10,800.00	120 months
\$50,000	\$12,124.18	\$12,990.06	\$20,061.01	\$13,500.00	120 months
\$60,000	\$12,124.18	\$12,990.06	\$20,061.01	\$15,313.74	115 months
\$70,000	\$12,124.18	\$12,990.06	\$20,061.01	\$14,383.53	92 months
\$80,000	\$12,124.18	\$12,990.06	\$20,061.01	\$14,217.33	85 months
\$90,000	\$12,124.18	\$12,990.06	\$20,061.01	\$14,217.33	85 months
\$100,000	\$12,124.18	\$12,990.06	\$20,061.01	\$14,217.33	85 months

*This assumes you have the same income from the first day after your transition period to the end of the payment window. Your income will likely change over time.

**Assuming no changes in your income, this is the cost of your ISA as a yearly rate. This calculation assumes that payments start after the close of your transition period.

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Federal Loan Alternatives*

	Current Interest Rate	Monthly Payment	Total Paid
Direct Subsidized Loan Program (fixed-rate federal student loans for undergraduates with interest paid on the student's behalf while in school)	3.73% fixed	\$101.03	\$12,124.18
Direct Unsubsidized Loan Program (fixed-rate federal student loans for undergraduates with payment due while in school)	3.73% fixed	\$106.38	\$12,765.98
Parent PLUS Direct Loans (fixed-rate loans to parents of dependent undergraduate students)	6.28% fixed	\$117.40	\$14,087.43
Private Student Loan (for you to fill in using information that you collect on your own)	_____	_____	_____

You may qualify for Federal education loans.

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

<http://www.federalstudentaid.ed.gov> *

Loan payment amounts are based on loan borrowing amount that would equate the amount of money the student would receive under each loan, net of any mandatory origination fee (where applicable), with the amount of funding received under the ISA contract described in this disclosure. The U.S. Department of Education pays the interest on a Subsidized Loan while you're in school at least half-time, for the first six months after you leave school (referred to as a Grace Period), and during a period of deferment (a postponement of loan payments). For calculating the loan payments, we assumed that interest accrues in school from an estimated disbursement date of through a hypothetical graduation date of , plus a six-month grace period, except for the Parent PLUS Direct Loans, for which payments begin immediately after disbursement.

Next Steps

- 1. Find Out About Other Loan Options.** Some schools have school-specific financing benefits and terms not detailed in this form. Contact your school's financial aid office or visit the Department of Education's website at: <http://www.federalstudentaid.ed.gov> for more information about other loans.
- 2. To Apply for this Income Share Agreement.** If you are approved for this Income Share Agreement, the terms will be available to you for 30 days (terms will not change during this period, except as permitted by law).

Reference Notes

Income Share Agreements (ISA)

- An ISA is your obligation to make payments which are indexed to your income. An ISA is not an assignment of your income, rather BFF will use your income to determine the amount you owe to us. Throughout the term of your ISA, your ISA percentage will not change. Thus, if your income increases, your payments will increase. If your income decreases, so do your payments. The amount you pay to us may be more or less than the funding amount you receive.

Eligibility Criteria

- Be seeking a bachelor's degree
- Be a freshman, sophomore, junior or senior by the time you would be receiving financing
- Be in good academic standing, meeting satisfactory academic progress
- Have no significant adverse credit events (though credit score is not a consideration)
- Be a U.S. citizen, permanent resident, or DREAMer with a current DACA authorization
- Have completed a Free Application Federal Student Aid (FAFSA)
- Be a participant in one of BFF's college access and success partners
- Be at least 17 years old at the time you sign the agreement
- If you plan to use funding from this ISA to cancel and replace one or more prior ISAs with BFF, you are not required to meet the above criteria.

Monthly Payments

- If you are still in school, you will begin making payments on the first day of the month following six months after you graduate, withdraw from school, or are no longer considered to be enrolled. If you are no longer in school and will use funding from this ISA to cancel and replace one or more prior ISAs with BFF and one or more of those ISAs is in a grace period, your payment term will begin on the first day of the month following the end of the grace period for the ISA with the most time remaining in its grace period. In all other cases, your payment term will begin on the first day of the month occurring after one whole month has passed from the effective date of your ISA. We will calculate your first monthly payments using a verifiable source of your income acceptable to us.
- Each year we will reconcile over- or under-payments made in prior year using your year-end IRS tax documentation approved by us. You must reimburse us for any under-payments and we will credit your account for any over-payments.

What Happens if You do not Provide us with Required Information

- You will have an obligation to provide us with new tax documentation every year. If you do not provide us with that documentation by the specified due date, you will be charged a fee of \$20.00 and be considered in breach of the agreement. Upon providing us with your tax documentation, we will adjust your payments accordingly and reconcile any over- or under-payments made during this time.

Payment Relief Pauses, Pay Ahead, and Early Completion

- At your discretion, you can take up to 12 months of Payment Relief Pauses (temporary postponement of payments), continuously or separately, during the payment term. During a Payment Relief Pause, you will not be required to make payments. Months you are in forbearance will not be credited toward the Maximum Contract Length.
- You may terminate your ISA at any time by making a payment equal to the Early Completion Amount.

Borrowers in the Military

- Servicemembers Civil Relief Act ("SCRA"). If you are not currently an active duty servicemember and you either become an active duty servicemember or are called to active duty from a non-active duty status, please contact us immediately, you may have additional rights under the SCRA.

See your ISA contract for additional information or contact us at (651) 401-8401

I have read the Application and Solicitation Disclosure.

Dated: