SERIES 2022-1 SUPPLEMENTAL INDENTURE OF TRUST

between

INDIANA SECONDARY MARKET FOR EDUCATION LOANS, INC.

and

BOKF, N.A.
as Trustee

relating to:

$28,890,000
Tax-Exempt Student Loan Program Revenue Bonds
Senior Series 2022-1A (AMT)

Dated as of December 1, 2022

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MISCELLANEOUS

SERIES 2022-1 SUPPLEMENTAL INDENTURE OF TRUST

THIS SERIES 2022-1 SUPPLEMENTAL INDENTURE OF TRUST, dated as of December 1, 2022 (this "Series 2022-1 Supplemental Indenture"), is between **INDIANA SECONDARY MARKET FOR EDUCATION LOANS, INC.**, a public benefit corporation duly organized and existing under the laws of the State of Indiana (the "Issuer"), and **BOKF, N.A.**, a national banking association (the "Trustee"), and supplements that certain Indenture of Trust, dated as of December 1, 2022 (the "Master Indenture" and, together with this Series 2022-1 Supplemental Indenture, the "Indenture"), between the Issuer and the Trustee;

W I T N E S S E T H :

WHEREAS, the Issuer represents that it is a public benefit corporation duly created and established pursuant to, and existing under, the laws of the State of Indiana, and that by proper action of its governing body and pursuant to the laws of the State of Indiana, particularly Section 21-16-5 of the Indiana Code (the "Act"), it has duly authorized the issuance of $28,890,000 of its Tax-Exempt Student Loan Program Revenue Bonds, Senior Series 2022-1A (AMT) (the "Series 2022-1 Bonds"), as Bonds pursuant to Section 2.08 of the Master Indenture, and it has by proper action authorized the execution and delivery of this Series 2022-1 Supplemental Indenture; and

WHEREAS, the Issuer represents that the conditions precedent to the issuance of the Series 2022-1 Bonds as Bonds, contained in Section 2.08 of the Master Indenture, will be satisfied on the Date of Issuance (as defined herein); and

WHEREAS, pursuant to Section 8.01(i) of the Master Indenture, the Issuer is entitled to supplement the Master Indenture for the purposes of issuing Bonds without the consent of or notice to the Registered Owners; and

NOW, THEREFORE, it is mutually covenanted and agreed as follows:

ARTICLE I

SHORT TITLE, DEFINITIONS AND STATUTORY AUTHORITY

Section 1.01. Short Title. This Series 2022-1 Supplemental Indenture shall be known as and may be designated by the short title "Series 2022-1 Supplemental Indenture."

Section 1.02. Definitions. All terms which are defined in the Master Indenture shall have the same meanings in this Series 2022-1 Supplemental Indenture. In addition, as used in this Series 2022-1 Supplemental Indenture, unless the context shall otherwise require, the terms set forth herein shall have the meanings set forth herein and therein as applicable, and the following terms shall have the following meanings:

"*Acquisition Period*" means, with respect to the Series 2022-1 Bonds, the period commencing on the Date of Issuance and ending on April 1, 2023; except that such period may be extended as set forth in an Issuer Order delivered to the Trustee if the Issuer shall have satisfied the Rating Agency Notification.

"*Approved Undisbursed Loans*" shall mean, with respect to the Series 2022-1 Bonds, those Eligible Loans for which the acquisition or funding of such Eligible Loans has been approved, but such Eligible Loans have not been fully disbursed, prior to the end of the Acquisition Period relating to the Series 2022-1 Bonds, and for which amounts are available in the Tax-Exempt Account of the Student Loan Fund, as further described in the definition of "Acquisition Period" herein.

"*Authorized Denominations*" means, with respect to the Series 2022-1 Bonds, $5,000 and any integral multiple thereof.

"*Beneficial Owner*" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2022-1 Bond.

"*Bond Purchase Agreement*" means the Bond Purchase Agreement, dated December 8, 2022, by and between the Issuer and the Underwriter as described in Section 2.08 herein, as amended and supplemented pursuant its terms.

"*Book-Entry System*" means the book-entry system of registering ownership described in Section 2.09 of the Master Indenture.

"*Business Day*" means, with respect to the Series 2022-1 Bonds, any day on which banks located in the cities in which the principal corporate trust offices of the Trustee are located (presently, Kansas City, Missouri) are generally open for business.

"*Continuing Disclosure Agreement*" means that certain Continuing Disclosure Agreement of the Issuer dated December 8, 2022, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"*Date of Issuance*" means, with respect to the Series 2022-1 Bonds, December 15, 2022.

"*Debt Service Reserve Fund Requirement*" shall mean an amount equal to 2.0% of the aggregate principal amount of the Bonds then Outstanding (calculated semi-annually on each June 1 and December 1), with a minimum balance of $288,900; provided, however, that such percentage or amount may be reduced if the Issuer shall have satisfied the Rating Agency Notification.

"*Excess Taxable Revenue*" means any funds remaining in the Taxable Account of the Revenue Fund after all prior transfers required or permitted by Section 5.03(c)(i) through (x) of the Master Indenture and all prior transfers, if any, required or permitted by Section 5.03(c)(xi) of the Master Indenture have been made.

"*Excess Tax-Exempt Revenue*" means any funds remaining in the Tax-Exempt Account of the Revenue Fund after all prior transfers required or permitted by Section 5.03(b)(i) through (x) of the Master Indenture and all prior transfers, if any, required or permitted by Section 5.03(b)(xi) of the Master Indenture have been made.

"*Interest Payment Date*" means each date on which interest is to be paid on a Series 2022-1 Bond and is each June 1 and December 1, commencing June 1, 2023.

"*Participating Underwriter*" shall have the meaning ascribed thereto in the Continuing Disclosure Agreement.

"*Rating Agency*" shall mean, with respect to the Series 2022-1 Bonds, S&P.

"*Record Date*" means, with respect to the Series 2022-1 Bonds, the Business Day immediately preceding an Interest Payment Date.

"*Required Overall Parity Percentage*" means 145.0%; provided, however, that the Required Overall Parity Percentage may be reduced if the Issuer shall have satisfied the Rating Agency Notification.

"*Required Senior Parity Percentage*" means 145.0%; provided, however, that the Required Senior Parity Percentage may be reduced if the Issuer shall have satisfied the Rating Agency Notification.

"*Series 2022-1 Bonds*" means the $28,890,000 Indiana Secondary Market for Education Loans, Inc., Tax-Exempt Student Loan Program Revenue Bonds, Senior Series 2022-1A (AMT).

"*Series 2022-1 Premium Bonds*" means those Series 2022-1 Bonds which were initially sold at offering prices in excess of 100% of the principal amount thereof, which are the Series 2022-1 Bonds maturing on June 1, 2024 through June 1, 2031.

"*Series 2022-1 Supplemental Indenture*" means this Series 2022-1 Supplemental Indenture of Trust, dated as of December 1, 2022, between the Issuer and the Trustee, authorizing the Series 2022-1 Bonds, as supplemented and amended.

"*Series 2022-1 Term Bonds*" means those Series 2022-1 Bonds maturing on June 1, 2039.

"*Series 2022-1 Unamortized Premium*" means the unamortized portion of the Redemption Price for the Series 2022-1 Premium Bonds for purposes of Article III hereof, which shall be a price equal to the excess amount over 100% using the applicable yield of the Series 2022-1 Premium Bonds, as applicable, the Redemption Date, semi-annual compounding and a 360-day year consisting of twelve 30-day months, as determined by the Issuer.

"*Special Record Date*" with respect to the Series 2022-1 Bonds, has the meaning set forth in Section 2.05 hereof.

"*Underwriter*" means BofA Securities, Inc.

The terms "*hereby*," "*hereof*," "*hereto*," "*herein*," "*hereunder*," and any similar terms, as used in this Series 2022-1 Supplemental Indenture, refer to this Series 2022-1 Supplemental Indenture.

Any reference to time herein shall be presumed to be to New York City time and to Eastern time; in the event of a conflict between New York City time and Eastern time, the earlier of the two times shall prevail.

Section 1.03. Authority for Issuance. This Series 2022-1 Supplemental Indenture is executed and delivered pursuant to the provisions of the Master Indenture and resolutions adopted by the Board of Directors of the Issuer.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF SERIES 2022-1 BONDS

Section 2.01. Authorization of the Series 2022-1 Bonds, Principal Amount, Designation and Series. The Series 2022-1 Bonds are hereby authorized to be issued in the aggregate principal amount of $28,890,000 pursuant to and subject to the terms, conditions and limitations established in the Master Indenture and this Series 2022-1 Supplemental Indenture. The Series 2022-1 Bonds shall be entitled "Tax-Exempt Student Loan Program Revenue Bonds, Senior Series 2022-1A (AMT)" and may be issued only in fully registered form. The Series 2022-1 Bonds shall constitute "Senior Bonds" and "Tax-Exempt Bonds" under the Master Indenture.

Section 2.02. Purposes. The Series 2022-1 Bonds are being issued for the purposes of, together with available moneys of the Issuer, (i) financing Eligible Loans, (ii) paying costs of issuance in connection therewith, and (iii) financing a deposit to the Debt Service Reserve Fund.

Section 2.03. Application of Series 2022-1 Bond Proceeds and Deposit of Other Amounts.

(a) The proceeds of the sale of the Series 2022-1 Bonds in the amount of $29,681,358.57 (equal to the par amount of the Series 2022-1 Bonds plus net original issue premium of $1,108,543.45 and less an Underwriter's discount of $317,184.88) shall be paid to the Paying Agent on behalf of the Trustee, and the Paying Agent shall deposit such amount as follows:

(i) an amount equal to $29,103,558.57 to the credit of the Tax-Exempt Account of the Student Loan Fund ($23,820,772.59 of which will be used to acquire Eligible Loans on the Date of Issuance, $5,000,000.00 of which shall be used to acquire Eligible Loans by the end of the Acquisition Period and $282,785.98 of which shall be used to pay certain costs of issuing the Series 2022-1 Bonds); and

(ii) an amount equal to $577,800.00 to the credit of the Tax-Exempt Account of the Debt Service Reserve Fund.

(b) The Issuer shall deposit not less than $11,164,687.51 of Eligible Loans to the credit of the Taxable Account of the Student Loan Fund.

Section 2.04. Date of the Series 2022-1 Bonds. The Series 2022-1 Bonds shall be dated as of December 1, 2022.

Section 2.05. Stated Maturities, Interest Rates and Payments on the Series 2022-1 Bonds. The Series 2022-1 Bonds shall bear interest from the Date of Issuance until Maturity, payable on each Interest Payment Date, except that Series 2022-1 Bonds issued upon transfer, exchange or other replacement shall bear interest from the most recent Interest Payment Date to which interest has been paid or provided for, or if no interest has been paid, from the Date of Issuance. Interest on the Series 2022-1 Bonds shall be calculated by the Trustee and provided to the Issuer for the Monthly Report on the basis of a 360-day year comprised of twelve 30-day months.

The principal of the Series 2022-1 Bonds shall be payable at the office of the Trustee, as Paying Agent (presently, Kansas City, Missouri), for the Series 2022-1 Bonds, or at the Principal Office of its successor upon presentation and surrender of the Series 2022-1 Bonds.

Interest on any Series 2022-1 Bonds shall be paid on the Interest Payment Date to the Registered Owner thereof on the Record Date. Any such interest not so timely paid or duly provided for shall cease to be payable to the Registered Owner thereof at the close of business on the Record Date and shall be payable to the Registered Owner thereof at the close of business on a special record date (a "Special Record Date") for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever money becomes available for payment of the defaulted interest, and notice of such Special Record Date shall be given to the Registered Owner not less than ten (10) days prior thereto by first-class mail to each such Registered Owner as shown on the Registrar's registration records on the date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest, which payment date shall not be more than fifteen (15) nor less than ten (10) days after the Special Record Date.

In the event the Series 2022-1 Bonds are in book-entry only form, principal and interest shall be paid to the Securities Depository by federal funds wire transfer to a designated account within the United States of America, all as provided for in the rules and regulations of the Securities Depository.

The Series 2022-1 Bonds shall initially be in book-entry only form. In the event the Series 2022-1 Bonds are no longer in book-entry-only form, interest will be paid (i) by federal funds wire transfer by the Paying Agent on behalf of the Trustee to any account within the continental United States upon written instruction of the Registered Owner of at least $1,000,000 in principal amount of the Series 2022-1 Bonds, (ii) by check or draft mailed on the Interest Payment Date by the paying agent to the Registered Owner at his address as it last appears on the registration records kept by the Registrar at the close of business on the regular Record Date for such Interest Payment Date, or (iii) by such other customary banking arrangement acceptable to the Trustee at the request of and at the risk and expense of the Registered Owner.

If the specified date for payment of principal or interest is other than a Business Day, payment may be made on the next succeeding Business Day with the same force and effect as if made on the date specified for such payment, without additional interest.

All payments on the Series 2022-1 Bonds shall be made in lawful money of the United States of America, which on the respective dates of payment thereof is legal tender for the payment of public and private debt.

The Series 2022-1 Bonds shall mature on June 1 in the years (each a "Stated Maturity") and in the principal amounts, and bear interest at the rates per annum as follows:

Series 2022-1 Bonds

Maturity Date	Principal Amount	Interest Rate
2024	$1,000,000	5.000%
2025	2,090,000	5.000
2026	3,000,000	5.000
2027	3,500,000	5.000
2028	3,100,000	5.000
2029	2,725,000	5.000
2030	2,450,000	5.000
2031	2,520,000	5.000
2039	8,505,000	4.500

Section 2.06. Denominations, Numbers and Letters and Book Entry.

(a) The Series 2022-1 Bonds shall be issued in Authorized Denominations. Initially there shall be issued, sold and delivered hereunder one fully registered Series 2022-1 Bond for such Series, without interest coupons, dated December 1, 2022, in the aggregate principal amount of such Series, each numbered T-1 (the "Initial Series 2022-1 Bonds"), with each Stated Maturity having the same interest rate (but for which interest shall not start to accrue until the Date of Issuance) of the respective Series 2022-1 Bonds issued in replacement thereof being in Authorized Denominations and numbered consecutively from R-1 upward as the Trustee shall determine, all payable to the initial Registered Owner thereof (with each respective Initial Series 2022-1 Bond payable to BofA Securities, Inc.), or to the registered assignee or assignees of said Series 2022-1 Bonds or any portion or portions thereof.

(b) Pursuant to the provisions of the Master Indenture, each Stated Maturity of the Series 2022-1 Bonds with the same interest rate shall be issued as a single separate fully registered bond certificate in typewritten form to be held by the Securities Depository or its agent in accordance with Section 2.09 of the Master Indenture.

Section 2.07. CUSIP Numbers. The Issuer is hereby authorized, in its discretion or if so requested by the Underwriter, to provide for the assignment of CUSIP numbers for each Stated Maturity of the Series 2022-1 Bonds with the same interest rate and to have such CUSIP numbers printed thereon, and the Issuer may direct the Trustee to use such CUSIP numbers in notices of redemption and on checks payable to Registered Owners as a convenience to Registered Owners, provided that any such notice may state that no representation is made as to the correctness of such number either as printed on the Series 2022-1 Bonds or as contained in any notice of redemption.

Section 2.08. Sale of the Series 2022-1 Bonds. The Series 2022-1 Bonds authorized to be issued pursuant to Section 2.01 hereof shall be sold to the Underwriter pursuant to the Bond Purchase Agreement at a purchase price to be set forth therein and payment for which shall be made on the terms and conditions set forth therein, such Bond Purchase Agreement to be executed by an Authorized Officer of the Issuer. On the Date of Issuance, the Initial Series 2022-1 Bonds, representing the entire principal amount of the respective Series of Series 2022-1 Bonds issued under this Series 2022-1 Supplemental Indenture, payable in stated installments to the Underwriter, executed by manual or facsimile signature of the President and Chief Financial Officer of the Issuer, will be delivered to the Underwriter or its designee. Upon payment for each Initial Series 2022-1 Bond, the Trustee shall cancel each Initial Series 2022-1 Bond and deliver to the Registered Owner or its designee identified by the Underwriter one registered definitive Series 2022-1 Bond of the respective Series for each Stated Maturity of such Series of Series 2022-1 Bonds having the same interest rate, in the aggregate principal amount of all of such Series 2022-1 Bonds for such Stated Maturity.

Section 2.09. Form of the Series 2022-1 Bonds. The form of the Series 2022-1 Bonds shall be substantially as set forth in Exhibit A hereto. Any Series 2022-1 Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words and such opinions and certifications not inconsistent with the provisions of the Master Indenture and this Series 2022-1 Supplemental Indenture as may be necessary or desirable, as determined by an Authorized Officer, prior to their authentication and delivery.

The Initial Series 2022-1 Bonds described in the preceding paragraph are not required to be, and shall not be, authenticated by the Trustee, but on each substitute Series 2022-1 Bond issued in exchange for an Initial Series 2022-1 Bond issued under this Series 2022-1 Supplemental Indenture the Trustee shall execute the Certificate of Authentication in the form set forth in Exhibit A hereto.

ARTICLE III

REDEMPTION OF SERIES 2022-1 BONDS BEFORE MATURITY

Section 3.01. Optional Redemption.

(a) ***Optional Redemption of the Series 2022-1 Term Bonds***. The Series 2022-1 Term Bonds are redeemable at the option of the Issuer, in whole or in part, in such maturities and amounts as may be directed by the Issuer (and by lot within a maturity), upon the written direction of an Authorized Representative, on any date on or after June 1, 2031, at a Redemption Price equal to the principal amount thereof, without premium, plus interest accrued, if any, to but not including the Redemption Date. Optional redemptions of the Series 2022-1 Term Bonds may be made from (i) amounts held in the Tax-Exempt Retirement Account and not required to be used for any other redemption under the Indenture or any Supplemental Indenture or (ii) other moneys that prior to the determination to use such moneys for redemption were not subject to the pledge set forth in the Master Indenture or are permitted to be used for such purpose by the Master Indenture and are available for transfer to the Tax-Exempt Retirement Account on or prior to the Redemption Date and are not required to be used for any other redemption under the Indenture.

(b) ***Optional Redemption from Excess Taxable Revenues***. The Series 2022-1 Term Bonds and any additional Bonds (excluding any additional Bonds to the extent so provided in a Supplemental Indenture), are subject to optional redemption on each Interest Payment Date from Excess Taxable Revenues on deposit in the Taxable Account of the Revenue Fund pursuant to Section 5.03(c)(xi) of the Master Indenture. Such Excess Taxable Revenues on deposit in the Taxable Account of the Revenue Fund and available pursuant to Section 5.03(c)(xi) of the Master Indenture shall be transferred to the Taxable Retirement Account or the Tax-Exempt Retirement Account, as applicable, of the Debt Service Fund in order to effectuate such optional redemption in the amounts and at the times set forth in an Issuer Order delivered to the Trustee. In the case of any such optional redemption from Excess Taxable Revenues, (i) the Senior Bonds subject to such redemption (presently being the Series 2022-1 Term Bonds) shall be redeemed in their entirety prior to Senior-Subordinate Bonds and Subordinate Bonds unless (x) the Senior Parity Percentage after giving effect to such redemption is at least equal to the Required Senior Parity Percentage and (y) the Overall Parity Percentage after giving effect to such redemption is at least equal to the Required Overall Parity Percentage, and (ii) Bonds of each class that are subject to such redemption shall be selected for redemption (A) on a pro rata basis among the Stated Maturities of such Bonds of such class based upon the respective Outstanding principal amounts of such Bonds of such class and Stated Maturity that are subject to such redemption from Excess Taxable Revenues at the time of determination without regard to Series (and by lot within a maturity) or (B) from the Stated Maturities of such Bonds of such class as are set forth in an Issuer Order delivered to the Trustee containing a representation that the Issuer, after consideration of the expected availability of Revenues, the expected expenses and the anticipated debt service on the Bonds through the final Stated Maturity thereof, shall remain able to pay debt service on the Bonds when due and all associated expenses from the Revenues of the Trust Estate on a timely basis after giving effect to such redemption, in each case with such adjustments as the Issuer may determine to enable the Bonds to be redeemed in Authorized Denominations, at a Redemption Price of par plus accrued interest to but not including the Redemption Date.

(c) ***Optional Redemption from Excess Tax-Exempt Revenues***. The Series 2022-1 Term Bonds and any additional Bonds (excluding any additional Bonds to the extent so provided in a Supplemental Indenture), are subject to optional redemption on each Interest Payment Date from Excess Tax-Exempt Revenues on deposit in the Tax-Exempt Account of the Revenue Fund pursuant to Section 5.03(b)(xi) of the Master Indenture. Such Excess Tax-Exempt Revenues on deposit in the Tax-Exempt Account of the Revenue Fund and available pursuant to Section 5.03(b)(xi) of the Master Indenture shall be transferred to the Taxable Retirement Account or the Tax-Exempt Retirement Account, as applicable, of the Debt Service Fund in order to effectuate such optional redemption in the amounts and at the times set forth in an Issuer Order delivered to the Trustee. In the case of any such optional redemption from Excess Tax-Exempt Revenues, (i) the Senior Bonds subject to such redemption (presently being the Series 2022-1 Term Bonds) shall be redeemed in their entirety prior to Senior-

Subordinate Bonds and Subordinate Bonds unless (x) the Senior Parity Percentage after giving effect to such redemption is at least equal to the Required Senior Parity Percentage and (y) the Overall Parity Percentage after giving effect to such redemption is at least equal to the Required Overall Parity Percentage, and (ii) Bonds of each class that are subject to such redemption shall be selected for redemption (A) on a pro rata basis among the Stated Maturities of such Bonds of such class based upon the respective Outstanding principal amounts of such Bonds of such class and Stated Maturity that are subject to such redemption from Excess Tax-Exempt Revenues at the time of determination without regard to Series (and by lot within a maturity) or (B) from the Stated Maturities of such Bonds of such class as are set forth in an Issuer Order delivered to the Trustee containing a representation that the Issuer, after consideration of the expected availability of Revenues, the expected expenses and the anticipated debt service on the Bonds through the final Stated Maturity thereof, shall remain able to pay debt service on the Bonds when due and all associated expenses from the Revenues of the Trust Estate on a timely basis after giving effect to such redemption, in each case with such adjustments as the Issuer may determine to enable the Bonds to be redeemed in Authorized Denominations, at a Redemption Price of par plus accrued interest to but not including the Redemption Date.

Section 3.02. Extraordinary Redemption to Avoid an Event of Default. The Series 2022-1 Bonds are subject to extraordinary redemption by the Issuer, upon the written direction of an Authorized Representative, in whole or in part, on any Interest Payment Date, in such maturities and amounts as may be directed by the Issuer and by lot within each maturity (with such adjustments as the Issuer may determine to enable the Series 2022-1 Bonds to be redeemed in Authorized Denominations), at a Redemption Price equal to (a) in the case of Series 2022-1 Premium Bonds, the principal amount thereof, together with accrued interest thereon, if any, to but not including the Redemption Date, plus the Series 2022-1 Unamortized Premium and (b) in the case of all other Series 2022-1 Bonds, the principal amount thereof, together with accrued interest thereon, if any, to but not including the Redemption Date, from moneys identified to the Trustee by an Authorized Representative of the Issuer, in an aggregate amount deemed by the Issuer to be necessary to avoid an Event of Default under the Master Indenture, as evidenced by an Issuer Order given to the Trustee at least fifteen (15) days before the Redemption Date specified therein.

Section 3.03. Mandatory Redemptions.

(a) ***Mandatory Tax-Exempt Excess Proceeds Redemption***. The Series 2022-1 Bonds are subject to mandatory redemption on any date not later than 60 days after each respective date set forth in the following acquisition schedule (the "Tax-Exempt Proceeds Acquisition Schedule") to the extent that the amounts deposited to the Tax-Exempt Account of the Student Loan Fund pursuant to Section 2.03 hereof (and not used to pay costs of issuing the Series 2022-1 Bonds) have not been used to acquire Eligible Loans in accordance with the Tax-Exempt Proceeds Acquisition Schedule:

Tax-Exempt Proceeds Acquisition Schedule*

Date	Amount to be Acquired
April 1, 2023	$5,000,000

The amount of Series 2022-1 Bonds to be redeemed pursuant to this subsection (a) shall be equal to the difference between the amounts deposited to the Tax-Exempt Account of the Student Loan Fund pursuant to Section 2.03 hereof and used to acquire Eligible Loans and the amount required to be used to acquire Eligible Loans in the Tax-Exempt Proceeds Acquisition Schedule (the "Series 2022-1 Tax-Exempt Unexpended Amounts"); provided, however, with respect to the amount required to be used to acquire Eligible Loans by the end of the Acquisition Period with amounts on deposit in the Tax-Exempt Account of the Student Loan Fund, that amount set aside to acquire any such Approved Undisbursed Loans shall be deemed to have been used to acquire such Approved Undisbursed Loans by the end of the Acquisition Period. The applicable Series 2022-1 Tax-Exempt Unexpended Amounts on deposit in the Tax-Exempt Account of the Student Loan Fund, if any, shall be transferred on each date set forth in the Tax-Exempt Proceeds Acquisition Schedule to the Tax-Exempt Retirement Account of the Debt Service Fund in order to effect any such mandatory redemption. To the extent that the Issuer shall have approved the acquisition of and certified to the Trustee the aggregate principal amount of any Approved Undisbursed Loans to be acquired after the end of the Acquisition Period with amounts on deposit in the Tax-Exempt Account of the Student Loan Fund, an amount on deposit in the Tax-Exempt Account of the Student Loan Fund up to the amount of such Approved Undisbursed Loans so certified (but not with respect to any amount in excess thereof) shall be used by the Issuer to acquire such Approved Undisbursed Loans until the earlier of the date on which the Issuer has (i) acquired the Approved Undisbursed Loans following disbursement by the Seller or (ii) certified to the Trustee that such amounts remaining in the Tax-Exempt Account of the Student Loan Fund are no longer needed therefor, at which time any such remaining, unneeded amounts shall be transferred to the Tax-Exempt Account of the Revenue Fund. Each amount set forth under the caption "Amount to be Acquired" in the Tax-Exempt Proceeds Acquisition Schedule shall be reduced by the principal amount of any Series 2022-1 Bonds previously redeemed pursuant to this subsection (a). In the case of any such mandatory redemption from such Series 2022-1 Tax-Exempt Unexpended Amounts, the Series 2022-1 Bonds shall be redeemed, (A) *first*, from the Series 2022-1 Term Bonds and, *second*, from the remaining Series 2022-1 Bonds on a pro rata basis or (B) as otherwise set forth in an Issuer Order delivered to the Trustee containing a representation that the Issuer, after consideration of the expected availability of Revenues, the expected expenses and the anticipated debt service on the Bonds through the final Stated Maturity thereof, shall remain able to pay debt service on the Bonds when due and all associated expenses from the Revenues of the Trust Estate on a timely basis after giving effect to such redemption, in each case with such adjustments as the Issuer may determine to enable the Series 2022-1 Bonds to be redeemed in Authorized Denominations, at a Redemption Price equal to the principal amount thereof, together with

* The "Date" and/or "Amount to be Acquired" may be modified by the Issuer if the Issuer has satisfied the Rating Agency Notification.

accrued interest thereon, if any, to but not including the Redemption Date. The Redemption Date shall be the earliest practicable date for which the required notice of redemption may be given pursuant to Section 3.04 hereof, but in no event later than 60 days after the related date set forth in the Tax-Exempt Proceeds Acquisition Schedule.

(b) ***Mandatory Redemption from Excess Taxable Revenues***. Except during any Recycling Period, the Series 2022-1 Term Bonds and any additional Bonds (excluding any additional Bonds to the extent so provided in a Supplemental Indenture), are subject to mandatory redemption on each Interest Payment Date from Excess Taxable Revenues on deposit in the Taxable Account of the Revenue Fund pursuant to Section 5.03(c)(xi) of the Master Indenture. Such Excess Taxable Revenues on deposit in the Taxable Account of the Revenue Fund and available pursuant to Section 5.03(c)(xi) of the Master Indenture shall be transferred to the Taxable Retirement Account or the Tax-Exempt Retirement Account, as applicable, of the Debt Service Fund in order to effectuate such mandatory redemption in the amounts and at the times required by Section 4.03 hereof. In the case of any such mandatory redemption from Excess Taxable Revenues, (i) the Senior Bonds subject to such redemption (presently being the Series 2022-1 Term Bonds) shall be redeemed in their entirety prior to Senior-Subordinate Bonds and Subordinate Bonds unless (x) the Senior Parity Percentage after giving effect to such redemption is at least equal to the Required Senior Parity Percentage and (y) the Overall Parity Percentage after giving effect to such redemption is at least equal to the Required Overall Parity Percentage, and (ii) Bonds of each class that are subject to such redemption shall be selected for redemption (A) on a pro rata basis among the Stated Maturities of such Bonds of such class based upon the respective Outstanding principal amounts of such Bonds of such class and Stated Maturity that are subject to such redemption from Excess Taxable Revenues at the time of determination without regard to Series (and by lot within a maturity) or (B) from the Stated Maturities of such Bonds of such class as are set forth in an Issuer Order delivered to the Trustee containing a representation that the Issuer, after consideration of the expected availability of Revenues, the expected expenses and the anticipated debt service on the Bonds through the final Stated Maturity thereof, shall remain able to pay debt service on the Bonds when due and all associated expenses from the Revenues of the Trust Estate on a timely basis after giving effect to such redemption, in each case with such adjustments as the Issuer may determine to enable the Bonds to be redeemed in Authorized Denominations, at a Redemption Price of par plus accrued interest to but not including the Redemption Date.

(c) ***Mandatory Redemption from Excess Tax-Exempt Revenues***. Except during any Recycling Period, the Series 2022-1 Term Bonds and any additional Bonds (excluding any additional Bonds to the extent so provided in a Supplemental Indenture), are subject to mandatory redemption on each Interest Payment Date from Excess Tax-Exempt Revenues on deposit in the Tax-Exempt Account of the Revenue Fund pursuant to Section 5.03(b)(xi) of the Master Indenture. Such Excess Tax-Exempt Revenues on deposit in the Tax-Exempt Account of the Revenue Fund and available pursuant to Section 5.03(b)(xi) of the Master Indenture shall be transferred to the Taxable Retirement Account or the Tax-Exempt Retirement Account, as applicable, of the Debt Service Fund in order to effectuate such mandatory redemption in the amounts and at the times required by Section 4.03 hereof. In the case of any such mandatory redemption from

Excess Tax-Exempt Revenues, (i) the Senior Bonds subject to such redemption (presently being the Series 2022-1 Term Bonds) shall be redeemed in their entirety prior to Senior-Subordinate Bonds and Subordinate Bonds unless (x) the Senior Parity Percentage after giving effect to such redemption is at least equal to the Required Senior Parity Percentage and (y) the Overall Parity Percentage after giving effect to such redemption is at least equal to the Required Overall Parity Percentage, and (ii) Bonds of each class that are subject to such redemption shall be selected for redemption (A) on a pro rata basis among the Stated Maturities of such Bonds of such class based upon the respective Outstanding principal amounts of such Bonds of such class and Stated Maturity that are subject to such redemption from Excess Tax-Exempt Revenues at the time of determination without regard to Series (and by lot within a maturity) or (B) from the Stated Maturities of such Bonds of such class as are set forth in an Issuer Order delivered to the Trustee containing a representation that the Issuer, after consideration of the expected availability of Revenues, the expected expenses and the anticipated debt service on the Bonds through the final Stated Maturity thereof, shall remain able to pay debt service on the Bonds when due and all associated expenses from the Revenues of the Trust Estate on a timely basis after giving effect to such redemption, in each case with such adjustments as the Issuer may determine to enable the Bonds to be redeemed in Authorized Denominations, at a Redemption Price of par plus accrued interest to but not including the Redemption Date.

Section 3.04. Terms Regarding Redemptions. Redemptions of the Series 2022-1 Bonds shall be made in whole or in part from the largest integral multiple of the minimum Authorized Denomination derived from the amounts to be applied to such redemption; provided that a Series 2022-1 Bond may only remain Outstanding in an Authorized Denomination.

The Series 2022-1 Bonds shall be redeemed as provided in this Article upon notice as provided in Section 2.10 of the Master Indenture and to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website (www.emma.msrb.org), provided that notices of redemption shall be given not more than sixty (60) days nor less than fifteen (15) days prior to the Redemption Date.

ARTICLE IV

ADDITIONAL COVENANTS OF THE ISSUER

Section 4.01. Senior Transaction Fees. Pursuant to the applicable Monthly Report or Issuer Order on the last Business Day of each calendar month, the Paying Agent on behalf of the Trustee shall transfer from the Tax-Exempt Account and the Taxable Account, as applicable, of the Revenue Fund to the Operating Fund as payment for (a) the Standard Servicing Fees pursuant to Section 5.03(b)(ii) or Section 5.03(c)(ii) of the Master Indenture, as applicable, an amount equal to one-twelfth ($1/12^{th}$) of 0.50% of the average monthly outstanding principal balance of the Financed Eligible Loans for the prior calendar month, (b) the Administration Fees pursuant to Section 5.03(b)(ii) or Section 5.03(c)(ii) of the Master Indenture, as applicable, an amount equal to one-twelfth ($1/12^{th}$) of 0.10% of the average monthly outstanding principal balance of the Financed Eligible Loans for the prior calendar month, and (c) the Trustee Fees pursuant to Section 5.03(b)(ii) or Section 5.03(c)(ii) of the Master Indenture, as applicable, an amount equal to one-twelfth ($1/12^{th}$) of 0.03% of the average monthly outstanding principal balance of the Bonds for the prior calendar month (with a minimum of $1,250 per quarter), unless the Issuer shall have satisfied the Rating Agency Notification with respect to a higher percentage.

Section 4.02. Limitation on Certain Senior Transaction Fees. The Senior Transaction Fees described in clauses (d) and (e) of the definition thereof allocable to the Series 2022-1 Bonds for each Fiscal Year shall not exceed an amount equal to $50,000, except that the dollar amount limit set forth in this Section shall not apply with respect to Extraordinary Expenses incurred by the Trustee (i) after the occurrence and during the continuation of an Event of Default, other than an Event of Default under Section 6.01(d) of the Master Indenture), or (ii) after an acceleration of the maturity of the Bonds under Section 6.09 of the Master Indenture.

Section 4.03. Transfer of Excess Taxable Revenues and Excess Tax-Exempt Revenues. If the Overall Parity Percentage is not equal to at least the Required Overall Parity Percentage, the Trustee, pursuant to the corresponding Monthly Report, shall transfer Excess Taxable Revenues on the last Business Day of each April and October pursuant to Section 5.03(c)(xi) of the Master Indenture to the Taxable Retirement Account or the Tax-Exempt Retirement Account, as applicable, of the Debt Service Fund for mandatory redemption as provided in Section 3.03(b) hereof, in an amount equal to the least amount required to increase the Overall Parity Percentage to at least the Required Overall Parity Percentage, with this percentage and amount computed assuming that immediately prior to the computation, the required mandatory redemption pursuant to Section 3.03(b) hereof of principal were actually made on the Bonds. Notwithstanding the foregoing, if the aggregate principal amount of all Bonds Outstanding under the Indenture is equal to or less than 10% of the aggregate principal amount of all Bonds Outstanding under the Indenture as of the last date of issuance of a Series of Bonds issued under the Indenture, then the Trustee, pursuant to the corresponding Monthly Report, shall transfer all Excess Taxable Revenues on the last Business Day of each April and October pursuant to Section 5.03(c)(xi) of the Master Indenture to the Taxable Retirement Account or the Tax-Exempt Retirement Account, as applicable, of the Debt Service Fund and apply such transferred Excess Taxable Revenues to redeem Bonds Outstanding under the Indenture.

If the Overall Parity Percentage is not equal to at least the Required Overall Parity Percentage, the Trustee, pursuant to the corresponding Monthly Report, shall transfer Excess Tax-Exempt Revenues on the last Business Day of each April and October pursuant to Section 5.03(b)(xi) of the Master Indenture to the Taxable Retirement Account or the Tax-Exempt Retirement Account, as applicable, of the Debt Service Fund for mandatory redemption as provided in Section 3.03(c) hereof, in an amount equal to the least amount required to increase the Overall Parity Percentage to at least the Required Overall Parity Percentage, with this percentage and amount computed assuming that immediately prior to the computation, the required mandatory redemption pursuant to Section 3.03(c) hereof of principal were actually made on the Bonds. Notwithstanding the foregoing, if the aggregate principal amount of all Bonds Outstanding under the Indenture is equal to or less than 10% of the aggregate principal amount of all Bonds Outstanding under the Indenture as of the last date of issuance of a Series of Bonds issued under the Indenture, then the Trustee, pursuant to the corresponding Monthly Report, shall transfer all Excess Tax-Exempt Revenues on the last Business Day of each April and October pursuant to Section 5.03(b)(xi) of the Master Indenture to the Taxable Retirement Account or the Tax-Exempt Retirement Account, as applicable, of the Debt Service Fund and apply such transferred Excess Tax-Exempt Revenues to redeem Bonds Outstanding under the Indenture.

Section 4.04. General Terms of the Program. The Program Manuals with respect to the Eligible Loans to be acquired with the amounts deposited to the Taxable Account or the Tax-Exempt Account, as applicable, of the Student Loan Fund are set forth in Exhibit B hereto. The Issuer is permitted to make changes to such Program Manuals that do not adversely affect the security for the Registered Owners of the Bonds.

Section 4.05. Restrictions on the Financing of Eligible Loans during the Acquisition Period. The following restrictions apply to the aggregate portfolio of Eligible Loans Financed during the Acquisition Period relating to the Series 2022-1 Bond (and do not apply to the portion of the portfolio of Eligible Loans Financed on the Date of Issuance of the Series 2022-1 Bonds that were included in the cash flow modeling presented to the Rating Agency):

(a) All of the principal balance of such Eligible Loans shall be originated pursuant to the Issuer's Tuition Loan Program and no such Eligible Loans shall be to borrowers attending a proprietary school.

(b) All of the principal balance of such Eligible Loans shall have fixed rates of interest.

(c) Not more than 70% of the principal balance of such Eligible Loans shall be to borrowers who have elected the deferred repayment option.

(d) At least 5% of such Eligible Loans shall be to borrowers who have elected the immediate repayment option.

(e) At least 70% of the principal balance of such Eligible Loans shall be to borrowers with a FICO score of 740 or higher.

(f) No more than 10% of the principal balance of such Eligible Loans shall be to borrowers with a FICO score of less than 700 and no Eligible Loans shall have a FICO score of less than 670.

(g) At least 90% of the principal balance of such Eligible Loans shall be to borrowers with a co-signer.

(h) Such Eligible Loans shall have (i) a weighted average interest rate of not less than 6.70%, (ii) a weighted average repayment term of not to exceed 140 months and (iii) an average time to graduation of not to exceed 30 months (not including a grace period).

(i) No Eligible Loans with interest rates above the usuary rate in any particular state will be acquired during the Acquisition Period.

The foregoing restrictions may be changed upon satisfaction of the Rating Agency Notification.

ARTICLE V
MISCELLANEOUS

Section 5.01. Series 2022-1 Supplemental Indenture Construed with Master Indenture. All of the provisions of this Series 2022-1 Supplemental Indenture shall be deemed to be and construed as part of the Master Indenture to the same extent as if fully set forth therein.

Section 5.02. Master Indenture as Supplemented to Remain in Effect. Except as herein supplemented and amended, if at all, by this Series 2022-1 Supplemental Indenture, the Master Indenture shall remain in full force and effect with respect to all the Bonds, including, without limitation, the Series 2022-1 Bonds.

Section 5.03. Execution in Counterparts. This Series 2022-1 Supplemental Indenture may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same instrument.

Section 5.04. Severability. If any section, paragraph, clause or provision of this Series 2022-1 Supplemental Indenture shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Series 2022-1 Supplemental Indenture.

Section 5.05. Confirmation of Actions. All action (not inconsistent with the provisions of this Series 2022-1 Supplemental Indenture) heretofore taken by the Issuer, directed toward the issuance and sale of the Series 2022-1 Bonds is hereby ratified, approved and confirmed.

Section 5.06. Governing Law. This Series 2022-1 Supplemental Indenture shall be construed in accordance with the laws of the State of Indiana.

Section 5.07. Limited Obligations of the Issuer and Not a Debt of the State of Indiana. The Series 2022-1 Bonds shall not constitute a general obligation of the Issuer, but shall be special, limited obligations of the Issuer, secured by and payable solely from the Trust Estate. The Series 2022-1 Bonds shall contain on their face a statement to the effect that the Issuer shall not be obligated to pay the Series 2022-1 Bonds or the interest thereon from any other source and that none of the faith and credit, the moral obligation or the taxing power of the State of Indiana or of any political subdivision of the State of Indiana is pledged to the payment of the principal of or the interest on such obligations.

THE BONDS, INCLUDING THE SERIES 2022-1 BONDS, AND ANY AGREEMENT OF THE ISSUER MENTIONED HEREIN ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER, SECURED SOLELY BY AND PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF INDIANA OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE SERIES 2022-1 BONDS. THE ISSUER'S OBLIGATIONS, INCLUDING ANY BONDS, ARE NOT GENERAL, SPECIAL OR MORAL OBLIGATIONS OF THE STATE OF INDIANA. THE ISSUER IS NOT AUTHORIZED UNDER THE INDENTURE OR LAWS OF THE STATE OF INDIANA TO CREATE, AND THE SERIES 2022-1 BONDS DO NOT CONSTITUTE, PUBLIC DEBT OF THE STATE OF INDIANA OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE

MEANING OF THE INDIANA CONSTITUTION OR LAWS OF THE STATE OF INDIANA OR DEBT OF THE STATE OF INDIANA OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF FOR ANY OTHER PURPOSE WHATSOEVER

Section 5.08. Notices. Any notice, demand, direction, request or other instrument authorized or required by this Series 2022-1 Supplemental Indenture to be given to or filed with the Issuer shall be deemed to have been sufficiently given or filed for all purposes, if any, when delivered or sent by facsimile transmission, confirmed by first-class mail, postage prepaid, and shall be deemed given when transmitted (answer back confirmed) or when mailed to the addresses given in Section 9.01 of the Master Indenture.

Section 5.09. Continuing Disclosure. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of the Master Indenture, failure of the Issuer to comply with this covenant or the Continuing Disclosure Agreement shall not be considered an Event of Default; however, subject to Section 6.03 of the Master Indenture, and in all cases, if the Trustee shall have been indemnified as provided in Section 6.11 of the Master Indenture, then the Trustee may (and, at the request of any Participating Underwriter or the Registered Owners of the Bond of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds, shall) or any Registered Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Section.

IN WITNESS WHEREOF, the Issuer has caused this Series 2022-1 Supplemental Indenture to be executed in its corporate name and behalf by an Authorized Officer, and the Trustee has caused this Series 2022-1 Supplemental Indenture to be executed in its organizational name and behalf by a duly authorized officer, all in multiple counterparts, each of which shall be deemed an original, and the Issuer and the Trustee have caused this Series 2022-1 Supplemental Indenture to be dated as of the date herein above first shown.

INDIANA SECONDARY MARKET FOR EDUCATION LOANS, INC., as the Issuer

By Jon Wood
Name Joseph V. Wood
Title President

BOKF, N.A., as Trustee

By ______________________
Name ______________________
Title ______________________

IN WITNESS WHEREOF, the Issuer has caused this Series 2022-1 Supplemental Indenture to be executed in its corporate name and behalf by an Authorized Officer, and the Trustee has caused this Series 2022-1 Supplemental Indenture to be executed in its organizational name and behalf by a duly authorized officer, all in multiple counterparts, each of which shall be deemed an original, and the Issuer and the Trustee have caused this Series 2022-1 Supplemental Indenture to be dated as of the date herein above first shown.

INDIANA SECONDARY MARKET FOR EDUCATION LOANS, INC., as the Issuer

By ______________________________
Name Joseph V. Wood
Title President

BOKF, N.A., as Trustee

By Wendee Peres
Name Wendee Peres
Title Vice President

EXHIBIT A

FORM OF SERIES 2022-1A SENIOR TAX-EXEMPT BONDS

EXCEPT AS OTHERWISE PROVIDED IN THE HEREINAFTER DEFINED INDENTURE, THIS GLOBAL BOOK-ENTRY BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

No.: R-__ $__________

INDIANA SECONDARY MARKET FOR EDUCATION LOANS, INC.
TAX-EXEMPT STUDENT LOAN PROGRAM REVENUE BONDS
SENIOR SERIES 2022-1A (AMT)

DATED DATE	STATED MATURITY DATE	INTEREST RATE	CUSIP
December 1, 2022	June 1, ____	____%	45505N __

REGISTERED OWNER: **___________________________________**

PRINCIPAL AMOUNT: **____________________________________**

The Indiana Secondary Market for Education Loans, Inc. (the "Issuer"), a public benefit corporation created, organized and existing under the laws of the State of Indiana (the "State"), for value received, hereby promises to pay (but only out of the Trust Estate pledged under the Indenture, as hereinafter defined) to the Registered Owner set forth above, or registered assigns, on the Stated Maturity Date identified above or upon earlier redemption hereof upon the presentation and surrender hereof, the principal sum set forth above and to pay (but only out of the Trust Estate held under the Indenture) interest on said principal sum from the later of the initial delivery date hereof or such later date as to which interest has been paid until payment of said principal sum has been made or duly provided for, at the rates determined under the Indenture and on the dates set forth herein. The principal of this bond is payable at the office of BOKF, N.A., located in Kansas City, Missouri (the "Trustee"). The interest so payable on any Interest Payment Date will, subject to certain exceptions provided in the Indenture, be paid to the person in whose name this bond is registered at the close of business on the Record Date as defined in the Indenture. Payment of the principal of and interest on this bond shall be made in lawful money of the United States of America.

Unless otherwise defined herein, capitalized terms used herein shall have the respective meanings given to such terms in the Indenture.

This bond is one of a duly authorized issue of bonds of the Issuer designated "Student Loan Program Revenue Bonds, Senior Series 2022-1A (AMT)" issued in the principal amount of $28,890,000 (the "Series 2022-1A Senior Tax-Exempt Bonds"). The Series 2022-1A Senior Tax-Exempt Bonds are issued under and pursuant to the Constitution and laws of the State, particularly Indiana Code 21-16-5, as amended (the "Act"), and the Indenture of Trust, dated as of December 1, 2022 (the "Master Indenture"), by and between the Issuer and the Trustee, as supplemented by the Series 2022-1 Supplemental Indenture of Trust, dated as of December 1, 2022, by and between the Issuer and the Trustee (the "Series 2022-1 Supplemental Indenture" and together with the Master Indenture, the "Indenture"). The Series 2022-1A Senior Tax-Exempt Bonds are being issued for the purposes set forth in the Indenture.

THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE SERIES 2022-1 BONDS FROM ANY SOURCE EXCEPT FROM THE TRUST ESTATE PLEDGED UNDER THE INDENTURE. THE BONDS, INCLUDING THE SERIES 2022-1 BONDS, AND ANY AGREEMENT OF THE ISSUER MENTIONED HEREIN ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER, SECURED SOLELY BY AND PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF INDIANA OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE SERIES 2022-1 BONDS. THE ISSUER'S OBLIGATIONS, INCLUDING ANY BONDS, ARE NOT GENERAL, SPECIAL OR MORAL OBLIGATIONS OF THE STATE OF INDIANA. THE ISSUER IS NOT AUTHORIZED UNDER THE INDENTURE OR LAWS OF THE STATE OF INDIANA TO CREATE, AND THE SERIES 2022-1 BONDS DO NOT CONSTITUTE, PUBLIC DEBT OF THE STATE OF INDIANA OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE INDIANA CONSTITUTION OR LAWS OF THE STATE OF INDIANA OR DEBT OF THE STATE OF INDIANA OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF FOR ANY OTHER PURPOSE WHATSOEVER

The Series 2022-1A Senior Tax-Exempt Bonds constitute Senior Bonds which are equally and ratably secured with other Senior Bonds issued by the Issuer, to the extent provided in the Indenture, by the pledge thereunder of the Trust Estate. The right to payment of the principal of and interest on the Senior Bonds is prior and superior to that of any Senior-Subordinate Bonds or Subordinate Bonds issued under the Indenture.

The unpaid principal amount hereof from time to time outstanding shall bear interest, payable on each June 1 and December 1 of each year, commencing June 1, 2023, at the Interest Rate set forth above. Interest on this bond shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The transfer of this bond may be registered only upon surrender hereof at the Transfer Agent Office of the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing. Upon any such registration or transfer of this bond and subject to the payment of any fees and charges as provided in the Indenture, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Series 2022-1A Senior Tax-Exempt Bond or

Series 2022-1A Senior Tax-Exempt Bonds of the same interest rate and for a like Series and aggregate principal amount of the same Stated Maturity Date.

The Series 2022-1A Senior Tax-Exempt Bonds are subject to optional, extraordinary and mandatory redemption in the manner, at the prices, at the times and under the circumstances provided in the Indenture. Any Series 2022-1A Senior Tax-Exempt Bonds and portions thereof which have been duly selected for redemption and which are deemed to be paid in accordance with the Indenture shall cease to bear interest on the specified redemption date and shall thereafter cease to be entitled to any lien, benefit or security under the Indenture.

The Registered Owner of this bond shall have no right to institute any suit, action or proceedings for the enforcement of the provisions of the Indenture or for the execution of any trust under the Indenture or for the appointment of a receiver or for any other remedy under the Indenture, except as provided in the Indenture.

With certain exceptions as provided therein, the Indenture may be modified or amended (i) without the consent of the Registered Owners or (ii) with the consent of at least a majority of the Registered Owners of the collective aggregate principal amount of the Bonds, including the Series 2022-1A Senior Tax-Exempt Bonds, then Outstanding under the Indenture.

Reference is hereby made to the Indenture, a copy of which is on file with the Trustee, for the provisions, among others, with respect to the nature and extent of the rights, duties and obligations of the Issuer, the Trustee and the Registered Owners of the Bonds, including the Series 2022-1A Senior Tax-Exempt Bonds. The Registered Owner of this bond, by the acceptance hereof, is deemed to have agreed and consented to the terms and provisions of the Indenture.

The Issuer and the Trustee may deem and regard the Person in whose name this bond is registered as the absolute owner hereof for all purposes.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed, precedent to and in the execution and delivery of the Indenture and the issuance of this bond, do exist, have happened and have been performed in regular and due form as required by law.

Any agreements, covenants or representations contained in this bond or the Indenture do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the incorporators, officers, employees, agents or directors of the Issuer, and in the event of a breach of any such agreement, covenant or representation, no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the Issuer shall arise therefrom.

IN WITNESS WHEREOF, the Issuer has caused this bond to be executed with the signature of its President and attested by its Chief Financial Officer and the official seal of the Issuer to be imprinted or impressed hereon.

Dated: __________ ___, ______

[SEAL]

INDIANA SECONDARY MARKET FOR EDUCATION LOANS, INC.

By ____________________________________
President

By ____________________________________
Chief Financial Officer

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the within-mentioned Indenture and is one of the Tax-Exempt Student Loan Program Revenue Bonds, Senior Series 2022-1A (AMT) of the Indiana Secondary Market for Education Loans, Inc.

Dated: _______ ___, _____

BOKF, N.A., as Trustee

By ___________________________________
Name _________________________________
Title __________________________________

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

(name and address of assignee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints

____

attorney, to transfer said bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

By ____________________________________*
Name ____________________________________
Title ____________________________________

Signature Guaranteed:

By ____________________________________*

*NOTICE: Signature(s) should be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee. The Assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular without alteration or any change whatever.

EXHIBIT B

PROGRAM MANUALS

INvested

RESPONSIBLE OPTIONS for LITERACY & LENDING in EDUCATION

INvestEd Student Loan (Tuition) Program Manual

TABLE OF CONTENTS

I. INTRODUCTION

This document ("Program Manual") summarizes the policies and procedures that are used to underwrite and manage the INvestEd Student Loan offered through Indiana Secondary Market for Education Loans, Inc. ("INvestEd", or the "Company") d/b/a INvestEd and/or First Merchants Bank. The INvestEd Student Loan is a loan product for students and their families that need funding for current higher education related expenses.

II. OBJECTIVE

The objective of this Program Manual is to provide written documentation of the policies established for use by Company staff in the performance of duties related to credit underwriting, collections, and loss recovery activities for the INvestEd Student Loan.

III. GOVERNANCE AND MAINTENANCE

All modifications to this document or to the credit policies referred to herein must be approved by the INvestEd President, who shall administer the document of record. Any material changes to the policy contained herein shall be reviewed by the INvestEd Board of Directors and with other entities before final approval.

IV. EXCEPTIONS

Any request for an exception to this credit policy must be submitted to and approved by the INvestEd President using the Exception Request and Approval Form found in Exhibit A. The reasons or rationale for the exception must be clearly articulated.

V. COMPLIANCE POLICY

It is the policy of the Company to comply with all applicable federal and state regulations. These include (but are not limited to) the Equal Credit Opportunity Act ("ECOA"), the Fair Credit Reporting Act, the Truth-In-Lending Act, the Fair Debt Collection Practices Act, Executive Order 13224, the Patriot Act (OFAC Screening), Regulation P, the Military Lending Act ("MLA"), the Private Student Loan Transparency and Improvement Act and the Gramm-Leach-Bliley Act.

In accordance with the ECOA, the Company shall not discriminate against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to enter into a binding contract).

Section 326 of the USA PATRIOT Act imposes Customer Identification Program (CIP) requirements on banks, thrifts, credit unions, and agencies and branches of foreign banks. The lender and originator processor will perform monitoring and reporting of suspicious transactions and individuals in compliance with the USA Patriot Act. Specifically, and without limitation, the lender and/or originator processor will obtain positive identity clearance by establishing a "reasonable belief" of the customer's true identity. This may be accomplished through third-party service providers to perform an automated identity verification using the information provided by each applicant on the loan application. If the lender or originator processor is unable to confirm an applicant's identity via this automated process, the applicant will be required to provide identification documents (most commonly a copy of a valid, unexpired Social Security card and a copy of a valid, unexpired Driver's License). These identification documents must be sufficient to verify the name, date of birth, address and social security number of the applicant(s).

VI. GENERAL POLICY

The General Policy guidelines apply to all programs under the INvestEd Student Loan. Product specific guidelines are outlined later in this document.

A. LENDING AUTHORITY

The Company lends directly to eligible and qualified residents of the State of Indiana. Applications are also accepted and considered for prospective loans that will be made under the INvestEd Student Loan program through First Merchants Bank of Indiana to individuals residing in the other 49 states in the U.S., plus the District of Columbia, as well as to individuals residing in the State of Indiana that are attending eligible institutions outside the State of Indiana. The INvestEd Student Loan is not available to individuals residing outside the United States.

B. BORROWER ELIGIBILITY – CITIZENSHIP

Applicants are required to be either United States citizens or permanent residents. Permanent residents must provide a valid, unexpired I-551 (Green Card).

C. BORROWER ELIGIBILITY – MINIMUM AGE

All applicants must be at least 18 years of age or at the age of majority in the respective state of residence.

D. BORROWER ELIGIBILITY – DEFAULTED STUDENT LOANS

An eligible borrower must not have any outstanding default on any federal or private education loan. Borrowers with defaulted student loans may not apply with a co-signer.

E. MINIMUM APPLICATION INFORMATION

The minimum application elements shall meet requisite state and federal regulations, and shall consist of the identity, contact, employment, and school information necessary to:

- Obtain accurate credit bureau requests;
- Provide all information required by the underwriting process;
- Deliver loan documents and billing statements; and
- Enable customer contact for underwriting, account servicing, and collections purposes.

The specific items of information may vary based upon the choice of product, mode of application, and processing environment.

F. OFAC SCREENING

The Office of Foreign Assets Control (OFAC) is a division of the U.S. Department of the Treasury. Based on U.S. foreign policy and national security goals, OFAC administers and enforces economic and trade sanctions against targeted foreign countries, terrorism sponsoring organizations, and international narcotics traffickers. OFAC maintains a list of "Specially Designated Nationals" (SDN) and "Blocked Persons" that is made available to all institutions covered by the laws and regulations administered by OFAC.

The Company requires all credit approved applicants to be screened and cleared through an automated process prior to continuing with the loan origination process. In the event of a positive match with a sanctioned person or entity, the appropriate escalation procedures required by OFAC shall be followed.

G. ADVERSE ACTION

In accordance with Regulation B of the Equal Credit Opportunity Act, notice of adverse action shall be provided to all applicants whose request for credit is denied. Adverse action reasons directly resulting from credit criteria shall be programmed and provided in an automated fashion. Proper training and review must be conducted for personnel that would be authorized to manually indicate adverse action reasons.

H. RATE REDUCTION UNDER THE SERVICEMEMBERS CIVIL RELIEF ACT ("SCRA")

Servicer will confirm all valid requests from eligible members of the Armed Forces by obtaining a copy of the servicemember's orders and any extension of such orders. Alternatively, Servicer may verify active duty status in the Armed Forces with the Department of Defense (DOD) verification website and utilize a screen print from the DOD verification website as proof of active duty status. Upon confirming eligibility, Servicer will place a 6% cap on the interest rate, if applicable on all non-federally guaranteed Student Loans subject to the SCRA that were incurred by the servicemember, or the servicemember and the servicemember's spouse jointly, before the servicemember entered military service. While the cap is in place the interest rate will be 6% whenever the contract interest rate would exceed 6%, however the interest rate will be the contract interest rate whenever the contract interest rate is below 6%. The reduced interest rate will continue from the date of active service through the period the Borrower is on active duty. If the DOD verification website screen print is utilized as active duty status, the interest rate cap is applied from the date of active service for a maximum of one (1) year from the date of certification by the DOD, unless a copy of the servicemember's orders and any extensions are provided to Servicer. At the end of the period of active duty, the interest rate will revert to the contract interest rate.

VII. INvestEd STUDENT LOAN, (INvestEd AS LENDER/PROGRAM SPONSOR) – PRODUCT SPECIFICATIONS

A loan approved by the Company pursuant to this Program Manual shall be a qualified education loan as defined in section 221(d)(1) of the Internal Revenue Service Code of 1986. Loan proceeds may be forwarded in single or multiple disbursements, and made payable directly to the school or the school and borrower(s). Loan origination fees, interest rate margins, and other pricing shall be assigned based on applicant risk level as determined by the approved credit scoring model in use.

Loans described under this section are limited to those loans originated by INvestEd and/or First Merchants Bank of Indiana as the lender, except that loans originated under the pre-existing HELP loan program as 'non-Co-Borrowed' loans are excluded from this section. The pre-existing HELP loan program 'non-Co-Borrowed' loans are discussed separately in Section VIII of this Program Manual. A summary of product specifications are attached as Appendix A1 to this document.

A. PRODUCT VARIATIONS

- <u>Variable Rate and Fixed Rate Options</u>

  The INvestEd Student Loan is offered with two different interest rate structures:

  - *Variable Interest Rate*
  - *Fixed Interest Rate*

  Details of how interest rates are determined are outlined in the INvestEd Student Loan (Tuition) Interest Rate Calculation and Product Pricing document.

B. BORROWER ELIGIBILITY

Applications can be submitted by a student borrower, or by a student borrower plus a co-signer. For an INvestEd Student Loan originated by INvestEd as lender, the student borrower must be a resident of Indiana attending an eligible institution within Indiana. For an INvestEd Student Loan originated with First Merchants Bank of Indiana as lender, the student borrower may be a non-Indiana resident attending an eligible institution within Indiana, or a resident of Indiana attending an eligible institution outside of Indiana.

C. BORROWER ELIGIBILITY - SCHOOL

Applications will be accepted from students that are enrolled at least half-time, or accepted for at least half-time enrollment, or that completed an at least half-time enrollment term up to 120 days past the loan period end date at institutions that meet the following criteria:

- Title IV approved
- Not-for-Profit
- Offer four-year undergraduate, graduate, or professional degrees
- Must be listed on the INvestEd Student Loan Eligible Schools list administered by INvestEd and published separately from this document

D. MINIMUM CREDIT BUREAU REQUIREMENTS

To decision an application the following credit bureau information must be requested for all applicants and successfully be obtained for at least one party on the application:

- A consumer credit report from TransUnion, a nationally recognized consumer reporting agency
- TransUnion FICO Risk Score 09

E. CREDIT SCORING MODELS

The Company uses various credit scoring models in the underwriting of new accounts to determine if applications satisfy our minimum risk criteria and to segment qualified applicants for purposes of pricing. Credit scoring models must be empirically derived and statistically validated before use. Models shall be subsequently monitored for performance relative to original design, development, and validation parameters. The following models are currently approved for use:

<u>Bureau Models:</u>

- TransUnion (FICO 09) model designed to predict likelihood of default in the next 24 months

<u>INvestEd Proprietary Models:</u>

- MeasureOne MeritScore designed to predict likelihood of default within 36 months

F. FRAUD PREVENTION

Systematic routines shall be employed to verify that the applicant identifying information is consistent with the information stored in the Credit Bureau report.

TransUnion HAWK® is a passive fraud analysis tool that compares customer inquiry information to data contained in the TransUnion national fraud database and alerts customers to potential fraud. TransUnion HAWK® shall be employed to validate an applicant's identity and flag other suspicious characteristics of the applicant.

Applicants with multiple outstanding loans and / or applications shall be reviewed for possible fraudulent intent.

Credit bureau mismatch, deceased indicator, TransUnion HAWK® or its equivalent, internal fraud databases, and multiple loan alert flags shall be reviewed by qualified fraud investigation personnel. All such alerts shall be satisfactorily resolved using available online tools and / or contact with the persons and entities shown on the application to validate the identity and legitimacy of the loan application.

Documents may be sent to a PO Box address only if the permanent street address is provided and verified.

G. CREDIT APPLICANTS

A credit applicant is any person that is party to the Note and may be a student borrower and/or a co-signer.

A creditworthy credit applicant must meet minimum credit requirements outlined in Section VII, Paragraph H of this Program Manual. If no credit applicant meets the minimum credit requirements for the loan, an adverse action notice must be provided to these applicants in accordance with Section VI, Paragraph G of this Program Manual.

H. MINIMUM CREDIT REQUIREMENTS

Credit bureau and other application data for all INvestEd Student Loan applicants shall be reviewed for the following criteria:

<u>SOLO STUDENT APPLICANTS (A)*</u>

- Minimum FICO® score of 670 OR minimum FICO® score of 640 when student has maximum MeritScore Tier 3 as provided by MeasureOne
- Must not have defaulted on any private or government student loan
- No delinquencies of sixty (60) or more days during the previous twenty-four (24) months
- No reported bankruptcy within the past five (5) years
- No repossessions, foreclosures or garnishments by creditors
- No charge-offs or collections accounts that exceed $100

<u>STUDENT BORROWERS THAT APPLY WITH A CREDITWORTHY CO-SIGNER (B)</u>

- Must not have defaulted on any private or government student loan
- No reported bankruptcy within the past five (5) years
- No repossessions, foreclosures or garnishments by creditors

<u>CREDITWORTHY CO-SIGNERS</u>

- Minimum FICO® score of 670
- Must not have defaulted on any private or government student loan

- No delinquencies of sixty (60) or more days during the previous twenty-four (24) months
- No reported bankruptcy within the past five (5) years
- No repossessions, foreclosures or garnishments by creditors
- No charge-offs or collections accounts that exceed $100

(*Any solo student applicant that fails the knockout criteria listed above for a Solo Student Applicant (A) but passes the knockout criteria listed above for Student Borrowers That Apply With A Creditworthy Co-Signer (B) would be "soft-declined" and eligible to apply with a Creditworthy Co-Signer.)

I. MINIMUM INCOME REQUIREMENTS / REPAYMENT CAPACITY

INCOME AND DEBT-TO-INCOME REQUIREMENTS

The primary, creditworthy applicant (student borrower or co-signer) upon whose credit history the approval decision for the loan is based, must meet one of the following repayment capacity requirements:

- Minimum gross monthly income of $3,333
- Must meet a monthly debt-to-income (DTI) ratio of 30% or less
  - Debt includes monthly mortgage as listed in the credit report. In the absence of a reported mortgage trade line in the credit report, the stated mortgage / rental payment as indicated on the application will be accepted.
  - DTI calculation uses the current verified monthly household income as determined by the methodology outlined in the section entitled 'INCOME CALCULATION' below.
  - DTI calculation uses the monthly debt service methodology outlined in the section entitled 'DEBT CALCULATION' below.
- Maximum MeritScore Tier 3 as provided by MeasureOne

INCOME CALCULATION

A creditworthy applicant must submit the following documentation as proof-of-income:

- Copies of the two most recent pay stubs to satisfy the income requirement (employer information must match application data);
- Borrower on a solo application and co-signer on a cosigned application are required to be continuously employed for the past 2-years, or must demonstrate ability to manage the debt by meeting the requirements for providing "Other Income" outlined below;
- Other satisfactory documentation outlined below.

If the prospective borrower is employed but does not draw a regular salary and is 100% commission-based, he or she must provide evidence of consistent commission-based income flows documentable for the previous 2-years prior to the application submission date.

If the prospective borrower is self-employed, he or she must submit copies of at least the first two pages of the applicant's most recent 2-years' personal federal income tax returns, along with any applicable schedules.

- For self-employed applicants reporting income on Schedule C (of the personal federal income tax return), add back the following to applicant's adjusted gross income:
    - Depreciation from Line 13
    - Expense for Business Use of Home from Line 30 (Form 8829)

- For Schedule E rental income, use Line 26 and add back Line 12 (Mortgage Interest) and Line 20 (Depreciation)

- If the prospective borrower owns a Partnership and/or S Corporation and reports income on their Schedule E (of the personal federal tax return), page 2, take the income from Line 32 "total partnership and S Corporation income or (loss)"

- For Schedule F (Farm Income) the following will be added back to applicant's adjusted gross income:
    - Depreciation Expense from Line 16

If the prospective borrower is self-employed as an independent contractor, he or she must also provide a copy of the following:

- An unexpired engagement of services contract showing terms, duration and financial arrangements.
- Proof of two most recent payments to the contractor to validate the financial arrangements stipulated in the engagement of services contract.

If the applicant is not employed, is not self-employed or if he or she would otherwise fail the income test, "Other Income" volunteered by the prospective borrower may be used for consideration. Such Other Income may include the following:

- Sales commissions
- Dividends and Capital Gains
- Interest Income
- Supplemental Partnership/Corporation/Business Income
- Rental Real Estate
- Royalties/Settlements
- Trusts
- Alimony
- Child Support
- Pensions and Annuities
- Farm Income

- Inheritance and Death Benefits
- Life Insurance
- If the prospective borrower is married, “Other Income” volunteered by the spouse
- Retirement income, including but not limited to: IRA, 401k, ESOP or similar distributions
- Assistance programs, such as SSI, SSDI, etc.

All sources of income are subject to verification. Applicants must provide evidence of consistent income for at least one calendar year prior to the application submission date for Other Income sources to be considered.

DEBT CALCULATION

A credit applicant’s monthly debt service is an aggregate total of the following:

- Minimum monthly payments on any installment (including mortgage and/or student loans) or revolving debt as disclosed on the credit bureau file.
- If no minimum monthly payment on such installment (excluding student loans) or revolving debt is disclosed on the credit applicant’s credit bureau file, TransUnion’s monthly payment algorithm will determine the value. All open debt will be counted, with the exception of most deferred student loans.

J. MAXIMUM LOAN AMOUNT

The final amount approved depends on the borrower(s) credit history, verifiable cost of attendance, and is subject to credit approval and verification of application information. The maximum loan amount that a borrower may obtain is limited to the total cost of attendance, less any financial aid received as certified by the school, and subject to the following limitation(s):

- The loan amount will not exceed the amount requested by the borrower.
- The maximum, aggregate amount of loans borrowed by an individual under the INvestEd Student Loan is **$120,000.**
- Subject to compliance with applicable lending laws and regulations, the Company reserves the right to approve a final loan amount that could be less than the amount requested.

K. MINIMUM LOAN AMOUNT

Loans made under the INvestEd Student Loan are originated under the state-specific lending authority of INvestEd and First Merchants Bank of Indiana, respectively. The minimum loan amount under the INvestEd Student Loan shall be **$1,001**, which is within the state-specific lending authority of INvestEd and First Merchants Bank of Indiana, respectively, in all but four states: Colorado, Oklahoma, South Carolina and Wisconsin (collectively, the “Ineligible States”). Because the Ineligible States require a higher minimum loan amount, the INvestEd Student Loan is not currently available to residents of the Ineligible States.

INvestEd will monitor applicants from the Ineligible States at the INvestEd front porch, and will advise them that the INvestEd Student Loan is not available for residents of their state. Applicants from the Ineligible States will not be forwarded to CampusDoor's application process.

L. LOAN INTEREST RATE CALCULATION

Interest will accrue using a daily, simple interest accrual based on a 365-day year (366-day leap year) for all loans under this program.

Variable Rate Option

If a Variable Interest Rate option is selected by the borrower, the variable interest rate for an INvestEd Student Loan made under this program will be equal to the current Index plus the Margin, as further explained in the "INvestEd Student Loan (Tuition) Interest Rate Calculation and Product Pricing" document.

The variable interest rate that is charged to the borrower is reset quarterly, may increase or decrease, and is based on an Index and Margin. Interest will begin to accrue as of the Disbursement Date on the principal amount of the Loan outstanding from time to time. Interest will be calculated on a daily simple interest basis, using the outstanding principal balance each day of the term of the Loan. The daily interest rate will be equal to the annual Interest Rate in effect on that day, divided by the actual number of days in the then-current calendar year. If current Index is no longer available, a comparable Index will be used.

Interest will accrue during periods of non-payment, including periods of authorized deferment or forbearance. Interest is capitalized upon entering a repayment status as well as at the end of any authorized deferment or forbearance period. The Variable Interest Rate may be affected by borrower participation in an eligible borrower incentive program.

Each quarterly interest rate change will result in re-amortization of the loan with the payment amount adjusted, as necessary, to ensure that repayment of the loan is within the remaining term. When the interest rate decreases, the payment amount may be reduced based on the maximum remaining term subject to the $25 minimum monthly payment.

Fixed Rate Option

If a Fixed Interest Rate option is selected by the borrower, the interest rate is fixed for the life of the loan, and is based upon the criteria outlined in the "INvestEd Refi Loan Interest Rate Calculation and Product Pricing" document.

Interest will accrue during periods of non-payment, including periods of authorized deferment or forbearance. Interest is capitalized upon entering a Repayment status as well as at the end of any authorized deferment or forbearance period. The Fixed Interest Rate may be affected by borrower participation in an eligible borrower incentive program.

M. REPAYMENT TERMS

Repayment Program

Applicants must select a repayment program when applying for the INvestEd Student Loan, as each repayment program represents a different repayment schedule.

Repayment Plan Selection

Borrowers will be placed on a standard repayment plan upon completing the loan application.

- Immediate Repayment – Immediate Repayment is available to borrowers that select either the fixed rate or variable rate option. Repayment on the loan begins approximately thirty (30) to sixty (60) days after the loan is fully disbursed. Any interest that accrues during the interim period between the first and final disbursement will be capitalized upon entering repayment. Borrowers that elect Immediate Repayment will be placed into a Standard Repayment plan.

  Standard Repayment:

  The Standard Repayment plan is comprised of fixed monthly payments of full principal and interest, amortized over the disclosed repayment term of the loan. Any additional payments made by the borrower over the fixed monthly payments will be applied to late fees, other fees and charges, accrued interest, then the principal balance unless otherwise requested by the borrower.

- Interest Only Repayment - The Interest Only Repayment Program is available to borrowers that select either the fixed rate or the variable rate option, and requires that while the student is enrolled at least half-time at an eligible institution, the borrower will pay at least the interest that accrues on the loan each month. The Repayment Period under the Interest Only Repayment Program begins approximately thirty (30) to sixty (60) days after the initial disbursement. When the borrower ceases to be enrolled at least half-time at an eligible institution, the borrower will begin repayment comprised of monthly payments of full principal and interest. The Interest Only payment period does not count against the maximum repayment term of the loan. Any additional payments made by the borrower over the monthly payments will be applied to late fees, other fees and charges, accrued interest, then the principal balance unless otherwise requested by the borrower.

- Deferred Repayment – Deferred Repayment is available to borrowers that select either the fixed rate or variable rate option. Borrowers that select the Deferred Repayment Program are eligible to defer all principal and interest payments while the student is “In-School”, as defined in the paragraph below entitled “In-School Status”. The Repayment

Period under the Deferred Repayment plan begins approximately thirty (30) to sixty (60) days after:

- the end of an eligible Grace Period, or
- in the case of borrowers that have no remaining Grace Period eligibility, the end of the borrowers' In-School deferment.

Upon entering the Repayment Period, borrowers will make full principal and interest payments. Borrowers entering repayment will be placed into a Standard Repayment plan:

Standard Repayment:

The Standard Repayment plan is comprised of fixed monthly payments of full principal and interest, amortized over the disclosed repayment term of the loan. Any additional payments made by the borrower over the fixed monthly payments will be applied to late fees, other fees and charges, accrued interest, then the principal balance unless otherwise requested by the borrower.

- In-School Status / In-School Deferment

Borrowers enrolled at least half-time at an eligible institution are considered to be in an "In-School" status. Borrowers that choose the Deferred Repayment option may defer payment of principal and interest for a limited time while in an In-School status.

Eligibility for an In-School Deferment begins on the later of the date of disbursement or the date the borrower enters an In-School status, and ends on the earlier of the date that the borrower ceases to be at least half-time enrolled at an eligible institution, or upon exhausting an aggregate of **forty-eight (48) months** of In-School Deferment. Borrowers that have exhausted their forty-eight months of In-School Deferment and are at least half-time enrolled in a graduate or doctoral degree program at an eligible institution are eligible for an **additional twenty-four (24) months** of In-School Deferment.

In-School Deferment eligibility may be used during multiple periods of enrollment; however, after the initial In-School period, any additional deferment time would extend the repayment term. During an eligible In-School Deferment, no principal and interest payments would be required; however, unpaid interest would accrue and capitalize at the end of the condition, and upon entering or re-entering a Repayment Status. The initial In-School Deferment does not count against the maximum repayment term of the loan. Any subsequent In-School deferment will count against the maximum repayment term of the loan.

Borrowers that select either the **Immediate Repayment** option or the **Interest Only** option **are not** eligible for an In-School Deferment.

Grace Period

Borrowers that elect to defer payments during their eligible In-School period are eligible for a Grace Period of six (6) months from the end of their In-School deferment. Borrowers are not required to make principal and interest payments during their Grace Period; however, unpaid interest would accrue and capitalize at the end of the condition, and upon entering a Repayment Status. Borrowers are eligible for a six (6) month Grace Period upon exiting any eligible In-School deferment, except that if a borrower remains in a Grace Period for six (6) consecutive months, then the borrower would not be entitled to any Grace Period for any future, eligible In-School deferment.

Borrower Incentives

- ACH Discount:

  Borrowers are eligible to receive a 0.25% ACH interest rate reduction for payments made via automatic debit. The borrower will be disqualified from this benefit if three (3) payments are returned for non-sufficient-funds (NSF) within a 12 month period.

- Graduation Reward:

  The Graduation Reward benefit was offered to borrowers with loans disbursed prior to July 1, 2021. Loans disbursed after July 1, 2021 are not eligible for this benefit.

  Borrowers are eligible to receive a 2% Principal Reduction Reward, shortly after graduation and upon meeting certain qualifying criteria, including:

  - The student borrower has graduated from the degree program (e.g. – undergraduate or graduate) that the loan was used to fund.
  - The graduation date is more than 90 days and less than six (6) years after the date of the loan's first disbursement.
  - Any loans that the student has borrowed under the INvestEd Student Loan are not more than 30-days delinquent or in a default status as of the graduation date and until any Graduation Reward principal reduction is applied.

  The Graduation Reward would be awarded within 90-days of verification of eligibility as follows:

  - The student borrower must initiate the request for the granting of the graduation reward.
  - The student borrower must provide adequate documentation to verify proof-of-graduation under the requisite degree program.

- The lender will calculate 2% of the outstanding principal balance as of the graduation date, and apply that amount as a principal reduction.
- The student borrower is only eligible to receive the reward one time.

Maximum Repayment Term

Borrowers may choose an amortization period (loan repayment term) of either five (5), ten (10) or fifteen (15) years. The maximum repayment term of the loan is fifteen (15) years, or 180 months.

Minimum Monthly Payment

Unless otherwise specified within the description of a particular Repayment Plan (e.g. – Interest Only Repayment, et. al.), the minimum monthly payment is $25.00 or the remaining, outstanding principal and interest amount, whichever is less.

Borrower Assessments, Fees and Charges

- Origination Fees:

  No origination fee applies to any loan under the INvestEd Student Loan under this section.

- Late Fees:

  Borrowers will be assessed a late payment charge if any portion of a monthly payment is delinquent in accordance with the applicable promissory note. The late charge fee is 5% of the amount of the past due payment, but not greater than $10.00 and not more than the maximum amount permitted by applicable law. A late fee will not be assessed when the delinquency is solely attributable to late fees or delinquency charges previously assessed on earlier installments. The late fee may be assessed after 10 days past a due date in which a payment is requested but not yet received.

- Prepayment Penalties:

  Borrowers have the right to prepay the loan in full or in part, with no prepayment penalty.

Co-Signer Release

After making the first, forty-eight (48) consecutive, on-time payments, the borrower or co-signer may request to have the co-signer released as an obligor on the loan. The borrower or co-signer must make the request directly with the servicer, and must meet requisite credit qualifications. To be considered “on-time,” payments must be made within ten (10) days of their scheduled due date.

For any loans originated after June 30, 2021, the borrower or co-signer may request to have the co-signer released as an obligor on the loan after making the first, twelve (12) consecutive, on-time payments.

Loan Forgiveness

A borrower's obligation to repay a loan made under this program shall be forgiven in the event that the student:

- Becomes Totally and Permanently Disabled; or
- Dies

Loan forgiveness **is not** granted in cases where the aforementioned conditions apply only to a non-student borrower, including any co-signer. Additionally, a borrower's obligation to repay a loan made under this program **shall remain in full force** even if the student fails to complete the educational program and/or fails to obtain the degree(s), certificate(s) or other confirmation of completion of the educational program for which the original Loans were obtained or if the student borrower or co-signer becomes unemployed or partially disabled.

"Totally and Permanently Disabled" means the inability to work in any occupation due to a condition that began or deteriorated after the date of the final loan disclosure and the disability is expected to be permanent. An application for the disability waiver must be made and accompanied by a physician's statement and such other information or documentation that may be required. Payments must be made up until the time the disability application is completed to satisfaction. If approved, the waiver will be effective as of the date of the completed disability waiver application. The disability review process may take up to 12 months from when a completed disability application is received and the final determination will be made by Lender in its sole and complete discretion. Interest will continue to accrue while the application for a disability waiver is being reviewed, and, if the application for a disability waiver is denied, all unpaid accrued interest will be capitalized and Borrower will have to resume making payments as described herein.

N. DISBURSEMENTS

Loan proceeds will generally be disbursed directly to the school in two disbursements, in accordance with the internal policies and procedures of the originator processor and the school.

O. PRODUCT PRICING

Specific pricing tiers for individual loans are determined by the applicant's FICO score and/or DTI. INvestEd shall be responsible for calculating all product pricing changes and communicating pricing change information to the other program participants.

The FICO ranges of each risk Tier are the same for each available loan repayment term.

PRICING TIERS
Tier 1 (825+)
Tier 2 (800-824)
Tier 3 (780-799)
Tier 4 (740-779)
Tier 5 (720-739)
Tier 6 (700-719)
Tier 7 (670-699)
MeritScore (640-669)

Variable Rate Option

The interest rate is based on an Index plus a Margin as defined in the "Interest Rate Calculation and Product Pricing" document. The Margin depends on the Repayment Program selected by the borrower, is based on the risk profile of the Credit Applicant(s), and corresponds with the above 'Pricing Tiers'.

Fixed Rate Option

The interest rate is the sum of a Base Rate, plus a Margin, plus a Swap Margin, and is fixed for the life of the loan.[1] The Base Rate, Margin and Swap Margin are defined in the "Interest Rate Calculation and Product Pricing" document. INvestEd will determine fixed rates and will forward to originator and servicer.

INvestEd may use a model to assess the ongoing appropriateness of the margins. If INvestEd uses such a model, it should assess quarterly the assumptions driving the pricing outputs to continue increasing the accuracy of its pricing decisions.

P. SCHOOL CERTIFICATION

The INvestEd Student Loan is a school certified product. The maximum loan amount and student enrollment eligibility must be certified by a qualified person from the school's Financial Aid Office.

Q. PORTFOLIO LIMITS

The following credit policy limits or portfolio concentration triggers must be managed to and monitored. Any modification to these criteria must be approved by the Board of Directors.

New loan originations decisioned after the effective date of this Program Manual will be monitored by INvestEd, with the intent to limit estimated funded loan balances to a maximum of

[1] The Fixed Interest Rate may be affected by borrower participation in an eligible Borrower Incentive program.

$1 million of loans based on MeritScore as provided by MeasureOne originated for the Academic Year.

R. COLLECTIONS AND CHARGE-OFF POLICIES

Collections Servicing

Collection servicing policies and procedures as provided by the servicer, and in accordance with any related servicing agreement.

Charge-off Policy

When a loan becomes 120 days delinquent at the end of any month or sooner if deemed uncollectible by reason of identified fraud or bankruptcy, it is considered "in default" and the outstanding principal balance and any accrued interest shall be charged-off as a loss.

Recoveries Servicing

Recoveries servicing policies and procedures as indicated in any related servicer and/or collection agency agreements.

S. DEFERMENT, FORBEARANCE, AND LOSS MANAGEMENT POLICIES

Deferment

Deferment options are an integral part of the default prevention strategy of a loan program. A borrower may request deferment in writing, or by completing and signing a deferment form and providing the appropriate documentation requested on the form. All deferments after the in-school period are provided solely at the lender's discretion. The INvestEd Student Loan includes the following deferment options:

- In-School Deferment

  In-School Deferment is described in Section VII, Paragraph M.

- Active Duty Military Deferment

  A borrower is eligible for an Active Duty Military Deferment upon submitting an application for such and eligible documentation to the repayment servicer showing that he or she is serving on active duty during a war or other military operation or national emergency or performing qualifying National Guard duty during a war or other military operation or national emergency.

  - This deferment does not count against the maximum repayment term for the loan.

Forbearance / Temporary Hardship Deferment

Borrowers experiencing periods of financial difficulty may be granted (2) two forbearances per twelve (12) month period, as counted from the start of the prior forbearance period. The forbearance period duration may be from a minimum of one month to a maximum of three months. A maximum of twenty-four (24) total months of forbearance may be granted during the life of the loan.

Interest shall continue to accrue on loans during periods of authorized forbearance. Unpaid interest is capitalized at the end of the condition, and when the forbearance period ends except in cases where periods of deferment and/or forbearance are contiguous with one another (no gap of one or more days exist between periods). Periods of forbearance will not count against the maximum repayment term for the loan.

For the purpose of congruence with the loan servicer's platform, a forbearance may also be referred to as a 'Temporary Hardship Deferment'.

An administrative forbearance may be used for temporary suspension of collection activity while researching borrower disputes, awaiting bankruptcy and death documents, or for other circumstances as approved by the INvestEd President.

Graduated Repayment

Eligible borrowers that select the Graduated Repayment plan will make a reduced payment, typically slightly more than interest only, for the first two (2) years of repayment. Thereafter, the borrower will be required to make full principal and interest payments for the remaining term of the loan. This plan is not available to borrowers with a balance less than $1,000.

Loss Management

Programs may be developed to incentivize delinquent customers to repay their debt. These programs may include, but are not limited to, extensions of forbearance to bring accounts current in accordance with the forbearance policy, hardship terms, concessions of late fees, or other settlement arrangements. All such programs must be approved by the INvestEd President.

VIII. HELP PRIVATE STUDENT LOAN (PRE-EXISTING), NON CO-BORROWED LOAN

Program guidelines for the pre-existing HELP Non Co-Borrowed Loan are outlined in a previously published document entitled ***Appendix C - ISM_CreditReady_ProductGuidelines.pdf.***

Program guidelines for the Non Co-Borrowed Loan must be modified to limit qualification for the product to only those student borrowers that were previously denied for a different private loan with more favorable terms.

IX. DATA RETENTION, REPORTING, AND MONITORING

Effective credit risk management requires the monitoring of both new application activity and the performance of disbursed loans throughout their life cycle. The purpose of this monitoring activity is to identify risks to expected performance so appropriate actions can be taken.

INvestEd should produce and monitor the following performance reports:

- Population Stability Report: A report that monitors the distribution of loans within each scoring tier. This is integral to maintaining portfolio default rates within expected range.
  - Also required to ensure compliance with underwriting loan limits for certain credit tiers
- Monthly Performance Reports:
  - Vol / % by Repayment Status
  - Vol / % by Delinquency Status
  - Delinquency Roll Rates
- Vintage Default Analysis

Complete and accurate origination, application, credit reporting, and performance data shall be retained for the life of loan plus 7 years unless otherwise prohibited by law.

X. DOCUMENT VERSION CONTROL / HISTORY

Version	Date	Description of Content / Change	Author
	10/2018	Previous versions were from Goal Solutions (GS2) Refer to previous versions for changes/history	M. Middleton
11_1	10/9/2018	Margin Changes, increase max amount from $80k to $120k, remove “judgments, tax liens” (VIII, H)	B. Newcomb
11_2	6/3/19	(VIII, L) 4th paragraph under Variable Rate Option – language changes per AES	
12_1	9/2020	Clarified H. Minimum Credit Requirements	B. Newcomb
		Add section in I. MINIMUM INCOME REQUIREMENTS / REPAYMENT CAPACITY	
		Changed LOAN INTEREST RATE CALCULATION	
		Removed fee assessment in Insufficient Funds section	
		Added paragraph under section O. Product Pricing (per BLM to maintain consistency with Refi Program Manual)	
		Revised O. Product Pricing & tables	
		Added Margin Adjustment language in O. Product Pricing	
		Format changes	
12_2	11/2020	Faegre Drinker (INvestEd Counsel) revisions	D. DeNeal
12_3	12/2020	LIBOR Transition revisions	B. Newcomb
		Removed portions of Section L Interest Rate Calculation and Section O Product Pricing and moved to separate document “Interest Rate Calculation and Product Pricing”	
12_4	5/4/2021	Updated Graduation Reward Benefit language	B. Newcomb
		Updated late fee language	
		Updated Forbearance/Temporary Hardship Deferment with contiguous language	
12_5	10/2021	Changed cosigner release from 48 to 12 months	B. Newcomb

INvested

RESPONSIBLE OPTIONS for LITERACY & LENDING in EDUCATION

INvestEd Refi Loan Program Manual

TABLE OF CONTENTS

EXHIBITS:

"PROGRAM PARTICIPANTS"

Loan Program	INvestEd Refi Loan Program
Program Participants	
• **Originating Lenders:**	**Indiana Secondary Market for Education Loans, Inc. d/b/a INvestEd (INvestEd) or Bank of Lake Mills (BLM)**
• **Originating Lender Program Administrator:**	**National Lending Associates Inc., and its wholly owned subsidiary, EdVisio, Inc.**
• **Origination/Disbursing Agent:**	**CampusDoor Holdings Inc.**
• **Servicer:**	**Pennsylvania Higher Education Assistance Agency d/b/a American Education Services, Inc. (AES)**
• **Purchaser:**	**INvestEd**

I. INTRODUCTION

This document ("Program Manual") summarizes the policies and procedures that are used to underwrite and manage the INvestEd Refi Loan offered through Indiana Secondary Market for Education Loans, Inc. ("INvestEd", or the "Company") DBA INvestEd and/or Bank of Lake Mills. The INvestEd Refi Loan is a loan product for qualified education loan borrowers and their families seeking to refinance qualified education loans.

II. OBJECTIVE

The objective of this Program Manual is to provide written documentation of the policies established for use by Program Participants in the performance of their duties related to credit underwriting, collections, and loss recovery activities for the INvestEd Refi Loan.

III. GOVERNANCE AND MAINTENANCE

All modifications to this document or to the credit policies referred to herein must be approved by the INvestEd President, who shall administer the document of record. Any material changes to the policy contained herein shall be reviewed by the INvestEd Board of Directors and with other Originating Lenders before final approval.

IV. EXCEPTIONS

Any request for an exception to this credit policy must be submitted to and approved by Program Participants using the Exception Request and Approval Form found in Exhibit C. The reasons or rationale for the exception must be clearly articulated.

V. COMPLIANCE POLICY

It is the policy of the Program Participants to comply with all applicable federal and state regulations. These include (but are not limited to) the Equal Credit Opportunity Act ("ECOA"), the Fair Credit Reporting Act, the Truth-In-Lending Act, the Fair Debt Collection Practices Act, Executive Order 13224, the Patriot Act (OFAC Screening), Regulation P, the Military Lending Act ("MLA"), the Private Student Loan Transparency and Improvement Act and the Gramm-Leach-Bliley Act.

In accordance with the ECOA, the Program Participants shall not discriminate against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to enter into a binding contract).

Section 326 of the USA PATRIOT Act imposes Customer Identification Program (CIP) requirements on banks, thrifts, credit unions, and agencies and branches of foreign banks. The Originating Lenders and Origination/Disbursing Agent will perform monitoring and reporting of suspicious transactions and individuals in compliance with the USA Patriot Act. Specifically, and without limitation, the Originating Lenders and/or Origination/Disbursing Agent will obtain positive identity clearance by establishing a "reasonable belief" of the customer's true identity. This may be accomplished through third-party service providers to perform an automated identity verification using the information provided by each applicant on the loan application. If the Originating Lenders or Origination/Disbursing Agent are unable to confirm an applicant's identity via this automated process, the applicant will be required to provide identification documents (most commonly a copy of a valid, unexpired Social Security card and a copy of a valid, unexpired Driver's License). These identification documents must be sufficient to verify the name, date of birth, address and social security number of the applicant(s).

VI. GENERAL POLICY

The General Policy guidelines apply to all programs under the INvestEd Refi Loan. Product specific guidelines are outlined later in this document.

A. LENDING AUTHORITY

INvestEd lends directly to eligible and qualified residents of the state of Indiana. Applications are also accepted and considered for prospective loans that will be made under the INvestEd Refi Loan program through Bank of Lake Mills to individuals residing in the other 49 states in the U.S., plus the District of Columbia. The INvestEd Refi Loan is not available to individuals residing outside the United States.

B. BORROWER ELIGIBILITY – CITIZENSHIP

Applicants are required to be either United States citizens or permanent residents. Permanent residents must provide a valid, unexpired I-551 (Green Card).

C. BORROWER ELIGIBILITY – MINIMUM AGE

All applicants must be at least 18 years of age or at the age of majority in the respective state of residence.

D. BORROWER ELIGIBILITY – DEFAULTED STUDENT LOANS

An eligible borrower must not have any outstanding default on any federal or private education loan. Borrowers with defaulted student loans may **not** apply with a co-signer.

E. MINIMUM APPLICATION INFORMATION

The minimum application elements shall meet requisite state and federal regulations, and shall consist of the identity, contact, employment, and school information necessary to:

- Obtain accurate credit bureau requests;
- Provide all information required by the underwriting process;
- Deliver loan documents and billing statements; and
- Enable customer contact for underwriting, account servicing, and collections purposes.

The specific items of information may vary based upon the choice of product, mode of application, and processing environment.

F. OFAC SCREENING

The Office of Foreign Assets Control (OFAC) is a division of the U.S. Department of the Treasury. Based on U.S. foreign policy and national security goals, OFAC administers and enforces economic and trade sanctions against targeted foreign countries, terrorism sponsoring organizations, and international narcotics traffickers. OFAC maintains a list of "Specially Designated Nationals" (SDN) and "Blocked Persons" that is made available to all institutions covered by the laws and regulations administered by OFAC.

The Originating Lenders require all credit approved applicants to be screened and cleared through an automated process prior to continuing with the loan origination process. In the event of a positive match with a sanctioned person or entity, the appropriate escalation procedures required by OFAC shall be followed.

G. ADVERSE ACTION

In accordance with Regulation B of the Equal Credit Opportunity Act, notice of adverse action shall be provided to all applicants whose request for credit is denied. Adverse action reasons directly resulting from credit criteria shall be programmed and provided in an automated fashion. Proper training and review must be conducted for personnel that would be authorized to manually indicate adverse action reasons.

H. RATE REDUCTION UNDER THE SERVICEMEMBERS CIVIL RELIEF ACT ("SCRA")

Servicer will confirm all valid requests from eligible members of the Armed Forces by obtaining a copy of the servicemember's orders and any extension of such orders. Alternatively, Servicer may verify active duty status in the Armed Forces with the Department of Defense (DOD) verification website and utilize a screen print from the DOD verification website as proof of active duty status. Upon confirming eligibility, Servicer will place a 6% cap on the interest rate, if applicable on all non-federally guaranteed Student Loans subject to the SCRA that were incurred by the servicemember, or the servicemember and the servicemember's spouse jointly, before the servicemember entered military service. While the cap is in place the interest rate will be 6% whenever the contract interest rate would exceed 6%, however the interest rate will be the contract interest rate whenever the contract interest rate is below 6%. The reduced interest rate will continue from the date of active service through the period the Borrower is on active duty. If the DOD verification website screen print is utilized as active-duty status, the interest rate cap is applied from the date of active service for a maximum of one (1) year from the date of certification by the DOD, unless a copy of the servicemember's orders and any extensions are provided to Servicer. At the end of the period of active duty, the interest rate will revert to the contract interest rate.

VII. INvestEd REFI LOAN

A. PRODUCT VARIATIONS

- <u>Variable Rate and Fixed Rate Options</u>

  The INvestEd Refi Loan is offered with two different interest rate structures:

  - *Variable Interest Rate*
  - *Fixed Interest Rate*

  Details of how interest rates are determined are outlined in the INvestEd Refi Loan Interest Rate Calculation and Product Pricing document. A summary of product specifications are attached as Appendix A2 to this document.

B. BORROWER ELIGIBILITY

Applications can be submitted by prospective borrowers that intend to consolidate certain eligible, federal and non-federal (private) student loans into an INvestEd Refi Loan. For an INvestEd Refi Loan originated by INvestEd as lender, the prospective borrower must be a resident of Indiana. For an INvestEd Refi Loan originated with Bank of Lake Mills as lender, the borrower may be a non-Indiana resident that attended an eligible institution within Indiana or a non-Indiana resident that held an INvestEd loan.

C. LOANS ELIGIBLE FOR CONSOLIDATION

Eligible Loans

A prospective borrower may re-finance any education loan that is a "Qualified Education Loan" as defined by the U.S. Internal Revenue Service ("IRS"), except for the specific education loan programs identified as ineligible herein[1]. Without limiting the IRS definition, a qualified education loan is, in general, a loan that a prospective borrower took out under his or her name solely to pay qualified education expenses that were:

- For the prospective borrower, his or her spouse, or a person who was the prospective borrower's dependent (as defined by the IRS) when the loan was taken out;
- Paid or incurred within a reasonable period of time before or after the prospective borrower took out the loan, and
- For education provided during an academic period when the prospective borrower, his or her spouse, or dependent was an eligible student.

Ineligible Loans

- Any loan that is not a Qualified Education Loan under IRS regulations (education loans taken out for schools not currently eligible for Title IV Aid, loans that exceeded the costs of attendance at the applicable school, education loans financed by foreign banks or governments, home-equity loans or lines of credit, unsecured consumer loans and/or credit card debt).
- Any employer-sponsored education financing or payment plan is not eligible for re-financing under this program.
- Any debt incurred as the result of a school-sponsored tuition payment plan is not eligible for a re-financing under this program.
- Any Qualified Education Loan obtained by any person other than the prospective borrower, even if such a loan was used to pay the prospective borrower's qualified education expenses.

[1] See IRS Publication 17 (2012) Chapter 19, definition of Qualified Student Loan. Excludes HEAL and Perkins.

D. MINIMUM CREDIT BUREAU REQUIREMENTS

To decision an application the following credit bureau information must be requested for all applicants and successfully be obtained for at least one party on the application:

- A consumer credit report from TransUnion, a nationally recognized consumer reporting agency
- TransUnion FICO Risk Score 09

E. CREDIT SCORING MODELS

The Company and Originating Lenders use various credit scoring models in the underwriting of new accounts to determine if applications satisfy minimum risk criteria and to segment qualified applicants for purposes of pricing. Credit scoring models must be empirically derived and statistically validated before use. Models shall be subsequently monitored for performance relative to original design, development, and validation parameters. The following models are currently approved for use:

<u>Bureau Models:</u>

- TransUnion (FICO 09) model designed to predict likelihood of default in the next 24 months

<u>INvestEd Proprietary Models:</u>

- Current program guidelines do not include the use of any Proprietary Scoring Models.

F. FRAUD PREVENTION

Systematic routines shall be employed to verify that the applicant identifying information is consistent with the information stored in the Credit Bureau report.

TransUnion HAWK® is a passive fraud analysis tool that compares customer inquiry information to data contained in the TransUnion national fraud database and alerts customers to potential fraud. TransUnion HAWK® shall be employed to validate an applicant's identity and flag other suspicious characteristics of the applicant.

Applicants with multiple outstanding loans and / or applications shall be reviewed for possible fraudulent intent.

Credit bureau mismatch, deceased indicator, TransUnion HAWK® or its equivalent, internal fraud databases, and multiple loan alert flags shall be reviewed by qualified fraud investigation personnel. All such alerts shall be satisfactorily resolved using available online tools and / or contact with the persons and entities shown on the application to validate the identity and legitimacy of the loan application.

Documents may be sent to a PO Box address only if the permanent street address is provided and verified.

G. CREDIT APPLICANTS

A credit applicant is any person that is party to the Note and may be an existing borrower of a qualified student loan and/or a co-signer.

A creditworthy credit applicant must meet minimum credit requirements outlined in Section VII, Paragraph H of this Program Manual. If no credit applicant meets the minimum credit requirements for the loan, an adverse action notice must be provided to these applicants in accordance with Section VI, Paragraph G of this Program Manual.

H. MINIMUM CREDIT REQUIREMENTS

Credit bureau and other application data for all INvestEd Refi Loan applicants shall be reviewed for the following criteria:

<u>SOLO PROSPECTIVE APPLICANTS (A)*</u>

- Minimum FICO® score of 670
- Must not have defaulted on any private or government student loan
- No delinquencies of sixty (60) or more days during the previous twenty-four (24) months
- No reported bankruptcy within the past five (5) years
- No repossessions, foreclosures or garnishments by creditors
- No charge-offs or collections accounts that exceed $100

<u>PROSPECTIVE BORROWERS THAT APPLY WITH A CREDITWORTHY CO-SIGNER (B)</u>

- Minimum FICO® score of 600
- Must not have defaulted on any private or government student loan
- No reported bankruptcy within the past five (5) years
- No repossessions, foreclosures or garnishments by creditors

<u>CREDITWORTHY CO-SIGNERS</u>

- Minimum FICO® score of 670
- Must not have defaulted on any private or government student loan
- No delinquencies of sixty (60) or more days during the previous twenty-four (24) months
- No reported bankruptcy within the past five (5) years
- No repossessions, foreclosures or garnishments by creditors
- No charge-offs or collections accounts that exceed $100

(*Any solo applicant that fails the knockout criteria listed above for Solo Prospective Applicants (A) but passes the knockout criteria listed above for Prospective Borrowers That Apply With A Creditworthy Co-Signer (B) would be "soft-declined," and eligible to apply with a Creditworthy Co-Signer.)

I. MINIMUM INCOME, REPAYMENT CAPACITY AND CASH RESERVE REQUIREMENTS

INCOME AND DEBT-TO-INCOME REQUIREMENTS

The primary, creditworthy applicant (prospective borrower or co-signer) upon whose credit history the approval decision for the loan is based, must meet the following repayment capacity requirements:

- Minimum gross annual income of $36,000
- Must meet a monthly debt-to-income (DTI) ratio as outlined in Table J-1 below
  - Debt includes monthly mortgage as listed in the credit report. In the absence of a reported mortgage trade line in the credit report, the stated mortgage / rental payment as indicated on the application will be accepted.
  - DTI calculation uses the current verified monthly household income as determined by the methodology outlined in the section entitled 'INCOME CALCULATION' below.
  - DTI calculation uses the monthly debt service methodology outlined in the section entitled 'DEBT CALCULATION' below.

Table J-1: Maximum allowable debt-to-income ratio by annual gross income

ANNUAL GROSS INCOME	MAXIMUM DTI RATIO
$120,000 +	.50
$60,000 - $119,999.99	.45
$36,000 - $59,999.99	.40

INCOME CALCULATION

A creditworthy applicant must submit the following documentation as proof-of-income:

- Copies of the two most recent pay stubs to satisfy the income requirement (employer information must match application data);
- Borrower on a solo application and co-signer on a cosigned application are required to be continuously employed for the past year, or must demonstrate ability to manage the debt by meeting the requirements for providing "Other Income" outlined below;
  - The 1-year continuous employment requirement may be waived for recently graduated solo applicants that meet the following criteria:
    - Have graduated within the 6-month period prior to submitting the loan application; and
    - Are regularly employed; and

- Can provide documentation of regular earnings (salary or regular wage) that demonstrates gross annual earnings of at least $60,000; and
- Otherwise meet the "Income and Debt-to-Income Requirements" of this section.

If the prospective borrower is employed but does not draw a regular salary and is 100% commission-based, he or she must provide evidence of consistent commission-based income flows documentable for the previous 2-years prior to the application submission date.

If the prospective borrower is self-employed, he or she must submit copies of at least the first two pages of the applicant's most recent 2-years' personal federal income tax returns, along with any applicable schedules.

- For self-employed applicants reporting income on Schedule C (of the personal federal income tax return), add back the following to applicant's adjusted gross income:
  - Depreciation from Line 13
  - Expense for Business Use of Home from Line 30 (Form 8829)
- For Schedule E rental income, use Line 26 and add back Line 12 (Mortgage Interest) and Line 20 (Depreciation)
- If the prospective borrower owns a Partnership and/or S Corporation and reports income on their Schedule E (of the personal federal tax return), page 2, take the income from Line 32 "total partnership and S Corporation income or (loss)"
- For Schedule F (Farm Income) the following will be added back to applicant's adjusted gross income:
  - Depreciation Expense from Line 16.

If the prospective borrower is self-employed as an independent contractor, he or she must also provide a copy of the following:

- An unexpired engagement of services contract showing terms, duration and financial arrangements.
- Proof of two most recent payments to the contractor to validate the financial arrangements stipulated in the engagement of services contract.

If the applicant is not employed, is not self-employed or if he or she would otherwise fail the income test, "Other Income" volunteered by the prospective borrower may be used for consideration. Such Other Income may include the following:

- Sales commissions
- Dividends and Capital Gains
- Interest Income
- Supplemental Partnership/Corporation/Business Income
- Rental Real Estate
- Royalties/Settlements
- Trusts
- Alimony
- Child Support
- Pensions and Annuities
- Farm Income
- Inheritance and Death Benefits
- Life Insurance
- If the prospective borrower is married, “Other Income” volunteered by the spouse
- Retirement income, including but not limited to: IRA, 401k, ESOP or similar distributions
- Assistance programs, such as SSI, SSDI, etc.

All sources of income are subject to verification. Applicants must provide evidence of consistent income for at least one calendar year prior to the application submission date for Other Income sources to be considered.

If the prospective borrower is not currently employed but states that he or she is about to be employed, the following requirements apply:

- The prospective borrower must have a valid and verifiable offer of employment. The offer of employment must have the following for it to be a valid one for consideration:
    - An employment start date that is no more than three (3) months from the application submission date;
    - The offer of employment must be signed by the prospective employer.
    - The offer of employment must be signed by the prospective borrower showing acceptance of said offer of employment or a signed acceptance document or correspondence following such offer of employment must show the prospective borrower’s intent to take the job;
- The base compensation stipulated in said offer of employment demonstrates gross annual earnings of at least $60,000.
- The offer of employment or an accompanying document must contain the contact information of the prospective borrower’s future supervisor or HR person for verification outreach by INvestEd.

DEBT CALCULATION

A credit applicant's monthly debt service is an aggregate total of the following:

- Minimum monthly payments on any installment (including mortgage and/or student loans) or revolving debt as disclosed on the credit bureau file.
- If no minimum monthly payment on such installment or revolving debt is disclosed on the credit applicant's credit bureau file, TransUnion's monthly payment algorithm will determine the value. All open debt will be counted, including deferred student loans.

J. MAXIMUM LOAN AMOUNT

The final amount approved depends on the borrower(s) credit history, verified underlying loan payoff amounts, loan term, and is subject to credit approval and verification of application information. The maximum loan amount that a borrower may obtain must be less than or equal to the amount requested and the total payoff amount to satisfy the underlying loans included in the consolidation, and is also subject to the following limitation(s):

- The maximum, aggregate amount of loans borrowed by an individual under the INvestEd Refi Loan program is **$250,000.**
- Subject to compliance with applicable lending laws and regulations, the Originating Lenders reserve the right to approve a final loan amount that could be less than the amount requested.

K. MINIMUM LOAN AMOUNT

Loans made under the INvestEd Refi Loan are originated under the state-specific lending authority of INvestEd and Bank of Lake Mills, respectively. There are certain minimum loan amounts that pertain to the lending authority of these entities. The minimum loan amount under the INvestEd Refi Loan shall be **$5,000**, which is greater than the minimum required under any state specific lending authority.

L. LOAN INTEREST RATE CALCULATION

Interest will accrue using a daily, simple interest accrual based on a 365-day year (366-day leap year) for all loans under this program.

Variable Rate Option

If a Variable Interest Rate option is selected by the borrower, the variable interest rate for an INvestEd Refi Loan made under this program will be equal to the current Index plus the Margin, as further explained in the "INvestEd Refi Loan Interest Rate Calculation and Product Pricing" document.

The variable interest rate that is charged to the borrower is reset quarterly, may increase or decrease, and is based on an Index and Margin. Interest will begin to accrue as of the Disbursement Date on the principal amount of the Loan outstanding from time to time. Interest will be calculated on a daily simple interest basis, using the outstanding principal balance each day of the term of the Loan. The daily interest rate will be equal to the annual Interest Rate in effect on that day, divided by the actual number of days in the then-current calendar year. If the current Index is no longer available, a comparable Index will be used.

The "Effective Date" is defined as: February 1st, May 1st, August 1st and November 1st. The maximum Variable Interest Rate is 18%. Interest will accrue during periods of non-payment, including periods of authorized deferment or forbearance. Interest is capitalized upon entering a Repayment status as well as at the end of any authorized Deferment or Forbearance period. The Variable Interest Rate may be affected by borrower participation in an eligible borrower incentive program.

Each quarterly interest rate change will result in re-amortization of the loan with the payment amount adjusted, as necessary, to ensure that repayment of the loan is within the remaining repayment term. When the interest rate decreases, the payment amount may be reduced based on the maximum remaining term subject to the $25 minimum monthly payment. The monthly payment amount will also be recalculated at the end of any deferment or forbearance period to equal the amount necessary to amortize the outstanding balance of the loan at the then-applicable Variable Interest Rate over the remaining number of months in the repayment period.

Borrowers will be informed of interest rate changes on their monthly billing statement. Notice of interest rate changes will be mailed to Borrower at least fifteen (15) days prior to the interest change date.

Fixed Rate Option

If a Fixed Interest Rate option is selected by the borrower, the interest rate is fixed for the life of the loan and is based upon the criteria outlined in the "INvestEd Refi Loan Interest Rate Calculation and Product Pricing" document.

Interest will accrue during periods of non-payment, including periods of authorized deferment or forbearance. Interest is capitalized upon entering a repayment status as well as at the end of any authorized deferment or forbearance period. The monthly payment amount will also be recalculated at the end of any deferment or forbearance period to equal the amount necessary to amortize the outstanding balance of the loan at the then-applicable Fixed Interest Rate over the remaining number of months in the repayment period. The Fixed Interest Rate may be affected by borrower participation in an eligible borrower incentive program.

M. REPAYMENT TERMS

Repayment Program

INvestEd Refi Loans are Immediate Repayment loans for either the fixed rate or variable rate option. Repayment on the loan begins approximately thirty (30) to forty-five (45) days after the loan is disbursed to payoff previous loan holders.

INvestEd Refi Loans require equal monthly payments of full principal and interest, calculated at the applicable interest rate then in effect, amortized over the disclosed repayment term of the loan. Scheduled payments are applied first to late fees, other fees and charges, accrued interest, and then to the principal balance unless otherwise requested by the borrower, but a late fee will not be assessed when the delinquency is solely attributable to late fees or delinquency charges previously assessed on earlier installments.

Any payments made by the borrower in addition to the scheduled monthly payments will be treated as partial prepayments. Partial prepayments will be applied to the outstanding loan balance, in the order of application as stated above, and not to future monthly payments, unless the borrower clearly directs in writing submitted with such prepayment that the borrower does not want such funds applied toward the outstanding loan balance. Partial prepayments not applied to future monthly payments will not reduce the amount of the required monthly payment unless the Repayment Schedule is recalculated on an Effective Date, if applicable. Prepayment of more than the monthly installment amount may reduce the number of payments that the borrower must make and/or the amount of the final payment.

Borrower Incentives

- ACH Discount:

  Borrowers are eligible to receive a 0.25% ACH interest rate reduction for payments made via automatic debit. The ACH Discount will be applied the day that the ACH payment is approved and will remain in effect until the borrower discontinues the ACH payments, is disqualified or the ACH Discount is suspended. The borrower will be disqualified from this benefit if three (3) payments are returned for non-sufficient funds (NSF) within a twelve (12) month period. The ACH Discount is suspended during any deferment or forbearance period.

Maximum Repayment Term

Borrowers may choose an amortization period (loan repayment term) of either five (5), ten (10), fifteen (15) or twenty (20) years. The maximum repayment term of the loan is twenty (20) years, or two hundred forty (240) months. The repayment term will be extended by the length of any deferment or forbearance period that applies to the loan.

Minimum Monthly Payment

If the payment amount that would amortize the outstanding balance of the loan at the applicable interest rate is less than $25.00, the monthly payment amount will be $25.00 or the remaining, outstanding principal and interest amount, whichever is less.

Borrower Assessments, Fees and Charges

- Origination Fees:

  No origination fee applies to any loan under the INvestEd Refi Loan program under this section.

- Late Fees:

  Borrowers will be assessed a late payment charge if any portion of a monthly payment is delinquent in accordance with the applicable promissory note. The late charge fee is five percent (5%) of the unpaid amount of the past payment amount due or $10.00, whichever is less. A late fee will not be assessed when the delinquency is solely attributable to late fees or delinquency charges previously assessed on earlier installments. The late fee may be assessed after 10 days past a due date in which a payment is requested but not yet received.

- Prepayment Penalties:

  Borrowers have the right to prepay the loan in full or in part, with no prepayment penalty.

Co-Signer Release

After making the first, forty-eight (48) consecutive, on-time payments, the borrower may request to have the co-signer, if applicable, released as an obligor on the loan. The borrower must make the request directly with the servicer and must meet requisite credit qualifications. To be considered “on-time,” payments must be made within ten (10) days of their scheduled due date.

For any loans originated after June 30, 2021, the borrower or co-signer may request to have the co-signer released as an obligor on the loan after making the first, twelve (12) consecutive, on-time payments.

Loan Forgiveness

The obligation to repay a loan made under this program shall be forgiven in the event that the borrower:

- Becomes Totally and Permanently Disabled; or
- Dies

If a loan is forgiven, the cosigner will be released from all liability on the loan. Loan forgiveness **is not** granted in cases where the aforementioned conditions apply only to a co-signer. Additionally, a borrower's obligation to repay a loan made under this program **shall remain in full force** even if the borrower fails to complete the educational program and/or fails to obtain the degree(s), certificate(s) or other confirmation of completion of the educational program for which the original loans were obtained or if the borrower or co-signer becomes unemployed or partially disabled.

"Totally and Permanently Disabled" means the inability to work in any occupation due to a condition that began or deteriorated after the date of the final loan disclosure and the disability is expected to be permanent. An application for the disability waiver must be made and accompanied by a physician's statement and such other information or documentation that may be required. Payments must be made up until the time the disability application is completed to satisfaction. If approved, the waiver will be effective as of the date of the completed disability waiver application. The disability review process may take up to 12 months from when a completed disability application is received and the final determination will be made by Lender in its sole and complete discretion. Interest will continue to accrue while the application for a disability waiver is being reviewed, and, if the application for a disability waiver is denied, all unpaid accrued interest will be capitalized and Borrower will have to resume making payments as described herein.

N. DISBURSEMENTS

Loan payoff disbursements are subject to a three day right-to-cancel period.

O. PRODUCT PRICING

Specific pricing tiers for individual loans are determined by the applicant's FICO score and DTI. INvestEd shall be solely responsible for calculating all product pricing changes and communicating pricing change information to the other Program Participants.

Risk Tiering Matrix

DTI Thresholds	Application FICOs: 825+	800-824	780-799	740-779	720-739	700-719	670-699	600-669	<600
<22%	T1	T1	T1	T2	T3	T4	T5	Soft-Decline	Decline
22%-28%	T1	T1	T2	T3	T4	T5	T6	Soft-Decline	Decline
28%-34%	T1	T2	T3	T4	T5	T6	T7	Soft-Decline	Decline
34%-38%	T2	T3	T4	T5	T6	T6	T7	Soft-Decline	Decline
38%-40% (45% if Income >60k, 50% if Income >120k)	T3	T4	T5	T6	T7	T7	T7	Soft-Decline	Decline

Variable Rate Option

The interest rate is based on an Index plus a Margin as defined in the "Interest Rate Calculation and Product Pricing" document. The Margin depends on the Repayment Program selected by the borrower and is based on the risk profile of the Credit Applicant(s).

Fixed Rate Option

The interest rate is the sum of a Base Rate, plus a Margin, plus a Swap Margin, and is fixed for the life of the loan.[2] The Base Rate, Margin and Swap Margin are defined in the "Interest Rate Calculation and Product Pricing" document.

P. COLLECTIONS AND CHARGE-OFF POLICIES

Collections Servicing

Collection servicing policies and procedures as provided by the Servicer, and in accordance with any related servicing agreement.

Charge-off Policy

When a loan becomes 120 days delinquent at the end of any month, or sooner if deemed uncollectible by reason of identified fraud or bankruptcy, it is considered "in default" and the outstanding principal balance and any accrued interest shall be charged-off as a loss.

Recoveries Servicing

Recoveries servicing policies and procedures as indicated in any related servicer and/or collection agency agreements.

[2] The Fixed Interest Rate may be affected by borrower participation in an eligible Borrower Incentive program.

Q. DEFERMENT, FORBEARANCE, AND LOSS MANAGEMENT POLICIES

<u>Deferment</u>

Deferment options are an integral part of the default prevention strategy of a loan program. A borrower may request deferment in writing, or by completing and signing a deferment form and providing the appropriate documentation requested on the form. All deferments are provided solely at the lender's discretion. The INvestEd Refi Loan includes the following deferment options:

- In-School Deferment

  Borrowers that re-enroll at least half-time at an eligible institution for the purpose of obtaining a graduate degree may be eligible for an In-School Deferment of **up to thirty-six (36) months**.

  The borrower must apply for an In-School deferment, and qualification for the deferment is subject to enrollment verification by the loan servicer. The servicer will receive and process updated enrollment information through certification from deferment forms or National Student Clearinghouse, the NSLDS/SSCR process, and/or by letter from a Department of Education approved school. During an eligible In-School Deferment, no principal and interest payments would be required; however, unpaid interest would accrue and capitalize at the end of the condition, and upon entering or re-entering a Repayment Status. Any months that elapse during the In-School deferment will not count against the maximum repayment term of the loan.

- Active-Duty Military Deferment

  A borrower is eligible for an Active-Duty Military Deferment upon submitting an application for such and eligible documentation to the repayment servicer showing that he or she is serving on active duty during a war or other military operation or national emergency or performing qualifying National Guard duty during a war or other military operation or national emergency. During an eligible Active-Duty Military Deferment, no principal and interest payments are required; however, unpaid interest would accrue and capitalize at the end of the condition, and upon entering or re-entering a Repayment Status.

  - This deferment does not count against the maximum repayment term for the loan.

Forbearance / Temporary Hardship Deferment

Borrowers experiencing periods of financial difficulty may be granted two (2) forbearances per twelve (12) month period, as counted from the start of the prior forbearance period. The forbearance period duration may be from a minimum of one month to a maximum of three months. A maximum of twenty-four (24) total months of forbearance may be granted during the life of the loan.

During an eligible Forbearance/Temporary Hardship Deferment, no principal and interest payments are required; however, unpaid interest would accrue and capitalize at the end of the condition, and upon entering or re-entering a Repayment Status. Periods of forbearance will not count against the maximum repayment term for the loan.

For the purpose of congruence with the loan servicer's platform, a forbearance may also be referred to as a 'Temporary Hardship Deferment'.

An administrative forbearance may be used for temporary suspension of collection activity while researching borrower disputes, awaiting bankruptcy and death documents, or for other circumstances as approved by the Originating Lenders.

Graduated Repayment Plan

Borrowers experiencing financial difficulty may apply for a Graduated Repayment plan. If the borrower is approved, the borrower will make interest only payments for the first two (2) years. Thereafter, the borrower will be required to make full principal and interest payments for the remaining term of the loan. The Graduated repayment plan will count against the maximum repayment term for the loan.

Loss Management

Programs may be developed to incentivize delinquent customers to repay their debt. These programs may include, but are not limited to, extensions of forbearance to bring accounts current in accordance with the forbearance policy, hardship terms, concessions of late fees, or other settlement arrangements. All such programs must be approved by the Originating Lenders.

VIII. DATA RETENTION, REPORTING, AND MONITORING

Effective credit risk management requires the monitoring of both new application activity and the performance of disbursed loans throughout their life cycle. The purpose of this monitoring activity is to identify risks to expected performance so appropriate actions can be taken.

INvestEd should produce and monitor the following performance reports:

- Population Stability Report: A report that monitors the distribution of loans within each scoring tier. This is integral to maintaining portfolio default rates within expected range.
    - Also required to ensure compliance with underwriting loan limits for certain credit tiers
- Monthly Performance Reports:
    - Vol / % by Repayment Status
    - Vol / % by Delinquency Status
    - Delinquency Roll Rates
- Vintage Default Analysis

Complete and accurate origination, application, credit reporting, and performance data shall be retained for the life of loan plus 7 years unless otherwise prohibited by law.

IX. DOCUMENT VERSION CONTROL / HISTORY

Version	Date	Description of Content / Change	Author
	10/2018	Refer to previous versions for changes/history	M. Middleton
11_1	10/9/18	Incorporating changes from BLM/ELS	B. Newcomb
11_2	10/22/18	Additional changes from BLM/ELS; margin changes	B. Newcomb
11_3	11/2/18	Addition of Exhibits	J. Garcia B. Newcomb
11_4	1/2/19	Changes from BLM/ELS outside counsel	
11_5	1/24/19	Listed d/b/a for ELS & AES, added sentence to VIII, O	J. Smith
11_6	2/11/19	Added footer language, updated Exhibit B & Appendix A2 and reordered VIII Section H	B. Newcomb
12_1	9/2020	Section L. LOAN INTEREST RATE CALCULATION revision	B. Newcomb
		Removed Insufficient Funds (NSF) paragraph, section M	
		Section O. PRODUCT PRICING revision	
		Format Changes	
12_2	11/2020	Faegre Drinker (INvestEd Counsel) revisions	D. DeNeal
12_3	12/2020	LIBOR transition revisions	B. Newcomb
		Removed Section L - Interest Rate Calculation and Section O Product Pricing and moved to separate document “Interest Rate Calculation and Product Pricing”	
12_3v2	12/2020	BLM/ELS revisions and comments	J. Smith/ J. Garcia
12_4	1/2021	Submitted to CampusDoor & AES for execution	B. Newcomb
12_4	10/2021	Effective Date LIBOR to SOFR transition, added stronger MLA language to BLM credit agreements	All J. Garcia
12_5	10/2021	Changed cosigner release from 48 to 12 months to comply with state law changes	B. Newcomb

Exhibit B – Knock Out Codes

215	Security Freeze - Invalid Pin	Borrower	Error
D08D	Total Bankruptcies: Any record of bankruptcy in the past sixty months	Borrower	HardDeclined
D09I	Total Collections: Any record of collection with an open balance greater than 100	Borrower	SoftDeclined
D21B	Total Educational Loan Defaults: Any record of education loan default	Borrower	HardDeclined
D22G	Total Foreclosures: Any record of foreclosure	Borrower	HardDeclined
D23H	Total Repossessions: Any record of repossession	Borrower	HardDeclined
D25K	Total Profit & Loss Trades: Any record of profit & loss / write-off trade	Borrower	SoftDeclined
D27E	Total 60DPD Occurrences: One or more accounts rated sixty days late in the past twenty-four months	Borrower	SoftDeclined
I070	Application Versus Bureau SSN Mismatch	Borrower	AutoDeclined
I080	Deceased	Borrower	AutoDeclined
I110	Consumer Statement	Borrower	Gray
I120	Victim Statement	Borrower	Gray
I160	ID Mismatch Alert: SSN	Borrower	Error
M13A	Client-Specific: Field Data Missing (Numeric) Captured in the client use 1 field of the DB01 segment.	Borrower	Error
N010	Stage 1 Processing Error	Borrower	Error
N020	Stage 2 Processing Error	Borrower	Error
N050	Credit Bureau Error	Borrower	Error
N060	Suppressed File	Borrower	AutoDeclined
N210	Score Models Check	Borrower	Error
Q050	No-Hit	Borrower	GrayNoDecision
Q060	Inquiries Only	Borrower	GrayNoDecision
Q170	Security Alert on File	Borrower	Gray
Q180	Security Freeze	Borrower	Error
Y48G	Total Major Derogatory Public Records: Any negative public record (Garnishment, Attachment, Judgement, or Tax Lien)	Borrower	HardDeclined
215	Security Freeze - Invalid Pin	Cosigner	Error
D08D	Total Bankruptcies: Any record of bankruptcy in the past sixty months	Cosigner	HardDeclined
D09I	Total Collections: Any record of collection with an open balance greater than 100	Cosigner	HardDeclined
D21B	Total Educational Loan Defaults: Any record of education loan default	Cosigner	HardDeclined
D22G	Total Foreclosures: Any record of foreclosure	Cosigner	HardDeclined
D23H	Total Repossessions: Any record of repossession	Cosigner	HardDeclined
D25K	Total Profit & Loss Trades: Any record of profit & loss / write-off trade	Cosigner	HardDeclined
D27E	Total 60DPD Occurrences: One or more accounts rated sixty days late in the past twenty-four months	Cosigner	HardDeclined
I070	Application Versus Bureau SSN Mismatch	Cosigner	AutoDeclined
I080	Deceased	Cosigner	AutoDeclined
I110	Consumer Statement	Cosigner	Gray
I120	Victim Statement	Cosigner	Gray
I160	ID Mismatch Alert: SSN	Cosigner	Error
M13A	Client-Specific: Field Data Missing (Numeric) Captured in the client use 1 field of the DB01 segment.	Cosigner	Error
N010	Stage 1 Processing Error	Cosigner	Error
N020	Stage 2 Processing Error	Cosigner	Error

N050	Credit Bureau Error	Cosigner	Error
N060	Suppressed File	Cosigner	AutoDeclined
N210	Score Models Check	Cosigner	Error
Q050	No-Hit	Cosigner	HardDeclined
Q060	Inquiries Only	Cosigner	HardDeclined
Q170	Security Alert on File	Cosigner	Gray
Q180	Security Freeze	Cosigner	Error
Y48G	Total Major Derogatory Public Records: Any negative public record (Garnishment, Attachment, Judgement, or Tax Lien)	Cosigner	HardDeclined

Exhibit C – Exception Request and Approval Form

Date:____

Originating Lender:____

Purchaser:____

Borrower Name:____

Last 4 digits of Borrower SSN:____

Reason:____

This loan does not comply with the criteria in the Program Manual, in effect, dated _____________.

The Interest Rate for this loan will be at the standard interest rate. Originating Lender agrees to allow such exception(s) and to make a loan to the above referenced Borrower. Purchaser consents to such exception(s) and agrees to purchase the loan.

Originating Lender agrees to allow such exception(s) and to make a loan to the above referenced Borrower/Cosigner. Purchaser consents to such exception(s) and agrees to purchase the above loan.

The Purchaser understands and agrees that Originating Lender or Servicer shall not be liable for any breach of the representations, warranties, and covenants in the Loan Origination and Sale Agreement (the "Agreement"), and shall not be required to repurchase the loan or indemnify or reimburse Purchaser to the extent that such breach, failure or violation is caused by or arises out of or relates to the foregoing exception(s) to the Program Manual. Under no circumstance shall Originating Lender or Servicer be held financially responsible for any court costs or legal fees associated with or attributable to the foregoing exception(s). Except as provided herein, all of Originating Lender's representatives, warranties, covenants and obligations under the Agreement are unchanged.

Bank of Lake Mills

______________________________	**OR**	______________________________
PETER E. SCHLEICHER **Chief Financial Officer**		**JAY S. SMITH** **Correspondent Lending Director & General Counsel**

INvestEd

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JOSEPH V. WOOD
President

National Lending Associates, Inc.

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DOUGLAS L. FEIST
Chairman

This Exception Request and Approval may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute but one and the same instrument. This Exception Request and Approval may be executed and transmitted by facsimile or electronic mean and all parties agree that any facsimile or electronic copies of signatures to this Exception Request and Approval shall be deemed to be originals and may be relied upon to the same extent as originals.

Appendix A2 – Product Spec Sheet

INvestEd REFI LOAN PRODUCT SPECS SHEET

	Variable Rate Option	**Fixed Rate Option**
Feature	Standard Repayment	Standard Repayment
Borrower Eligibility	Must be at least 18 years of age or at the age of majority in the respective state of residence	Must be at least 18 years of age or at the age of majority in the respective state of residence
Underwriting Criteria	SOLO APPLICANTS* ▪ Minimum FICO® score of 670 for the Variable Rate Option ▪ Must not have defaulted on any private or government student loan ▪ No delinquencies of sixty (60) or more days during the previous twenty-four (24) months ▪ No reported bankruptcy within the past five (5) years ▪ No repossessions, foreclosures or garnishments by creditors ▪ No charge-offs or collections accounts that exceed $100 PROSPECTIVE BORROWERS THAT APPLY WITH A CREDITWORTHY CO-SIGNER ▪ Minimum FICO® score of 600 for the Variable Rate Option ▪ Must not have defaulted on any private or government student loan ▪ No reported bankruptcy within the past five (5) years ▪ No repossessions, foreclosures or garnishments by creditors CREDITWORTHY CO-SIGNERS ▪ Minimum FICO® score of 670 for the Variable Rate Option ▪ Must not have defaulted on any private or government student loan ▪ No delinquencies of sixty (60) or more days during the previous twenty-four (24) months ▪ No reported bankruptcy within the past five (5) years ▪ No repossessions, foreclosures or garnishments by creditors ▪ No charge-offs or collections accounts that exceed $100 (*Any solo applicant that fails the knockout criteria (Exhibit B) for 'solo prospective applicants' (A), but passes the knockout	SOLO APPLICANTS* ▪ Minimum FICO® score of 670 for the Fixed Rate Option ▪ Must not have defaulted on any private or government student loan ▪ No delinquencies of sixty (60) or more days during the previous twenty-four (24) months ▪ No reported bankruptcy within the past five (5) years ▪ No repossessions, foreclosures or garnishments by creditors ▪ No charge-offs or collections accounts that exceed $100 PROSPECTIVE BORROWERS THAT APPLY WITH A CREDITWORTHY CO-SIGNER ▪ Minimum FICO® score of 600 for the Fixed Rate Option ▪ Must not have defaulted on any private or government student loan ▪ No reported bankruptcy within the past five (5) years ▪ No repossessions, foreclosures or garnishments by creditors CREDITWORTHY CO-SIGNERS ▪ Minimum FICO® score of 670 for the Fixed Rate Option ▪ Must not have defaulted on any private or government student loan ▪ No delinquencies of sixty (60) or more days during the previous twenty-four (24) months ▪ No reported bankruptcy within the past five (5) years ▪ No repossessions, foreclosures or garnishments by creditors ▪ No charge-offs or collections accounts that exceed $100 (*Any solo applicant that fails the knockout criteria (Exhibit B) for 'solo prospective

	criteria for 'prospective borrowers that apply with a creditworthy co-signer' (B) would be 'soft-declined', and eligible to apply with a creditworthy co-signer.)	applicants' (A), but passes the knockout criteria for 'prospective borrowers that apply with a creditworthy co-signer' (B) would be 'soft-declined', and eligible to apply with a creditworthy co-signer.)
Eligible Loans	Only qualified (federal or private) educational loans as defined in section 221(d)(1) of the Internal Revenue Service Code of 1986	Only qualified (federal or private) educational loans as defined in section 221(d)(1) of the Internal Revenue Service Code of 1986
Interest Capitalization	Upon entering repayment (after the conclusion of any eligible deferment or forbearance period)	Upon entering repayment (after the conclusion of any eligible deferment or forbearance period)
Repayment Terms	5, 10, 15 or 20 years	5, 10, 15 or 20 years
Loan Default	Loan defaults if 120 days delinquent at the end of the month	Loan defaults if 120 days delinquent at the end of the month
Borrower Death	Loan forgiveness if borrower dies	Loan forgiveness if borrower dies
Borrower Permanent & Total Disability	Loan forgiveness if borrower is totally and permanently disabled (with appropriate documentation from a qualified physician)	Loan forgiveness if borrower is totally and permanently disabled (with appropriate documentation from a qualified physician)
Bankruptcy	Loans made under this program shall be a qualified educational loan as defined in section 221(d)(1) of the Internal Revenue Service Code of 1986, and carry the same limitations for bankruptcy dischargeability as any other loans defined therein.	Loans made under this program shall be a qualified educational loan as defined in section 221(d)(1) of the Internal Revenue Service Code of 1986, and carry the same limitations for bankruptcy dischargeability as any other loans defined therein.
Minimum Loan Amount	$5,000	$5,000
Maximum Loan Amount	Lesser of $250,000 or total payoff amounts verified by existing holders of qualified loans	Lesser of $250,000 or total payoff amounts verified by existing holders of qualified loans

INvestEd Refi Loan Features

	Variable Rate Option	Fixed Rate Option
Repayment Options	Standard Repayment	Standard Repayment
Interest Rate	Variable, Index + 1.13% to 5.86%[3], not including discounts	Fixed Interest Rate of between 4.21% and 9.66%[3], not including discounts
Origination Fee	0%	0%
Deferment and Forbearance Options	Up to 36-months of In-School Deferment if enrolled at least half-time at an eligible institution for the purpose of obtaining a graduate degree; Active-Duty Military Deferment; Up to 24-months of Temporary Hardship Deferment;	Up to 36-months of In-School Deferment if enrolled at least half-time at an eligible institution for the purpose of obtaining a graduate degree; Active-Duty Military Deferment; Up to 24-months of Temporary Hardship Deferment
Grace Period	n/a	n/a
Borrower Benefits	0.25% ACH Discount	0.25% ACH Discount

[3] For loans originated between 7/1/2018 and 12/31/2018.