

UNDERSTANDING YOUR DEFERRED INTEREST LOAN

What does it mean to have “No Interest if Paid in Full within the Promotional Period?”

We are committed to helping you understand how your Nelnet Bank loan works. While the details of your loan are described throughout this package, the information and frequently asked questions below are designed to provide you with helpful information regarding your loan.

Your loan is a “deferred interest” (also referred to as “No Interest if Paid in Full”) loan. This means that:

- **INTEREST WILL ACCRUE DURING THE PROMOTIONAL PERIOD.**
- But, if you pay off your entire purchase balance before the end of the promotional period, all accrued interest will be waived.
- **If you do not repay your entire purchase balance before the end of the promotional period, you will be responsible for paying all interest that was accrued during the promotional period and any interest that accrues after the expiration of the promotional period.**

Frequently Asked Questions

Q. How long is the “promotional period” for my loan?

A. The length of your promotional period is set forth in the first page of your Loan Agreement. Your promotional period begins the date of your first disbursement. You must pay the principal amount in full within the promotional period in order to avoid interest. For example:

☒ If this box is checked, your “Same as Cash” loan is a deferred interest loan and interest payments will be deferred for 180 days after your initial disbursement (“promotional period”). Interest will continue to accrue during this period, and you will be responsible for paying all interest if the loan is not paid in full within the 180 day period.

For the “Same as Cash” deferred interest loans, the Truth in Lending Act (TILA) disclosure above assumes that your first purchase will be made on the approval date in an amount equal to the Amount Financed. The Finance Charge includes interest, which will be waived if you pay off your purchase balance within 180 days of the date of your first transaction. Minimum monthly payments are not required during the promotional period. Your actual Finance Charges, Amount Financed, and scheduled payments may vary from the amounts shown in the TILA disclosure depending on, among other things, the timing and amount of your purchases and payments.

Q. Do I have to make payments during the “promotional period”?

A. The Truth in Lending disclosures, provided in your loan agreement, will tell you whether you have payments due during the promotional period. Even if you don’t have to make payments during the promotional period, it is a good idea to make regular payments to minimize any deferred interest you might owe if the purchase balance is not paid in full before the end of the promotional period.

Q. How will I know how much to pay and by when in order to satisfy the promotional offer?

A. Payment information is outlined in your loan agreement and you will receive a monthly Same as Cash reminder letter during your promotional period detailing the outstanding principal balance and Same as Cash promotional period expiration date.

Q. My contractor is offering refinancing at the end of the “promotional period”. How should I evaluate that offer?

A. Contractors are not allowed to make refinancing offers (either verbally or in writing) in connection with this loan. If your contractor has made any refinancing offers, please report it to us immediately. A customer’s credit situation can change and relying on obtaining refinancing to pay-off the deferred interest loan before the end of the promotional period is not advisable.

Q. What if I still have questions?

A. You have no obligation on your loan until you authorize a transaction. If you have any questions about your deferred interest loan and your responsibility to repay, please contact us at 800-446-4190 or homeupgrade@nelnetbank.com before authorizing a transaction.

By authorizing a transaction and accepting your loan, you are acknowledging that you understand you are responsible for repaying this loan and agree that your contractor has not promised to issue or arranged to issue a loan with another lender to repay this loan.