ASSURANCE OF VOLUNTARY COMPLIANCE

This Assurance of Voluntary Compliance/Assurance of Voluntary Discontinuance ("**Settlement**" or "**Assurance**") is entered into between the States of Alabama, Arizona, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia and Wisconsin, and the District of Columbia (the "**States**" or individually, a "**State**"), acting through their respective Attorneys General, Departments of Justice, or Offices of Consumer Protection, on the one hand, and Student CU Connect CUSO, LLC (the "**CUSO**"), on the other hand (the States and the CUSO, together, the "**Parties**"). The Parties hereby agree to this Settlement pursuant to the States' respective laws to settle the States' concerns that the conduct of the CUSO may have violated the States' consumer protection laws relating to unfair and deceptive business acts and practices.[1] The States and the CUSO have agreed to execute this Assurance for the purposes of settlement only.

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[1] See generally Ala. Code § 8-19-1 *et seq.*; Ariz. Rev. Stat. §§ 44-1521 – 44-1534; Ark. Code Ann. § 4-88-101 *et seq.*; Colo. Rev. Stat. §§ 6-1-101 *et seq.*; Conn. Gen. Stat. § 42-110a *et seq.*; 6 Del. C. § 2511 *et seq.*, § 2531 *et seq.*; Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes (2018); Fair Business Practices Act, O.C.G.A. § 10-1-390 *et seq.*; Idaho Code § 48-601 *et seq.*; 815 ILCS 505/1 – 815 ILCS 505/12; Ind. Code § 24-5-0.5 *et seq.*; Iowa Code §§ 714.16 – 714.16A; Kansas Consumer Protection Act, K.S.A. § 50-623 *et seq.*; Ky. Rev. Stat. § 367.110 *et seq.*; La. Rev. Stat. § 51:1401 *et seq.*; Me. Unfair Trade Practices Act, 5 M.R.S. § 205-A *et seq.*; Md. Code Ann., Com. Law §§ 13-101 – 13-501 (2013 Repl. Vol. and 2016 Supp.); Mass. Gen. Laws c. 93A; Mich. MCL 445.901 *et seq.*; Consumer Fraud Act, Minn. Stat. § 325F.69 *et seq.* and Deceptive Trade Practices Act, Minn. Stat. § 325D.44 *et seq.*; Miss. Code § 75-24-1 *et seq.*; the Missouri Merchandising Practices Act,

DEFINITIONS

The following definitions, in addition to those set forth above and within, apply to this Assurance:

1. "**Affected State Consumer**" means any student borrower residing in any of the States who received a Loan (as defined below) that was not paid in full as of the Effective Date (as defined below).
2. "**Bureau**" means the federal Bureau of Consumer Financial Protection.
3. "**Bureau Action**" means the case entitled *Bureau of Consumer Financial Protection v. Student CU Connect CUSO, LLC* in the United States District Court for the Southern District of Indiana.
4. "**Bureau Order**" means the Stipulated Final Judgment and Order issued in the Bureau Action.
5. "**Consumer Information**" means identifying information obtained by the CUSO about any individual Affected State Consumer in connection with the Loan Program (as defined below), including that Affected State Consumer's name, address, telephone number, email address, social security number, or any data that enables access to any account of that consumer (including a credit card, bank account, or other financial account). Consumer Information does not include any compilation or summary of

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Chapter 407, RSMo; Neb. Rev. Stat. § 59-1601 *et seq.* and § 87-301 *et seq.*; Nev. Rev. Stat. 598.0903 *et seq.*; NH RSA Chapter 358-A; N.J.S.A. 56:8-1 *et seq.*; NMSA 1978, §§ 57-12-1 – 26 (1967, as amended 2009); N.Y. Gen. Bus. Law § 349; N.Y. Exec. Law § 63(12); N.C. Gen. Stat. § 75-1.1 *et seq.*; O.R.C. § 1345.01 *et seq.*; 15 O.S. § 751 *et seq.*; ORS 646.605 *et seq.*; 73 Pa. Cons. Stat. Ann. §§ 201-1 – 201-9.3 (West); S.C. Code of Laws, § 39-5-10 *et seq.*; SDCL Chapter 37-24; Tenn. Code Ann. § 47-18-101 *et seq.*; Texas Bus. & Com. Code § 17.41 *et seq.*; Utah Code § 13-11-1 *et seq.*; 9 V.S.A. chapter 63; Va. Code §§ 59.1-196 – 59.1-207; RCW § 19.86.020; W. Va. Code § 46A-6-104 *et seq.*; Wis. Stat. § 100.18(1); Consumer Protection Procedures Act, D.C. Code § 28-3901 *et seq.*

Consumer Information if such compilation or summary does not include identifying information of individual consumers.

6. **"Consumer Reporting Agency"** has the same meaning as set forth in the Fair Credit Reporting Act, 15 U.S.C. § 1681a(f).

7. "**Effective Date**" means the later of (i) the date on which the Bureau Order is issued or (ii) for each of the States, the date on which the Assurance otherwise would become effective under the applicable law and procedure of that State.

8. "**ITT**" means ITT Educational Services, Inc.

9. "**Lead State**" means the Office of the Attorney General for the Commonwealth of Kentucky.

10. "**Loan**" means one of the private student loans entered into by or originated to students of ITT schools by a third party pursuant to the Loan Program (as defined below), and currently owned by the CUSO.

11. "**Loan Program**" means the private student loan program established by ITT and the CUSO together with other parties, pursuant to certain agreements, which provided funding for students attending ITT schools.

12. "**Redress Plan**" means the comprehensive written plan for the CUSO's implementation of the Bureau Order and this Assurance, attached as Exhibit 1 hereto.

13. "**Servicer**" means the servicer of one or more of the Loans.

BACKGROUND

14. Each of the States has enacted a statute relating to unfair and deceptive business acts and practices as referenced in footnote 1 herein ("**Footnote 1**"). Each State's Attorney

General is responsible for enforcing that statute and other consumer protection laws for its respective State.

15. The CUSO is a Delaware limited liability company created for the Loan Program. In connection with the Loan Program, the CUSO owns the Loans and, subject to certain conditions and limitations contained in certain Loan Program agreements, provides for the servicing of the Loans by the Servicer.

16. The States initiated an investigation of the CUSO and its relationship with ITT with respect to the origination and servicing of private student loans, including concerns that the existence of the Loan Program allowed ITT to perpetrate a scheme wherein ITT presented a façade of compliance with federal laws requiring that ten percent (10%) of a for-profit school's revenue come from sources other than federal student aid (20 U.S.C. 1094(a)(24), the "**90/10 Rule**"), and in doing so took unreasonable advantage of ITT student borrowers who were unaware of the scheme associated with this loan program, and therefore were unable to protect their interests in taking out such loans.

FACTUAL ALLEGATIONS

ITT Engaged in a Private Loan Scheme to Benefit Itself at the Expense of Students

17. The Loan Program originated approximately $189 million in student loans to ITT students from March 2009 until December 2011. The Loans were available only to ITT students. Proceeds from the Loans were disbursed directly to ITT; and were required to be used only to pay ITT and could not be used by students for any other purposes.

18. Funding for the Loans was provided primarily by the CUSO through an automatic purchase agreement with a credit union that originated the Loans.

19. The CUSO continues to own all outstanding Loans made to Affected State Consumers, and directs servicing and collections of those Loans through the Servicer.

20. ITT was a publicly traded, for-profit corporation that, until September 2016, enrolled consumers in classes at 149 locations throughout the country.

21. The low-income consumers whom ITT targeted could rarely afford to pay its high tuition out-of-pocket. Therefore, ITT's business model relied on these consumers obtaining federal aid, mostly loans, to pay ITT.

22. Federal aid, including federal loans, did not, however, typically provide an ITT student with enough money to cover ITT's entire tuition. Few of ITT's students could afford to cover this tuition gap with their own money.

23. To close this tuition gap, ITT, when it recruited new students, offered them zero-interest, short-term loans payable in a single payment nominally due nine months later, at the end of that academic year. ITT referred to these loans as "**Temporary Credit**."

24. If students were not able to pay off the Temporary Credit at the end of the academic year—something ITT knew few students would be able to do—ITT coerced them into paying off their Temporary Credit amounts with private loans, including the Loans, payable over ten years.

25. At the same time, to cover the tuition gaps for the upcoming year, students were coerced by ITT into taking out additional private student loans. If students were unable to pay off the Temporary Credit and pay the second-year tuition gap, and they refused the private loans, they were threatened by ITT with expulsion. Thus, through December 2011, ITT's Temporary Credit operated merely as an entry point to private student loans, including the Loans.

26. The staff of ITT's campus financial aid offices (the "**Financial Aid staff**") engaged in a variety of aggressive tactics, such as pulling students from class, withholding course materials or transcripts, and rushing students through financial aid appointments, to get those students to sign up for private loans, including the Loans. Certain ITT students did not understand the terms of their private loans, and some students did not realize they had taken out loans at all.

27. While students were left unaware that the zero-interest Temporary Credit was just an entry point for additional private loans, ITT consistently told its investors, from the time the private lending programs were put in place, that it was ITT's "plan all along" that students' Temporary Credit would be paid off through the Loan Program and other private lending programs. ITT had established the lending programs to ensure that its income and free cash flow would improve, which in turn improved the appearance of ITT's financial statements.

28. Default rates for ITT students on all loans have been high. Default rates on the Loan Program are now, post-ITT school closures and bankruptcy filing, projected to exceed 90%. ITT knew that the Loans would impose an unsurmountable burden to many of its students: ITT itself projected, as far back as May 2011, prior to the discontinuance of the Loan Program, that more than 60% of the students who had received the private loans would default. Simply to enhance its financial statements and appearance to investors, and to enhance its compliance with the 90/10 Rule and access to funds provided by the federal government under Title IV of the Higher Education Act of 1965, 20 U.S.C.

§ 1070 *et seq.* ("**Title IV**"), ITT sacrificed its students' futures by saddling them with debt on which it knew they would likely default.

29. ITT was putting students into these private loans in order to convert uncollectible zero interest Temporary Credits into revenue to make ITT's financial statements more appealing to investors.

30. ITT's revenues came from student tuition and fees. ITT's tuition was higher than that of most other for-profit post-secondary institutions. During the period when the Loans were offered, ITT's two-year associate degree programs—the programs in which approximately 85% of ITT students were enrolled—cost a total of approximately $44,000, based on a charge of $493 per credit hour. By the same measure, ITT's bachelor's degree programs cost a total of approximately $88,000.

31. ITT students generally had poor credit profiles and low earnings; according to ITT's former Chief Financial Officer ("**CFO**"), during the period when the Loans were offered, the average ITT student earned around $18,000 per year and had a credit score under 600 at the time he or she enrolled. Such students could very rarely pay for ITT's tuition out-of-pocket.

32. The primary method by which students paid their ITT tuition, and the main source of ITT's cash receipts, was financial aid provided by the federal government under Title IV.

33. In 2011, about 89% of ITT's cash receipts came from the government, and around 7% came from private loans, such as the Loans.

34. Obtaining these federal and private loans required an extensive application process involving numerous forms and the collection of financial and personal information

from students. ITT's Financial Aid staff administered this process from the time students enrolled in ITT schools through to their graduation.

35. The financial aid process was complicated and difficult to understand. Rather than helping students better understand the borrowing process and make informed decisions in their best financial interests, ITT made a practice of having its Financial Aid staff take control of the students' loan applications and rush them through the process of signing up for loans, leaving many unsure what they were signing.

36. The financial aid process was structured so that ITT's Financial Aid staff were essentially holding the students' hands while they reviewed and signed federal and private loans. Part of the way that Financial Aid staff did this 'hand holding' was through the automated financial aid platform set up by ITT. ITT provided its Financial Aid staff with software called "SmartForms," which automatically populated and submitted financial aid applications for its students to the federal government or other lenders, requiring only e-signatures from students.

37. The financial aid appointments for continuing students with ITT's Financial Aid staff were called "repackaging" or "repack" appointments. In order to ensure that continuing students (including graduating students) came to the repack appointments, which often occurred months in advance of the applicable academic term, ITT instructed and incentivized its Financial Aid staff to use aggressive tactics (the "**repackaging tactics**") such as calling students at home, finding them in the bookstore or the library or the student lounge, pulling them from class, barring them from class, enlisting the aid of other ITT staff (including professors), and withholding course materials, diplomas, and transcripts. ITT's repacking tactics were so ingrained into the company's operations

that even its former Chief Executive Officer ("**CEO**") personally encouraged ITT's Financial Aid staff to pull students from class and take them to the ITT financial aid office to complete financial aid applications.

ITT Coerced Students to Take Out the Loans for ITT's Own Financial Gain, through a Private Student Loan Financing Scheme Involving "Temporary Credit"

38. Using the tactics described above and others, ITT's Financial Aid staff coerced students into Loans that they did not want, did not understand, or did not even realize they were getting. ITT's Financial Aid staff coerced students into taking out private student loans, including the Loans, to cover the tuition gap between what federal loans and grants would cover and the high cost of attending ITT.

39. Through December 2011, ITT sought to have its students pay for the tuition gap with private loans, including the Loans, because outside sources of payment could be booked as income to the company, improving its free cash flow and the appearance of its financial statements, and because outside sources of revenue helped ITT meet a requirement by the Department of Education that at least 10% of its revenue be derived from sources outside Title IV loans and grants and the 90/10 Rule.

Temporary Credit

40. Prior to February 2008, ITT relied on a large third-party lender to provide private loans to its students to cover their tuition gap. In or about 2008, after the third-party funding source dried up, ITT began offering its students loans that it called Temporary Credit to cover their tuition gaps. ITT's Temporary Credit was a no-interest loan payable in a single lump sum payment, with a due date typically nine months after enrollment at the end of the academic year for which it was offered.

41. ITT had minimal credit criteria that students had to meet to be eligible for Temporary Credit. Even if a student did not meet these minimal criteria, staff at ITT headquarters could—and, when asked, often did—grant exceptions.

42. Before ITT provided Temporary Credit to students, it performed credit checks to determine if they met the limited credit criteria. Thus, at the time ITT provided Temporary Credit to students, it knew their credit scores.

43. Temporary Credit was offered and granted during rushed financial aid appointments controlled by ITT's Financial Aid staff. Thus, some students who had a Temporary Credit loan obligation did not even know they had received Temporary Credit or did not know that it was a loan that would have to be repaid.

44. ITT's Financial Aid staff also led some students to believe that Temporary Credit would be available to cover their tuition gaps for their entire educational program, and that it would only be due to be repaid after the students graduated from ITT.

45. ITT's records show students reported that its Financial Aid staff told them that Temporary Credit would be available throughout their entire ITT education, and would not have to be repaid until after graduation. Moreover, ITT's financial aid training materials noted that students were not a "reliable source" as to whether they had ever received Temporary Credit.

46. ITT knew that the vast majority of students who received Temporary Credit did not, and would not, have the resources or access to credit, to make the entire lump sum payment within nine months.

47. From 2009 through 2011, ITT was lending students approximately $100 million to $150 million per year in Temporary Credit. ITT did not intend to continue offering

Temporary Credit to students throughout their entire ITT education. ITT believed most students were unlikely to repay the Temporary Credit loans and deeply discounted them on its balance sheet, calling them "doubtful accounts."

48. In 2009, ITT's Financial Aid staff began coercing students into repaying their Temporary Credit with private loans, including the Loans. After implementing the private loan programs, ITT no longer had to maintain those deep discounts on its balance sheet because it expected students would be forced to repay the Temporary Credit with private loans.

The ITT Private Loan Programs

49. In 2008, ITT began to build two separate, unrelated private loan programs from scratch, later to be referred to from time to time as the CUSO Loan Program and the PEAKS Loan Program (together, the "**ITT Private Loan Programs**" or the "**ITT Private Loans**"). The ITT Private Loan Programs were intended by ITT to be the vehicle for students to pay off their Temporary Credit, enabling ITT to convert Temporary Credit into immediate income and cash-on-hand. The private loans also financed students' second year tuition gap.

50. ITT disclosed to its auditors and its investors that the ITT Private Loan Programs were specifically intended, and would be used, to reduce the amount of Temporary Credit outstanding and to help ITT avoid lending students any further amounts from its own books after their first year.

51. Indeed, ITT's Temporary Credit program operated as a tool to pre-qualify students for the ITT Private Loans, often regardless of their credit profile. Pursuant to the written underwriting criteria for the ITT Private Loans, a continuing ITT student who had received Temporary Credit could be automatically eligible for ITT Private Loans

notwithstanding his or her failure to satisfy the remaining loan underwriting criteria so long as he or she had not declared bankruptcy within 24 months ("**Temporary Credit Exception**").

52. Approximately $149 million, or 79%, of the entire Loan portfolio went to students who qualified under the Temporary Credit Exception.

53. ITT students did not know this, nor were they made aware that ITT would coerce them into using the ITT Private Loans to repay Temporary Credit, until the point that ITT's Financial Aid staff gave them no choice other than to take the ITT Private Loans or be expelled from ITT schools.

54. ITT instructed its Financial Aid staff to identify students to repackage into the ITT Private Loans as soon as possible in order to further its scheme and remove the Temporary Credits from its corporate financial reports.

55. ITT's Financial Aid staff used all of the "repackaging tactics" described above to get students to repackage.

56. Some students objected to the ITT Private Loans, but they were told by ITT's Financial Aid staff that if they refused to use them, they either had to pay any outstanding Temporary Credit and the next year's tuition gap—which most could not do—or leave the school in the middle of their program and forfeit the investment they had made so far.

57. Some ITT students did not even realize that they took out the ITT Private Loans. For some students, this lack of awareness was due to the rushed and automated manner in which ITT Financial Aid staff processed their paperwork. For other students, it was due

to flaws in the SmartForms system that allowed ITT Financial Aid staff unauthorized access to student loan documents.

58. The interest rate for the Loans, which carried a ten-year term, was based on a student's credit score. For borrowers with credit scores under 600, the interest rate initially went as high as the prime rate plus 10.5%, with an origination fee as high as 10%. Starting in or around April 2011, borrowers with credit scores under 600 were charged an interest rate of prime plus 13%, in addition to the 10% origination fee.

59. For most of the period since 2009, the prime rate has been 3.25%; thus the effective interest rate for the Loans has been 13.75% for some borrowers with credit scores under 600; for borrowers taking out Loans after April 2011 with credit scores under 600, the interest rate has been 16.25%. Approximately 46% of the borrowers of the Loans had credit scores under 600, and thus were subject to interest rates of 13.75% or 16.25% and origination fees of 10%. Recent increases in the prime rate have increased the interest rates of the Loans, further impacting borrowers.

60. In May 2011, ITT's consultant for loan default analysis projected a gross default rate of 61.3% for the existing Loans. Despite this clear indication that the vast majority of students would be unable to afford the Loans, ITT continued the ITT Private Loans. In a January 24, 2017 Proof of Claim filed by the CUSO in ITT's bankruptcy case, 16-07207 (S.D. IN.), after ITT shut down all its campuses, the CUSO predicted a 75% default rate for $32,304,893.87 in Loans that are "Active" and "Current (to 29 days [delinquent])" and a default rate of between 94 and 99.5% for approximately $127,000,000 in Loans in forbearance or more than 30 days' delinquent.

61. Neither prospective students nor current students were told by ITT the default rates on the Loans.

62. As private student loans, the Loans are difficult to discharge in bankruptcy, requiring the student-borrower to make a special showing of "undue hardship."

ITT's Plan Behind the ITT Private Loan Programs

63. While failing to disclose to students that the ITT Private Loans were intended from the start to be vehicles to pay off its students' Temporary Credit, ITT did share this fact with investors.

64. From 2009 through 2011, ITT's CEO and CFO participated in quarterly earnings calls with analysts and investors. In these calls, the ITT executives repeatedly discussed the ITT Private Loan Programs as vehicles for taking Temporary Credit off of ITT's balance sheet.

65. In the January 21, 2010 earnings call for Fourth Quarter 2009, ITT talked about the PEAKS program, which had just begun. In response to a question from analysts, ITT's CFO said: "the way the program works is, that it is eligible for second year students. So therefore, those students who have had some internal borrowings in year one, would have effectively refinanced through the PEAKS program in year two." The CEO reinforced this point:

> We still anticipate offering internal financing to first-year students . . . . Second year students then would be eligible for financing through the PEAKS program, to have financing for their forward-looking studies, as well as refinancing any institutional funding provided to them during the first year. . . . But it works that way, second-year students are in the PEAKS program, and first year will continue to be on the balance sheet.

66. Later in that same call, the CFO clarified further:

> Basically the way the program is set up, if you think about the balance sheet aspects of this, obviously positive cash flow elements there. And some of that will come from AR [accounts receivable, including Temporary Credit] that is going to be converted into the PEAKS program, *which was our plan all along.*

(Emphasis added.)

67. This "plan all along" applied to both ITT Private Loan Programs, which served the same purpose for ITT. Even as ITT discussed the expiration of the PEAKS program in a July 21, 2011 earnings call, ITT's CEO reminded investors that "we actually have other third party lending programs, typically I think referred to as the credit union programs," that is, the Loan Program. The CEO went on to say that the Loan Program was "substantially similar for us relative to the PEAKS program so that it's structurally similar and the economics are very, very similar."

ITT Files for Bankruptcy and Closes Its Campuses

68. In August 2016, the U.S. Department of Education took a series of actions against ITT to protect students and taxpayers by banning ITT from enrolling new students using federal financial aid funds, and stepping up financial oversight of the for-profit educational provider.

69. One month later, in September 2016, ITT abruptly closed its more than 100 campuses leaving more than 35,000 of its students without a degree and saddled with student debt, including Loans they needed to repay.

Borrowers, Left with Unaffordable Loan Payments, Default in Large Numbers

70. Former ITT students, having been coerced by ITT into the Loans, face a high likelihood of defaulting.

71. The Loans carry a high monthly payment, with higher interest rates, more rigid conditions, and fewer options to reduce monthly payments than federal loans offer. For

most former ITT students, this monthly payment, on top of all other loan obligations, is unaffordable.

72. The CUSO, post-ITT school closures and bankruptcy filing, projected a gross cumulative default rate of 94% for the Loans.

73. The CUSO facilitated the operation of the Loan Program by taking on the management and oversight of Loan servicing activities, and by distributing portions of Loan payments.

74. According to models constructed prior to the beginning of the Loan Program, the portfolio was projected to have a 30% default rate. For average ITT students, those with credit scores below 600, the projected rate was 58.9%.

75. ITT, through a risk share agreement, in essence guaranteed the portfolio's performance above a 35% default threshold. The guarantee required ITT to make a series of payments to the CUSO based on the percentage of the amount charged-off with respect to the Loans.

76. During the period when ITT referred students to the Loan Program, numerous students lodged complaints with the Loan origination agent and the Servicer claiming that they did not realize they had taken out loans, were not aware of the terms of the Loans, were not aware that the Loans were not federal loans, and that the ITT Financial Aid staff had used high pressure and allegedly fraudulent tactics during their financial aid appointments.

77. ITT and the CUSO facilitated access to capital for the Loans, and monitored the progress of Loan originations within the Loan Program.

78. Students were not able to protect their interests in selecting or using Loans because few students had the resources, particularly in the time permitted, to repay the Temporary Credit or pay the tuition gap out of pocket, or to obtain private loans elsewhere. Given the virtual non-transferability of ITT credits, most students were forced to either take the Loans or forfeit their entire investment.

79. ITT took unreasonable advantage of ITT students' inability to protect their interests in selecting or using the ITT Private Loans. ITT knew about these vulnerabilities and exploited them by taking control of the complex financial aid process, using aggressive financial aid packaging tactics, and pushing students into expensive, high-risk loans that ITT knew were likely to default.

80. The above-described ITT conduct was unfair, abusive, deceptive, or otherwise unlawful in violation of the State consumer protection laws cited in Footnote 1, as well as the Consumer Financial Protection Act ("**CFPA**"), 12 U.S.C. § 5531, enforceable by the States pursuant to 12 U.S.C. § 5552.

81. The Federal Trade Commission's (FTC's) Rule on the Preservation of Consumers' Claims and Defenses, better known as the "Holder in Due Course Rule," or "**Holder Rule**," 16 C.F.R. § 433, states that "it is an unfair or deceptive act or practice . . . for a seller, directly or indirectly, to . . . [t]ake or receive a consumer credit contract which fails to contain" specific language, prescribed in the rule, that any holder is subject to all claims and defenses that the debtor could enforce against the seller.

82. The loan agreements utilized by the CUSO contained the following clause:

> **NOTICE: IF THE PROCEEDS OF THE LOAN MADE UNDER THIS PROMISSORY NOTE ARE USED TO PAY TUITION AND CHARGES OF A FOR-PROFIT SCHOOL THAT REFERS LOAN APPLICANTS TO THE LENDER, OR THAT IS AFFILIATED**

WITH THE LENDER BY COMMON CONTROL, CONTRACT, OR BUSINESS ARRANGEMENT, ANY HOLDER OF THIS CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SCHOOL WITH RESPECT TO THE LOAN. RECOVERY UNDER THIS PROVISION SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR ON THE LOAN.

83. The States allege that ITT Private Loans are subject to all claims and defenses which borrowers could enforce against ITT, including but not limited to fraud, unconscionability and violations of the States' consumer protection laws referenced in Footnote 1, as well as the failure to deliver promised degrees and educational services following the closure of ITT's schools, each of which would void the ITT Private Loans.

84. The States assert that enforcement claims based upon fraud at the origination of the Loans are available against a holder of the loan under the Holder Rule.

APPLICATION

85. The provisions of this Assurance will apply to the CUSO and any of its officers, employees, agents, successors, assignees, merged or acquired entities, wholly owned subsidiaries, and all other persons or entities acting in concert or participation with any of them, who receive actual notice of this Assurance, regarding the CUSO's treatment of the Loans pursuant to the terms of this Assurance.

86. The States and the CUSO acknowledge that this Assurance is being similarly entered into between the CUSO and each of the States. The States and the CUSO intend to coordinate implementation of the terms of this Assurance. Where reasonably possible, the States will attempt to coordinate communication with CUSO through the Lead State.

INJUNCTIVE TERMS

I.

FINANCIAL RELIEF

87. The CUSO has not acquired and will not acquire loans other than the Loans, does not and will not conduct business other than Loan Program business, and will cease conducting all business upon the completion of its obligations as set out in this Assurance. It is currently anticipated that the CUSO will begin the process of dissolution, winding up and termination promptly after completion of its obligations under the Redress Plan, the Bureau Order, and this Assurance.

88. As of the Effective Date, the CUSO will:

    a. Cease all collections activities and cease accepting payments from Affected State Consumers related to any Loan;

    b. Take no further action to enforce or to collect any Loan of an Affected State Consumer; and

    c. Refrain from selling, transferring, or assigning any Loan.

    d. Notwithstanding the requirements of subparagraphs (a) and (b) of this Paragraph, the CUSO will not be regarded as in violation of this Assurance if it sends out routine statements or notices that could be considered collection activity within 20 days after the Effective Date; nor will the CUSO be regarded as in violation of this Assurance in the event that a payment from an Affected State Consumer related to any Loan is discovered to have been accepted or processed after the Effective Date, provided that the CUSO, or the Servicer acting on the CUSO's behalf, makes efforts to return the full payment to the Affected State Consumer as specified in the Redress Plan.

89. Within 30 days of the Effective Date, the CUSO will discharge and cancel all outstanding balances of all Affected State Consumers' Loan accounts, including their associated fees, charges, and interest.

90. Within 30 days of the Effective Date, the CUSO will submit written requests to all Consumer Reporting Agencies to which the CUSO or the Servicer has reported information about the Affected State Consumers' Loans, directing those Consumer Reporting Agencies to delete the consumer trade lines associated with the Affected State Consumers' Loans by updating those consumer trade lines with the appropriate codes to reflect that each of those consumer trade lines has been deleted and, if an explanation is required, with codes referencing a negotiated settlement.

91. Within 30 days of the Effective Date, the CUSO will send notifications to the Affected State Consumers, by first class mail to the most recently available postal address contained in the Servicer's system of record for each Affected State Consumer, informing them of the new status of their Loans, and the requested updated status of the credit reporting related to their Loans, consistent with this Assurance.

92. Except as and to the extent provided herein and in the Redress Plan, the CUSO will relinquish all dominion, control, and title to all Loan payments made by Affected State Consumers after the Effective Date. No part of those funds may be retained by the CUSO.

93. Upon the Effective Date, the CUSO promptly will begin implementation of the Redress Plan consistent with the requirements of this Assurance. The States have reviewed the Redress Plan and have approved it. The Redress Plan, among other things:

a. Specifies how the CUSO will notify Affected State Consumers, consistent with this Assurance, of (i) the new status of their Loans and (ii) the request to the Consumer Reporting Agencies to update the status of the credit reporting related to their Loans.

b. Provides an exemplar of written communications to be sent by the CUSO or the Servicer to Affected State Consumers regarding their Loans and the redress provided in this Assurance.

c. Identifies a Servicer telephone number that will be active for 150 days after the Effective Date to assist Affected State Consumers who have questions about the status of their Loan accounts, and describes the types of questions to which the Servicer will be prepared to respond.

d. Specifies the efforts that the CUSO will undertake to prevent any payment made on a Loan from being accepted after the Effective Date.

e. Provides a copy of the notice to be posted to the home page of the CUSO's website, www.studentcuconnect.com, maintained by the Servicer, which notice will provide general information for Affected State Consumers regarding their Loans.

f. Specifies how the CUSO will make efforts to return, to reverse, or otherwise effectively to reject in full any payment on a Loan of an Affected State Consumer that has been received by the CUSO or the Servicer after the Effective Date.

94. In the event that (a) a payment on a Loan of an Affected State Consumer is received by the CUSO or the Servicer after the Effective Date, and (b) the state of the last known

residence of the person who made that payment (the "**Payor**") is among the States, and (c) (i) notwithstanding the CUSO's efforts pursuant to the Redress Plan, the refund remains undeliverable, undeposited or uncashed, or (ii) the payment was received more than 150 days after the Effective Date, then the CUSO will pay any such funds to the State of the Payor's last known residence in accordance with the Instructions Regarding Unreturnable Payments attached as Exhibit 2 hereto. Prior to any transfer of funds pursuant to this Paragraph, the Servicer will stop payment on any outstanding refund check representing those same funds. Under no circumstances will the Servicer or the CUSO be required to make more than one payment on account of any payment received after the Effective Date.

95. The CUSO and the States acknowledge that the enforceability of the Affected State Consumers' Loans is the subject of a dispute and threat of legal action by the States and the Bureau. The CUSO discontinues collection of these Loans only as a result of this bona fide dispute. The CUSO will not issue Internal Revenue Service ("**IRS**") Form 1099-C's ("**Form 1099's**") to Affected State Consumers without first having used commercially reasonable efforts to obtain guidance from the IRS indicating that the CUSO is not required to send Form 1099's to Affected State Consumers as a result of the debt relief required by this Assurance and the Bureau Order. If such guidance is sought, the CUSO will notify the Lead State that it has been sought. In the event that, after any such guidance is sought, the CUSO reasonably believes it is required to issue Form 1099's to Affected State Consumers, the CUSO may do so, provided, however, that if the Taxpayer Advocate Service of the IRS has prepared a fact sheet for Affected State Consumers, to accompany Form 1099's, regarding potential tax implications to

the Affected State Consumers of the Settlement ("**TAS Letter**"),the CUSO will cause to be included, with each Form 1099 sent to Affected State Consumers, a copy of the TAS Letter.

96. If any Form 1099 and, if applicable, TAS Letter mailed to an Affected State Consumer is returned as undeliverable, the Servicer, within 30 days after receiving the returned mailing, will use commercially reasonable efforts to obtain the Affected State Consumer's updated mailing address and, if successful, then will re-send the Form 1099 and, if applicable, TAS Letter to the Affected State Consumer. The commercially reasonable efforts will include: (a) using a commercial skip tracing service to obtain an updated address for the Affected State Consumer; (b) sending an email to the Affected State Consumer's email address on file and requesting an updated mailing address; and (c) calling the Affected State Consumer using his/her telephone number(s) on file, verifying his/her identity, and requesting an updated mailing address. Assuming the foregoing yields new mailing address information, the Servicer will make up to three attempted deliveries of the Form 1099 and, if applicable, TAS Letter to each Affected State Consumer.

97. The CUSO, whether acting directly or indirectly, may not engage in or substantially assist in unfair, deceptive, or abusive acts or practices, or violate any of the laws referenced in Footnote 1 or sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531 and 5536, in connection with the Loans.

II.

CONSUMER INFORMATION

98. The CUSO, and its officers, employees, representatives, and agents who receive actual notice of this Assurance, whether acting directly or indirectly, may not disclose, use, or benefit from Consumer Information, except as follows:

    a. Consumer Information may be disclosed if requested by a government agency or required by law, regulation, or court order;

    b. Consumer Information may be used to effectuate and to carry out the obligations set forth in this Assurance; and

    c. The restriction on the use of Consumer Information does not apply to the CUSO's participating credit unions.

III.

REPORTING REQUIREMENTS

99. The CUSO will notify the Lead State of any development that may affect the CUSO's compliance with obligations arising under this Assurance, including but not limited to dissolution, assignment, sale or merger of the CUSO, or other action that would result in the emergence of a successor entity to the CUSO; the creation of a subsidiary, parent, or affiliate of the CUSO that engages in any acts or practices subject to this Assurance; the filing of any bankruptcy or insolvency proceeding by or against the CUSO; or a change in the CUSO's name or address. The CUSO will provide this notice, if practicable, at least 30 days before the development, but in any case no later than 14 days after the development. The Lead State may in turn notify the other participating States of the development.

100. Within 120 days of the Effective Date, the CUSO will submit to the Lead State:

a. an accurate written compliance progress report that describes in detail the manner and form in which the CUSO has complied with this Assurance; and

b. a list of all Affected State Consumers that, for each Affected State Consumer, will set forth his/her name, corresponding unique identifying Loan number(s), last known contact information (mailing address, email address and telephone number), and outstanding Loan balance(s) on the day prior to the Effective Date (broken down among principal, interest, fees and any other amount due and owing);

c. a list of all Affected State Consumers whose notices of discontinuance of billing and collection of the Loans, after commercially reasonable efforts, were undeliverable; and

d. a list of Loan payments that were not able to be returned, reversed, or otherwise effectively rejected, as described in Paragraphs 88 and 93 above.

IV.

ASSURANCE DISTRIBUTION AND CONTACT

101. Within 30 days of the Effective Date, the CUSO will deliver a copy of this Assurance to the Servicer and to the CUSO's board, as well as to any CUSO manager, employee, service provider, or other agent or representative who has responsibilities related to compliance with this Assurance.

102. The CUSO will direct and provide all notices, submissions, or other communications or documents required to be sent to the States or requested by the States pursuant to this Assurance, including, but not limited to notices and reports pursuant to Section III above, or records pursuant to Section VI below, to the Lead State, Office of the Kentucky Attorney General, Office of Consumer Protection; Attn: CUSO Settlement;

1024 Capital Center Drive, Frankfort, Kentucky 40601, by overnight courier or first-class mail, for appropriate subsequent distribution by the Lead State to the other States. Nothing herein shall preclude any State from requesting of the CUSO, in writing, that the CUSO provide any such required notice, submission or other communications or documents pertaining to residents of that State directly to that State, and subject to the limitations provided in Paragraph 104 hereof, the CUSO agrees to comply with any such reasonable request of an individual State.

103. The CUSO will secure a signed and dated statement acknowledging receipt of a copy of this Assurance, ensuring that any electronic signatures comply with requirements of the E-Sign Act, 15 U.S.C. § 7001 *et seq.*, within 30 days of delivery, from all persons receiving a copy of this Assurance under this Section IV.

V.

RECORDKEEPING

104. The CUSO will maintain, until the first to occur of (i) the expiration of three years from the Effective Date or (ii) the CUSO's dissolution, all documents and records necessary to demonstrate full compliance with this Assurance, including all submissions made to the Lead State pursuant to Paragraph 100(a) hereof.

105. Subject to the retention limitations provided in Paragraph 104 hereof, the CUSO, or its appointed designee if any, must make the documents identified in Paragraph 104 hereof available to the Lead State upon the Lead State's request.

VI.

COOPERATION WITH THE ATTORNEYS GENERAL

106. Until the CUSO's dissolution, the CUSO, and its agents, officers and employees, will cooperate fully with the States in this matter and in any investigation by the States

related to or associated with the conduct set forth in this Assurance. The CUSO will provide truthful and complete non-privileged, non-work product information, evidence, and testimony. The CUSO will appear and will cause its officers, employees, representatives, or agents to appear for interviews, discovery, hearings, trials, and any other proceedings that a State reasonably may request upon 10 days' written notice, or other reasonable notice, at such places and times as the Lead State may designate, without the service of compulsory process.

107. The States agree to make good faith efforts to coordinate, with each other and with the Bureau, any such future requests of the CUSO for information, evidence or testimony, to the extent they are reasonably able, in order to avoid multiple or duplicative requests of the CUSO and to avoid any undue burden on the CUSO in providing such information, evidence or testimony; *provided, however,* nothing in this Assurance will limit the States' lawful use of civil investigative demands under State law, the use of examinations under Federal Rules of Bankruptcy Procedure 2004, or any other discovery device available under State law or the Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, subject to the CUSO's ability to seek a protective order.

VII.

RELEASE

108. The States, and each of them, release and discharge the CUSO from all potential liability for civil violations of consumer protection law that the States have or might have asserted under the State consumer protection laws referenced in Footnote 1 or otherwise, based on the practices described in this Assurance, to the extent such practices occurred before the Effective Date and the States know about them as of the Effective Date. The States may use the practices described in this Assurance in future

enforcement actions against the CUSO, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the States to determine and ensure compliance with this Assurance, or to seek penalties for any violations of this Assurance.

VIII.

MISCELLANEOUS

109. Each of the Parties is responsible for its own costs and expenses, including, without limitation, attorneys' fees. Notwithstanding the foregoing, the CUSO agrees to pay filing fees for the filing of this Assurance with the Courts in the States where such filing and such fees are required.

110. The Parties may modify or amend this Assurance in a writing executed by those Parties affected by the modification or amendment. In those States in which Court approval of this Assurance was required, notwithstanding any other provision hereof, (a) any time limit for performance fixed by this Assurance may be extended by mutual written agreement of the CUSO and the affected State(s) and without Court approval; (b) details related to the administration of Sections III through VII of this Assurance and to the terms and implementation of the Redress Plan may be modified by written agreement of the CUSO and the affected State(s) and without Court approval; and (c) any other modification to this Assurance may be made only upon approval of the Court, upon motion by either Party.

111. This Assurance will not prejudice or otherwise negatively affect the States' claims against any other party. Nothing in this Assurance will be deemed to preclude the States

from pursuing claims against other parties based on the practices described in this Assurance.

IX.

ENFORCEMENT

112. This Settlement may be enforced by the States in any and all ways consistent with State laws. For all necessary purposes, this Settlement will be considered a formal, binding agreement on the Parties, which may be enforced only by the Parties in any court of competent jurisdiction. Any material violation of this Settlement may result in a State seeking all available relief to enforce this Settlement, including injunctive relief, damages, and any other relief provided by the laws of the State, or authorized by a court of competent jurisdiction.

X.

GENERAL PROVISIONS

113. By agreeing to this Assurance, the CUSO reaffirms and attests to the material truthfulness and accuracy of all of the information provided by the CUSO to the States prior to entry into this Assurance. The States' agreement to this Assurance is expressly premised upon the material truthfulness and accuracy of the information provided by the CUSO to the States throughout the course of the investigation of this matter, which information was relied upon by the States in negotiating and agreeing to the terms and conditions of this Assurance.

114. The CUSO will not participate, directly or indirectly (including without limitation by forming a separate corporation or entity), in any acts or practices prohibited, in whole or in part, by this Assurance.

115. Nothing in this Assurance will be construed to waive or limit any right of action by any individual, person or entity, including, but not limited to any other state or governmental entity.

116. The Parties acknowledge that the discontinuance of collection of the Loans, as described in this Assurance, is based on alleged infirmities in the original creation of the Loans, stemming from alleged unlawful actions or other alleged misconduct, perpetrated at the time of the Loans' origination, that allegedly render the Loans unenforceable. The cessation of collection is for the purpose of correcting the alleged unlawful business practices and alleged misconduct.

117. This Assurance sets forth all of the promises, covenants, agreements, conditions and understandings between the Parties, and supersedes all prior and contemporaneous agreements, understandings, inducements or conditions, express or implied. There are no representations, arrangements, or understandings, oral or written, between the Parties relating to the subject matter of this Assurance that are not fully expressed herein or attached hereto. Each Party specifically warrants that this Assurance is executed without reliance upon any statement or representation by any other Party hereto, except as expressly stated herein. In the event that any term, provision, or section of this Assurance is determined to be illegal or unenforceable, subject to consultation with all Parties to this Assurance, such determination will have no effect on the remaining terms, provisions, and sections of this Assurance, which will continue in full force and effect.

118. The titles and headers in each section of this Assurance are used for convenience purposes only and are not intended to lend meaning to the actual terms and conditions of this Assurance.

119. This Assurance will not be construed against the "drafter" because all Parties participated in the drafting of this Assurance.

120. This Assurance may be executed in counterparts, each of which will constitute an original counterpart hereof and all of which together will constitute one and the same document. One or more counterparts may be delivered by facsimile or electronic transmission, or a copy thereof, with the intent that it or they will constitute an original counterpart hereof.

121. Nothing in this Assurance will be construed as relieving the CUSO of its ongoing obligations to comply with applicable state and federal laws, regulations or rules.

122. Any failure of any of the Parties to exercise any of its rights under this Assurance will not constitute a waiver of its rights hereunder.

123. The CUSO agrees to execute and deliver all authorizations, documents and instruments which are necessary to carry out the terms and conditions of this Assurance, whether required prior to, contemporaneous with, or subsequent to the Effective Date, as defined herein.

124. The Parties agree to this Assurance, without any adjudication of fact or law, to settle and to resolve all matters arising under State consumer protection laws, including those referenced in Footnote 1, based on the allegations asserted herein. The States and the CUSO understand and agree that this is a compromise settlement of disputed issues and that the consideration for this Assurance will not be deemed or construed as: (a) an

admission of the truth or falsity of any allegations made herein; (b) approval by the States of any alleged act or practice of the CUSO or ITT as described in the Factual Allegations section herein; (c) an admission by the CUSO of its having knowledge of the conduct and acts of ITT, its CEO or its CFO; or (d) an admission by the CUSO that it has violated or breached any law, statute, regulation, or obligation.

125. Unless otherwise specifically provided, all actions required of the CUSO pursuant to this Assurance will commence as of the Effective Date.

XI.

RETENTION OF JURISDICTION

126. In those States in which Court approval of this Assurance was required, the Court will retain jurisdiction over matters pertaining to this Assurance for purposes of its construction, modification, and enforcement. The Parties may jointly seek to modify the terms of this Assurance, which, except as specified in Paragraph 110 hereof, may be modified only by Court order.

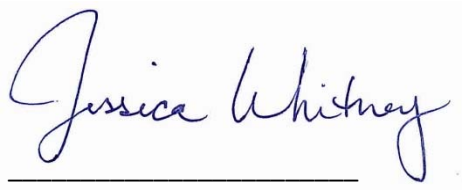
Dated this 14TH day of JUNE, 2019.

STUDENT CU CONNECT CUSO, LLC

By: Lisa Schlehuber

Lisa Schlehuber
President

For the State of Iowa



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Jessica Whitney
Special Assistant Attorney General
Director, Consumer Protection Division
1305 E. Walnut St.
Des Moines, IA 50319

EXHIBIT 1

STATE REDRESS PLAN

STATE REDRESS PLAN

Student CU Connect CUSO, LLC (the "**CUSO**") submits, to the States of Alabama, Arizona, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia and Wisconsin, and to the District of Columbia (the "**States**"), acting through their respective Attorneys General, Departments of Justice, or Offices of Consumer Protection, the Redress Plan (the "**Redress Plan**") referenced in the Stipulated Final Judgment and Order entered in the action entitled *Bureau of Consumer Financial Protection v. Student CU Connect CUSO, LLC*, in the United States District Court for the Southern District of Indiana.

The Redress Plan, a copy of which is annexed hereto, sets forth a summary of the tasks that will be performed to implement the settlement entered into by and between the CUSO and the federal Bureau of Consumer Financial Protection, the methods that will be used in performing those tasks, and the timeline for completion of those tasks.

The Redress Plan also will serve as the "Redress Plan" referenced in the CUSO's Assurance of Voluntary Compliance with the States.

REDRESS PLAN

Student CU Connect CUSO, LLC (the "CUSO") submits this Redress Plan to the Bureau of Consumer Financial Protection (the "Bureau"), to set forth a summary of the tasks that will be performed to implement the CUSO's settlement with the Bureau, the methods that will be used in performing those tasks, and the timeline for completion of those tasks. This document will serve as the Redress Plan referenced in the [Proposed] Stipulated Final Judgment and Order (the "Consent Order") that will be submitted to the United States District Court for the Southern District of Indiana in the action to be filed therein and to be titled *Bureau of Consumer Financial Protection v. Student CU Connect CUSO, LLC* (the "Action").

To the extent that this Redress Plan provides for tasks to be performed by the Servicer (as defined below), the CUSO has directed and will direct the Servicer (currently First Associates Loan Servicing, LLC) to perform those tasks, and the Servicer has agreed to perform the tasks using the methods and in accordance with the timeline set out herein. The CUSO has committed to give notice to the Servicer of the Effective Date promptly upon learning that it has occurred.

I. Definitions

The following defined terms, in addition to those set forth above, are used herein:

a. "Affected Consumers" means those borrowers with Affected Loans (as defined below).
b. "Affected Loans" means those loans in the Program (as defined below), including active loans and charged off loans, that have more than a zero balance on the Effective Date (as defined below).
c. "Consumer Reporting Agencies" means the credit bureaus and consumer reporting agencies to which the Servicer (as defined below) has reported information about the Affected Loans.
d. "Consumers" means the borrowers, including but not limited to Affected Consumers, of Program loans.
e. "Effective Date" means the effective date of the Consent Order.
f. "Form 1099" means Internal Revenue Service Form 1099-C, for reporting Cancellation of Debt.
g. "IVR" means the Servicer's standard interactive voice response system.
h. "Notice" means the notification to be sent by the Servicer pursuant to Section II.c below.
i. "Payment Portal" means the portion of the Website (as defined below) that functions as an entry point for certain Consumers, enabling them, once they log in, to access individual, account-level information.

j. "Payors" means those who make payments on Affected Loans, including but not limited to Affected Consumers.
k. "Program" means the CUSO loan program serviced by the Servicer.
l. "Script" means the written document that will assist the Servicer in responding to telephonic inquiries from Consumers about the Settlement (as defined below) and the status of their Program loan accounts after the Effective Date.
m. "Servicer" means the servicer of the Program loans.
n. "Settlement" means the coordinated settlements of the CUSO with the Bureau and the States (as defined below) relating to the Program.
o. "States" means Arizona, Arkansas, Colorado, Connecticut, Idaho, Illinois, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Missouri, Nebraska, New Mexico, North Carolina, Oregon, Pennsylvania, Tennessee, Washington, West Virginia, Wisconsin, and the District of Columbia, and any other state that may join in the Settlement.
p. "Website" means the webpage (www.studentcuconnect.com), maintained by the Servicer, that provides general information for Consumers regarding their Program loans.
q. "Unreturnable Funds" means funds from a payment on an Affected Loan that was received after the Effective Date, which payment (i) either (1) cannot be returned, reversed or otherwise effectively rejected pursuant to the procedures described in Sections IV.c, IV.d and IV.e below, or (2) is received more than 150 days after the Effective Date; and (ii) is not required, pursuant to a Settlement agreement between the state of the Payor's last known residence and the CUSO, to be paid to that state, because either the state has not so required or the Payor's last known residence is not in one of the States.

II. Notification to Affected Consumers

a. The Servicer will identify the Affected Consumers and Affected Loans, by conducting a query against the servicing system of record that will output a list of Program accounts with balances greater than zero on the Effective Date.
b. The Servicer will prepare a list of all Affected Consumers, which, for each Affected Consumer, will set forth his/her name, corresponding unique identifying loan number(s), last known contact information (mailing address, email address and telephone number), and Affected Loan balance(s) on the day prior to the Effective Date (broken down among principal, interest, fees and any other amount due and owing). The Servicer will identify mailing addresses for the Affected Consumers by locating the most recently available postal address contained in the Servicer's system of record for each Affected Consumer.
c. Within 30 days after the Effective Date, the Servicer will send to each Affected Consumer, by first class U.S. mail, the Notice, consisting of (i) a copy of the Notice to Affected Consumers of Discontinuance of Billing and Collection, in the form of Exhibit A hereto, and (ii) an account statement reflecting an updated balance of $0 for each of the Affected Consumer's Affected Loans, in the form of the sample Form of Zero

Balance Account Statement attached hereto as Exhibit B. The account statements may be used by the Affected Consumers as verification that no further payment is due with respect to the Affected Loans.

d. If any Notice sent pursuant to Section II.c above is returned as undeliverable, the Servicer, within 30 days of receiving the returned Notice, will use commercially reasonable efforts to obtain the Affected Consumer's updated mailing address, and, if successful, then will re-send the Notice, containing the materials outlined in Section II.c above, to the Affected Consumer. The commercially reasonable efforts will include: (i) using a commercial skip tracing service to obtain an updated address for the Affected Consumer; (ii) sending an email to the Affected Consumer's email address on file and requesting an updated mailing address; and (iii) calling the Affected Consumer using his/her telephone number(s) on file, verifying his/her identity, and requesting an updated mailing address. Assuming the foregoing yields new mailing address information, the Servicer will make up to three attempted deliveries of the Notice to each Affected Consumer.

e. The Servicer will prepare a list of all Affected Consumers whose Notices, after commercially reasonable efforts, were undeliverable, including, for each such Affected Consumer, his/her name and last known mailing address, email address and telephone number.

III. Online Account Updates and Servicer Provision of Information

a. The Servicer will designate 877-662-2470 as the telephone number Consumers should call with questions about the Settlement and the status of their Program loan accounts after the Effective Date. This number will route through the IVR, which provides basic account information and an option to speak with a live agent. Commencing on the day that the Servicer has received notice of the Effective Date, and until the Servicer telephone agents have completed their training to respond to Consumers' questions pursuant to the Script and the recorded introductory statement set out in the Script has been activated (but in no event later than five business days after the Effective Date), the live agents will answer any question concerning the discontinuance of collection of the Affected Loans by stating, "We have discontinued collection and enforcement of certain loans and are in the process of implementing this new policy. More information will be available by [*date five business days after Effective Date*]."

b. Within five business days after the Effective Date, the Servicer (i) will update the online accounts of all Affected Consumers for all Affected Loans, so that the Affected Consumers' online accounts for each of the Affected Loans will reflect a $0 balance as of the Effective Date; (ii) will make copies of the Notice accessible to Affected Consumers through the Payment Portal, in connection with their online accounts for the Affected Loans; (iii) will send an email to each Affected Consumer who is registered to receive, and who regularly receives, email notices of his/her Affected Loan statements or balance(s), providing a link to his/her online account(s) for the Affected Loan(s); (iv) will post a notice on the Website home page, in form of Exhibit C hereto; and (v) will ensure that (1) Consumers calling the Servicer with questions about the Settlement or the new status of the Affected Loans will be directed through the IVR to the recorded introductory statement set out in the Script, and (2) those Consumers who opt to speak

with a live agent after listening to that recorded message will be directed to telephone agents who will respond to questions in accordance with the Script. The Script is attached as Exhibit D hereto.

c. The Payment Portal will be deactivated, and will become inaccessible to Consumers, two months after the Effective Date. The Servicer will maintain its above-referenced telephone number and the Website for 150 days after the Effective Date, after which time the telephone line and the Website will be dismantled.

IV. Discontinuance of Collections and Rejection of Payments after the Effective Date

a. Within five business days after the Effective Date, the Servicer (i) will cease issuing monthly account statements to the Affected Consumers, whether by mail or by electronic means; (ii) will deactivate all active recurring and scheduled payments, and cancel all automatic payment arrangements, relating to the Affected Loans (whether through ACH or payment cards, via the IVR or the Payment Portal, or otherwise); and (iii) will initiate additional commercially reasonable efforts not to accept any payment received after the Effective Date on any Affected Loan, including by arranging for blocking or automatic reversal of ACH payments and bank transfers.

b. Within 30 days of the Effective Date, the CUSO and the Servicer will discharge all Affected Loans and will cancel all outstanding balances of all Affected Loans, including principal, interest, fees and any other amount due and owing.

c. In the event that a check has been received by the Servicer's automated lockbox, or that a payment otherwise has been made for which a refund check is necessary (for example, payment by cash or an electronic payment sent through a bill pay service from the Payor's banking institution), the Servicer, within 30 days after receipt of the payment and identification of the correct CUSO account, will mail a refund check, by first class U.S. mail, to the most recently available postal address contained in the Servicer's system of record for the Payor, together with a Letter to Payor with Return of Post-Effective Date Payment, in the form of Exhibit E hereto.

d. If any refund check and Letter to Payor with Return of Post-Effective Date Payment sent pursuant to Section IV.c above is returned as undeliverable, the Servicer, within 30 days after receiving the returned check and Letter to Payor, will use commercially reasonable efforts to obtain the Payor's updated mailing address and, if successful, then will re-send the check and the Letter to the Payor. The commercially reasonable efforts will include: (i) using a commercial skip tracing service to obtain an updated address for the Payor; (ii) sending an email to the Payor's email address on file and requesting an updated mailing address; and (iii) calling the Payor using his/her telephone number(s) on file, verifying his/her identity, and requesting an updated mailing address. Assuming the foregoing yields new mailing address information, the Servicer will make up to three attempted deliveries of the returned check and the Letter to Payor with Return of Post-Effective Date Payment to each Payor.

e. If any refund check sent pursuant to Section IV.c above, and not returned as undeliverable, is not deposited or cashed within 30 days, the Servicer will use commercially reasonable efforts over the ensuing 30 days to contact the Payor, at least two additional times, by email or by telephone, in order to advise the Payor to deposit or to cash the check.

f. The Servicer will prepare a list of all Affected Loan payments received after the Effective Date that were not able to be returned, reversed or otherwise effectively rejected.

g. Any payment on an Affected Loan that should be refunded but, notwithstanding the efforts made pursuant to Sections IV.d and IV.e above, remains undeliverable, undeposited or uncashed, or that is received more than 150 days after the Effective Date, (i) will be paid to the State of the Payor's last known residence, if that State has so required in a Settlement agreement between that State and the CUSO, in accordance with the terms specified in that agreement, or, (ii) if the payment qualifies as Unreturnable Funds, will be paid by wire transfer to the Bureau or to the Bureau's agent, in accordance with the Consent Order. Prior to any transfer of funds pursuant to this paragraph, the Servicer will stop payment on any outstanding refund check representing those same funds. Under no circumstances will the Servicer be required to make more than one payment on account of any Affected Loan payment received after the Effective Date.

V. Credit Reporting

a. Within 30 days after the Effective Date, the Servicer will submit a Metro II file to all Consumer Reporting Agencies, directing them to delete the consumer trade lines associated with the Affected Loans by updating those consumer trade lines with the appropriate codes to reflect that each of those consumer trade lines has been deleted. If any Consumer Reporting Agency should require an explanation, the Servicer will report "deleted as a result of a negotiated court settlement."

b. To identify the appropriate Consumer Reporting Agencies, the Servicer will use its standard monthly Metro II reporting for the Program loans and will update the Consumer Reporting Agencies' information based on the application of a designated account status for the Affected Consumers' accounts.

c. The Servicer will respond to all Consumer Reporting Agency inquiries concerning this procedure.

d. For as long as the CUSO exists as a legal entity, it will comply with any applicable requirements under the Fair Credit Reporting Act and Regulation V.

VI. Issuance of Form 1099s

a. If the CUSO determines to issue Form 1099s to Affected Consumers, the CUSO will notify the Bureau Enforcement Director of that determination, and the CUSO will direct the Servicer accordingly. The Servicer then will prepare and will send the Form 1099s, by first class U.S. mail, to the most recently available postal addresses contained in the Servicer's system of record for the Affected Consumers.

b. If any Form 1099 sent pursuant to Section VI.a is returned as undeliverable, the Servicer, within 30 days after receiving the returned Form 1009, will use commercially reasonable efforts to obtain the Affected Consumer's updated mailing address and, if successful, then will re-send the Form 1099 to the Affected Consumer. The commercially reasonable efforts will include: (i) using a commercial skip tracing service to obtain an updated address for the Affected Consumer; (ii) sending an email to the Affected Consumer's email address on file and requesting an updated mailing address; and (iii)

calling the Affected Consumer using his/her telephone number(s) on file, verifying his/her identity, and requesting an updated mailing address. Assuming the foregoing yields new mailing address information, the Servicer will make up to three attempted deliveries of the Form 1099 to each Affected Consumer. The Servicer will maintain copies of all returned and undeliverable Form 1099s and their envelopes for a period of 12 months after the initial mailing thereof.

c. The Servicer will respond to all Affected Consumer inquiries concerning the issuance of Form 1099s by advising the Affected Consumers to consult with their tax advisors, as set forth in the Script.

VII. Timeline for Redress Plan and Notifications to the Bureau

a. The CUSO will comply with all deadlines set forth above and in the Consent Order.
b. 120 days after the Effective Date, the CUSO will provide to the Bureau, on an encrypted disk or drive:
    i. The list of the Affected Consumers, with their last known contact information and the Affected Loan balances, as described in Section II.b above;
    ii. The list of undeliverable Notices, as described in Section II.e above; and
    iii. The list of Affected Loan payments that were not able to be returned, reversed, or otherwise effectively rejected, as described in Section IV.f above.
c. It is currently anticipated that the agreement between the CUSO and the Servicer will be terminated promptly after the completion of the Servicer's Settlement implementation tasks as described in this Redress Plan.
d. It is currently anticipated that the CUSO will begin the process of dissolution, winding up and termination promptly after the completion of its obligations under this Redress Plan and the Consent Order.

EXHIBIT A

FORM OF NOTICE TO AFFECTED CONSUMERS OF DISCONTINUANCE OF BILLING AND COLLECTION

[*STANDARD SERVICING CUSO LETTERHEAD*]

XXXXX XX, 2018
BORROWER NAME
ADDRESS LINE 1
ADDRESS LINE 2
CITY, STATE ZIP

Re: **NOTICE THAT NO FURTHER PAYMENT IS DUE ON YOUR STUDENT CU CONNECT LOAN**
Account ID: *XXXXXXXX* (your "Student CU Connect Loan")

Dear *BORROWER NAME*:

You are receiving this notice because you are a former student of ITT Technical Institute ("ITT") who received a private student loan in connection with your ITT education, which loan is now outstanding, owned by Student CU Connect CUSO, LLC (the "CUSO"), and serviced and collected by First Associates Loan Servicing, LLC ("First Associates"). Pursuant to a settlement with the Bureau of Consumer Financial Protection and certain state Attorneys General, the CUSO has agreed to discontinue collection and enforcement of the entire outstanding balance of all such outstanding loans (the "Student CU Connect Loans"), effective as of [*insert Effective Date of settlement*].

This notice is to inform you that **you are no longer obligated to make any payment on your Student CU Connect Loan.**

The CUSO and First Associates have discontinued billing, and have discontinued collection of payments, for your Student CU Connect Loan. There will be no further action by the CUSO or First Associates with respect to any balance previously due and owing on your account. An account statement reflecting a $0 balance on your Student CU Connect Loan is enclosed with this notice, and you may use this account statement as verification that you are not obligated to make any further payment on your Student CU Connect Loan.

Additionally, all consumer credit reporting agencies to which the CUSO and First Associates formerly reported credit information concerning your Student CU Connect Loan will be directed to delete the trade lines regarding your Student CU Connect Loan.

If you have other outstanding Student CU Connect Loans, they will be treated in the same manner. You will receive a copy of this notice and an account statement reflecting a $0 balance for each of your outstanding Student CU Connect Loan accounts.

It is possible that some billing statements or other notices relating to your Student CU Connect Loan(s) were mailed prior to or shortly after the effective date of the settlement. If you receive such a billing statement or notice from the CUSO regarding your Student CU Connect Loan, you may disregard that document, as it is no longer valid, and payments are no longer required on any Student CU Connect Loan.

First Associates will reject or return any payment on your Student CU Connect Loan(s) that it receives after [*insert Effective Date of settlement*].

If you have a recurring or one-time electronic payment through the First Associates payment platform that is scheduled to make any payment on your Student CU Connect Loan(s) after the date of this letter, please note that First Associates has cancelled that payment, and all future payments, for your Student CU Connect Loan(s).

If you were sending payments directly through a bill pay service from your banking institution, you will need to contact your bank immediately to stop the payments on your Student CU Connect Loan(s). First Associates is not authorized to stop these transactions, as they are sent from your banking institution.

Please note that you may have other types of loans related to your ITT education that are not Student CU Connect Loans. This notice relates only to your Student CU Connect Loan(s) and does not apply to any other obligation you may have (even if serviced by First Associates), including other debts associated with your ITT education, loans owned by someone other than the CUSO, or loans that once were owned by the CUSO but were paid in full prior to [*insert Effective Date of settlement*].

Any questions about this notice or the status of your Student CU Connect Loan account(s) may be directed to:

Student CU Connect CUSO, LLC
P.O. Box 503430
San Diego, CA 92150-3430
customerservice@studentcuconnect.com
877-662-2470

Further information about the settlement is available through the Bureau of Consumer Financial Protection's public website (www.consumerfinance.gov) and telephone line ((855) 411-2372 or TTY/TDD: (855) 729-2372)).

Sincerely,

_____
Student CU Connect CUSO, LLC

Encl.: Account Statement *[reflecting a $0 loan balance]*

EXHIBIT B

FORM OF
ZERO BALANCE ACCOUNT STATEMENT

Student CU

DALLAS TX 75320-6536
877-662-2470

[redacted]

Account Summary

Account Number	[redacted]
Due Date	01/14/2018
Monthly Payment	$0.00
Past Due Payment Amount	$0.00
Total Payment Amount	$0.00

Amount Remitted

Mail Payments To:
STUDENT CU CONNECT
PO BOX 206536
DALLAS TX 75320-6536

011418 0000000000000A027424441 10 5 0000010278 1

This is not a bill. You are set up on automatic payments. This is for informational purposes only.

Summary of Account

Statement Date	12/25/2017
Account Number	[redacted]
Current Interest Rate	10.25%
Maturity Date	07/14/2020
Current Balance*	$0.00
Payments since last bill (-)	$0.00

Payment Information

Monthly Payment	$0.00
Past Due Amount	$0.00
Total Current Due Amount	$0.00
Payment Due Date	01/14/2018

Please send billing inquiries and correspondence to:
PO BOX 206536
DALLAS TX 75320-6536

Questions: Call Customer Service: 877-662-2470

Transactions

Trans Date	Post Date	Description		Amount
		Fees		$0.00
		Interest Charged		
			Interest Charged	$0.00

EXHIBIT C

FORM OF
NOTICE TO BE POSTED ON THE WEBSITE HOME PAGE

NOTICE THAT NO FURTHER PAYMENTS
ARE DUE ON STUDENT CU CONNECT LOANS

Pursuant to a settlement with the Bureau of Consumer Financial Protection and certain state Attorneys General, and effective as of [*insert Effective Date of settlement*], Student CU Connect CUSO, LLC (the "CUSO") has agreed to discontinue collection and enforcement of the entire outstanding balances of all outstanding CUSO loans made to former students of ITT Technical Institute ("ITT") who received private student loans in connection with their ITT education (the "Student CU Connect Loans").

Borrowers are no longer obligated to make any payments on their Student CU Connect Loans.

The CUSO and the servicer of the Student CU Connect Loans, First Associates Loan Servicing, LLC ("First Associates"), have discontinued billing, and have discontinued collection of payments, for all Student CU Connect Loans. There will be no further action by the CUSO or First Associates with respect to any balance previously due and owing on any account.

An account statement reflecting a $0 balance for each Student CU Connect Loan with an outstanding balance as of [*insert Effective Date of settlement*] will be delivered to each borrower of those Student CU Connect Loans, and these account statements may be used as verification that the borrowers are not obligated to make any further payment on those Student CU Connect Loans.

First Associates will reject or return any payment on Student CU Connect Loans that it receives after [*insert Effective Date of settlement*].

For those borrowers who have recurring or one-time electronic payments through the First Associates payment platform that are scheduled to make any payment on a Student CU Connect Loan after [*insert Effective Date of settlement*], please note that First Associates has cancelled those payments, and all future payments, for Student CU Connect Loans.

If you were sending payments directly through a bill pay service from your banking institution, you will need to contact your bank immediately to stop the payments on your Student CU Connect Loan(s). First Associates is not authorized to stop these transactions, as they are sent from your banking institution.

Additionally, for each borrower who had an outstanding balance on a Student CU Connect Loan as of [*insert Effective Date of Settlement*], all consumer credit reporting agencies to which the CUSO and First Associates reported credit information concerning that Student CU Connect Loan will be directed to delete the trade lines regarding that Student CU Connect Loan.

It is possible that some billing statements or other notices relating to Student CU Connect Loans were delivered prior to or shortly after the effective date of the settlement. If you receive such a billing statement or notice from the CUSO regarding your Student CU Connect

Loan, you may disregard that document, as it is no longer valid, and payments are no longer required on any Student CU Connect Loan.

Please note that borrowers may have other types of loans related to their ITT education that are not Student CU Connect Loans. This notice relates only to Student CU Connect Loan(s) with outstanding balances as of [*insert Effective Date of settlement*], and does not apply to any other student loan (even if serviced by First Associates), including other debts associated with ITT, loans owned by someone other than the CUSO, or loans that once were owned by the CUSO but were paid in full prior to [*insert Effective Date of settlement*].

Any questions about this notice or the status of a Student CU Connect Loan account(s) may be directed to:

Student CU Connect CUSO, LLC
P.O. Box 503430
San Diego, CA 92150-3430
customerservice@studentcuconnect.com
877-662-2470

Further information about the settlement is available through the Bureau of Consumer Financial Protection's public website (www.consumerfinance.gov) and telephone line ((855) 411-2372 or TTY/TDD: (855) 729-2372)).

EXHIBIT D

FIRST ASSOCIATES SCRIPT
FOR ANSWERING CONSUMER INQUIRIES
CONCERNING THE SETTLEMENT AND ITS IMPACT
ON THE STATUS OF THE PROGRAM LOAN ACCOUNTS

First Associates Script
for answering Consumer inquiries concerning
the settlement and its impact on the status of the Program loan accounts

Introductory recorded statement:

Thank you for calling about the recent settlement between Student CU Connect CUSO and the Government.

The Bureau of Consumer Financial Protection, along with the Attorneys General of several states, entered into a settlement with Student CU Connect CUSO concerning collection and enforcement of private student loans that were made to students of ITT Technical Institute, and are owned by the CUSO. Under the settlement, **Student CU Connect CUSO agreed to discontinue collection and enforcement of the entire outstanding balance of each of those loans.**

What this means to you is that: if (1) you are a former student of ITT Technical Institute, and (2) you received a private student loan in connection with your ITT education, and (3) that loan is owned by Student CU Connect CUSO, and (4) that loan had an outstanding balance due and owing as of [*insert Effective Date of settlement*], then you do not have to make any further payment on that loan.

If you still have questions about your Student CU Connect loan, please stay on the line, or dial [*XXX*], to speak with a live operator.

If you still have questions about the settlement, you can contact the Bureau of Consumer Financial Protection through the Bureau's public website (www.consumerfinance.gov) and telephone line ((855) 411-2372 or TTY/TDD: (855) 729-2372)).

Live operator script:

Exactly who settled what with whom and why?

For details about the settlement, you can contact the Bureau of Consumer Financial Protection through the Bureau's public website (www.consumerfinance.gov) and telephone line ((855) 411-2372 or TTY/TDD: (855) 729-2372)). In what State do you live? {*check against list of participating states, to be supplied. If caller lives in one of those states and it has its own contact information for borrowers:*} You also can get information from your State at {*list of participating states and corresponding contact information to be supplied*}.

What does the settlement mean to me?

Under the settlement, Student CU Connect CUSO agreed to discontinue collection and enforcement of the entire outstanding balance of each of the loans that it owns.

Am I affected?

You are affected if (1) you are a former student of ITT Technical Institute, and (2) you received a private student loan in connection with your ITT education, and (3) that loan is owned by Student CU Connect CUSO, and (4) that loan had an outstanding balance due and owing as of [*insert Effective Date of settlement*].

This applies to you if you are up to date on your payments, or if you are delinquent in your payments, or if you have defaulted on your loan.

What if I already paid off my loan?

If you previously have paid off your Student CU Connect loan, the settlement does not affect you or that loan.

What is the relief that affected borrowers receive?

Student CU Connect CUSO and First Associates have discontinued billing, and have discontinued collection of payments, for Student CU Connect loans with outstanding balances due and owing as of [*insert Effective Date of settlement*].

This includes the outstanding principal amount, as well as any and all outstanding fees, penalties and other account charges.

There will be no further action by Student CU Connect CUSO or First Associates with respect to any balance previously due and owing on your account.

An account statement reflecting a $0 balance on your Student CU Connect loan has been, or shortly will be, sent to you, and you may use this account statement as verification that you are not obligated to make any further payment on your Student CU Connect loan.

What will happen to any negative credit reporting that may have flowed from my late payment, or non-payment, of my CUSO loan?

Student CU Connect CUSO is requesting that credit reporting agencies delete any reference to these accounts from the credit reports of the affected borrowers.

If you previously paid off your Student CU Connect loan, no change will be requested on your credit report. It will continue to reflect that you made payment in full.

Do I need to take any action to qualify for relief?

No. Affected borrowers do not need to do anything to receive the relief. The relief is automatic.

Does the discharge of my loan affect my income tax liability?

The IRS has not made a final determination concerning whether Student CU Connect CUSO must send you a Form 1099 in connection with the discharge of your Student CU Connect loan.

If the IRS requires Student CU Connect CUSO to send you a Form 1099, that will not necessarily mean that the discharge of your Student CU Connect loan will give rise to income tax liability. Based on your personal circumstances, you may be able to exclude the discharged debt from your taxable income. You should consult your tax advisor if you have questions in this regard.

Does the relief extend to any other loan?

The settlement affects only amounts owed on Student CU Connect loans as of [*insert Effective Date of settlement*].

The settlement does not affect any amount that you may owe on federal student loans, or on any student loan held by PEAKS, by ITT itself, or by another entity other than Student CU Connect CUSO.

The settlement does not affect any Student CU Connect loan that already has been paid in full.

If you have a federal student loan or another ITT-related private loan, you must contact your lender to determine if you remain responsible for paying it. If you are still obligated to make those payments, failure to do so could harm you, by creating delinquencies and negative remarks on credit reports.

What about my other loans that are serviced by First Associates?

The settlement affects only amounts owed on Student CU Connect loans as of [*insert Effective Date of settlement*]. It does not affect any amount you may owe on another loan, even if that loan is also serviced by First Associates.

What is the amount of my loan that was discharged under the settlement?

If you have questions about your monthly payments to First Associates, or about the outstanding balance on your Student CU Connect loan, please provide your account number, and we will assist you. {*Loan-specific questions to be answered as appropriate.*}

EXHIBIT E

FORM OF LETTER TO PAYORS
WITH RETURN OF POST-EFFECTIVE DATE PAYMENT

[*STANDARD SERVICING CUSO LETTERHEAD*]

XXXXX XX, 2018
PAYOR NAME
ADDRESS LINE 1
ADDRESS LINE 2
CITY, STATE ZIP

Re: **NOTICE OF REJECTION AND RETURN OF PAYMENT**
Account ID: *XXXXXXXX* (your "Student CU Connect Loan")

Dear *PAYOR NAME*:

You are receiving this notice because you are a former student of ITT Technical Institute ("ITT"), or have made a payment on behalf of a former ITT student, who received the private student loan with the account identification number referenced above, and because we received a payment from you in connection with that Student CU Connect Loan after [*insert Effective Date of settlement*].

Pursuant to a settlement with the Bureau of Consumer Financial Protection ("Bureau") and certain state Attorneys General, the owner of your Student CU Connect Loan agreed to discontinue collection and enforcement of the entire outstanding balance of the Loan, effective as of [*insert Effective Date of settlement*]. **As a result of the settlement, you are no longer obligated to make any payment on your Student CU Connect Loan.**

Because we received a payment from you after the date we stopped accepting payments on your Student CU Connect Loan, **we are returning the payment to you. Enclosed please find a check representing the return of funds received from you.**

Please deposit or cash this refund check as soon as possible. If you fail timely to deposit or to cash this check, the check will be cancelled after 60 days *[or such other longer period, if any, as may be required by First Associates' banking agreement]* as noted on the face of the check, and the funds will be deemed to be unclaimed property and will be sent to the state of your last known residence or the Bureau.

[*ADD IF APPROPRIATE*: This check represents a refund of the electronic payment you sent from your banking institution. We are not authorized to stop these transactions, as they are sent from your banking institution. **Please contact your bank immediately to stop future payments on the Student CU Connect Loan.**]

Any questions about this notice or the status of your Student CU Connect Loan may be directed to:

Student CU Connect CUSO, LLC
P.O. Box 503430
San Diego, CA 92150-3430
customerservice@studentcuconnect.com
877-662-2470

Further information about the settlement is available through the Bureau of Consumer Financial Protection's public website (www.consumerfinance.gov) and telephone line ((855) 411-2372 or TTY/TDD: (855) 729-2372)).

Sincerely,

_____

Student CU Connect CUSO, LLC

EXHIBIT 2

INSTRUCTIONS
REGARDING UNRETURNABLE PAYMENTS

Instructions Regarding Unreturnable Payments

State	Mode of Payment	Address to which To Send Check (if any) and Cover Letter	Additional Instructions	Contacts for Reference in the Event of Questions
Alabama	Check payable to "State of Alabama – Office of the Attorney General"	State of Alabama – Office of the Attorney General 501 Washington Avenue Montgomery, Alabama 36130-0152	Cover letter stating the identity of the payor,[1] and the last known contact information for the payor	Noel S. Barnes Assistant Attorney General State of Alabama 334-353-9196 nbarnes@ago.state.al.us
Arizona	Check payable to "State of Arizona Attorney General's Office" or by such other means as the parties may agree	Office of the Attorney General Attention: Consumer Protection & Advocacy Section 2005 N. Central Avenue Phoenix, Arizona 85004	Cover letter stating the identity of the payor, and the last known contact information for the payor These payments will be deposited in an interest-bearing account within the Consumer Restitution and Remediation Revolving Fund pursuant to Ariz. Rev. Stat. § 44-1531.02(B)	Shane Foster Senior Litigation Counsel Office of the Arizona Attorney General 602-542-8766 shane.foster@azag.gov
Arkansas	Check payable to "Auditor of State"	Andrea Lee, Auditor of State Unclaimed Property Division 1401 West Capitol Avenue Suite 325 Little Rock, Arkansas 72201	Cover letter stating the identity of the payor, the last known contact information for the payor, and that First Associates has attempted to notify the payor	David A.F. McCoy Assistant Attorney General Office of Arkansas Attorney General Leslie Rutledge 501-682-7506 david.mccoy@arkansasag.gov

[1] Throughout this document, the term "payor" is used to refer to the student borrower or other payor who made the unreturnable payment.

				or Josh Wood 501-682-6000 holders@auditor.ar.gov
Colorado	Check payable to "Colorado State Treasury Unclaimed Property Division"	Colorado State Treasury Unclaimed Property Division 1580 Logan Street Suite 500 Denver, Colorado 80203	Cover letter stating that the funds are being remitted pursuant to agreement with the Colorado Attorney General First Associates' TIN/FEIN must appear on the check	Olivia D. Webster Senior Assistant Attorney General 720-508-6203 libby.webster@coag.gov
Connecticut	Check payable to "Unclaimed Property Division, Connecticut Office of the Treasurer"	State of Connecticut Office of the State Treasurer Unclaimed Property Division P.O. Box 150435 Hartford, Connecticut 06115-0435 Attention: Cathy Kristof, Associate Examiner	Cover letter stating that the funds are being remitted pursuant to agreement with the Connecticut Attorney General Enclose completed and notarized Form ST77, available at https://www.ott.ct.gov/ucpdocs/2017/ReportofUnclaimedPropertyFormST-77-October%202017.pdf	Cathy Kristof Associate Examiner Office of the Treasurer 860-702-3276 cathy.kristof@ct.gov or Joseph J. Chambers Assistant Attorney General 860-808-5270 joseph.chambers@ct.gov

			In completing the form, use NAUPA code MS11 ("Refunds Due")[2] If more than three checks are to be sent, contact Cathy Kristof for further instructions	
Delaware	Check payable to "State of Delaware Consumer Protection Fund"	Delaware Department of Justice Attn: Director of Consumer Protection 820 North French Street 5th Floor Wilmington, Delaware 19801	Cover letter (a) stating the identity of the payor, the last known contact information for the payor, the social security number of the payor (if available) and the amount for each payor, and (b) identifying the party (by name, contact information, and EIN) on whose behalf the check is submitted	Christian Douglas Wright, Director of Consumer Protection Delaware Department of Justice 302-577-8944 christian.wright@delaware.gov
District of Columbia	Check payable to "DC Treasurer"	Benjamin M. Wiseman Director, Office of Consumer Protection D.C. Office of the Attorney General 441 4th Street NW Suite 600S Washington, D.C. 20001	Cover letter stating the identity of the payor, and the last known contact information for the payor Any part of these funds, at the discretion of the Attorney General for the District of Columbia, may be (a) held by the District	Benjamin M. Wiseman Director, Office of Consumer Protection Office of the Attorney General 202-741-5226 Benjamin.wiseman@dc.gov

[2] "NAUPA" refers to the National Association of Unclaimed Property Administrators.

			as unclaimed property on behalf of consumers or (b) used in accordance with District law for any other lawful purpose, including the payment of restitution to impacted consumers.	
Florida	Check payable to "Department of Legal Affairs Escrow Account"	Office of the Attorney General, State of Florida Attn. Robert Edelman; CUSO AVC 1300 Riverplace Boulevard Suite 405 Jacksonville, Florida 32207	The check should include the information "L19-3-1294" on the face of the check. Cover letter stating the payor's name, last known contact information, and that funds are being remitted subject to "CUSO AVC L19-3-1294"	Assistant Attorney General Robert Edelman Office of the Attorney General, State of Florida (904) 348-2720 Robert.Edelman@myfloridalegal.com
Georgia	Check payable to "Georgia Department of Law"	Consumer Protection Division Georgia Department of Law 2 Martin Luther King, Jr. Drive Suite 356 Atlanta, Georgia 30334	Cover letter referencing the AVC and including the following information: the identity of each payor, the amount of funds due to each payor, the last known contact information for each payor, the social security number or taxpayer identification number, if known, or each payor, and the CUSO's Federal Employer ID Number	Christine Hom Assistant Attorney General Consumer Protection Division 404-656-4739 chom@law.ga.gov

Idaho	Check payable to "Idaho Unclaimed Property"	Idaho State Treasurer's Office Unclaimed Property P.O. Box 83720 Boise, Idaho 83720-9101	Check to be accompanied by a "holder report" using the NAUPA format or manually, at https://yourmoney.idaho.gov/app/submit-a-report	Megan Gregory Business Specialist Unclaimed Property Office 208-332-2977 megan.gregory@sto.idaho.gov or Jane Hochberg Deputy Attorney General 208-332-3553 Jane.hochberg@ag.idaho.gov
Illinois	Transfer of funds made via the Illinois State Treasurer's Office's online portal, located at https://icash.illinoistreasurer.gov/	N/A	Funds to be sent with a report submitted via the same online portal as the funds, which report must: 1. be signed by or on behalf of First Associates or the CUSO, and be verified as to its completeness and accuracy; 2. identify the amount of funds due to the payor and the number of any uncashed reimbursement check issued; 3. state the name; last-known address including zip code, if known; and social security number or taxpayer identification	Gregory Jones Assistant Attorney General 312-814-4987 GJones@atg.state.il.us

			number, if known or readily ascertainable, of the payor; 4. state the date of the uncashed reimbursement check sent to the payor; and 5. state that the funds are being remitted pursuant to agreement with the Illinois Attorney General and that diligent, good faith efforts were taken to return the funds to the owner of such funds in accordance with that agreement, but the payor has not been located	
Indiana	Check payable to "Office of the Indiana Attorney General" or by such other means as the parties may agree	Office of the Indiana Attorney General 302 West Washington Street IGCS Fifth Floor Indianapolis, Indiana 46204	Cover letter stating the identity of the payor, the last known contact information for the payor, and any other information that can help identify/locate the individual	Clinton Bohm Director of Finance Office of the Indiana Attorney General 317-234-7131 317-525-5192 Clinton.bohm@atg.in.gov
Iowa	Check payable to "Treasurer of the State of Iowa"	Iowa State Treasurer's Office Unclaimed Property P.O. Box 10430 Des Moines, Iowa 50309	Cover letter stating that the funds are being remitted pursuant to agreement with the Iowa Attorney General	Jessica Whitney Special Assistant Attorney General 515-281-5926 jessica.whitney@ag.iowa.gov

			First Associates' TIN/FEIN must appear on the check	
Kansas	Check payable to "Office of the Kansas Attorney General"	Sarah M. Dietz Assistant Attorney General Office of the Kansas Attorney General 120 SW 10th Avenue 2nd Floor Topeka, Kansas 66512	Cover letter stating the identity of the payor, and the last known contact information for the payor, and that the funds are remitted pursuant to the agreement with the Kansas Attorney General	Tabetha Mallonee Director of Fiscal Operations Office of the Kansas Attorney General 785-296-1553 Tabetha.mallonee@ag.ks.gov
Kentucky	Check payable to "Kentucky State Treasurer"	Office of the Attorney General 1024 Capital Center Drive Suite 200 Frankfort, Kentucky 40601 Attn: Todd Leatherman	Cover letter stating the identity of the payor, and the last known contact information for the payor	Todd E. Leatherman Special Attorney Office of the Kentucky Attorney General 502-696-5384 Todd.leatherman@ky.gov
Louisiana	Check payable to "State of Louisiana Unclaimed Property Division"	State Capitol Building Annex 1051 N. 3rd Street Room 150 Baton Rouge, Louisiana 70802	Cover letter stating the identity of the payor, the last known contact information for the payor, and that the funds are remitted pursuant to agreement with the Louisiana Attorney General	Cathryn Gits Assistant Attorney General 225-326-6414 gitsc@ag.louisiana.gov
Maine	Check payable to "State of Maine Attorney General's Office"	Office of Maine Attorney General 111 Sewall Street Burton Cross State Office Building 6th Floor Augusta, Maine 04330	Cover letter stating the identity of the payor, and the last known contact information for the payor	Linda Conti Assistant Attorney General 207-626-8591 linda.conti@maine.gov

		Attn: Consumer Protection		
Maryland	Check payable to "State of Maryland Unclaimed Property Division"	Unclaimed Property Division Comptroller of Maryland Attention: Eric Eichler 301 West Preston Street Room 310 Baltimore, Maryland 21201	Cover letter stating: 1. the identity and last known contact information, including but not limited to the last known address, for the payor; 2. that the funds are unreturnable funds being delivered pursuant to an agreement with the Maryland Attorney General; 3. the amount due to the payor; 4. the date that the payment to be submitted to the state was first received; and 5. the date of the last transaction with the payor with respect to the funds (that is, the date that the last letter was sent to, or the last contact was actually made with, the payor)	Christopher Madaio Assistant Attorney General 410-576-6585 cmadaio@oag.state.md.us
Massachusetts	Check payable to "Commonwealth of Massachusetts"	Office of the Attorney General ATTN: Katie Hurley, Insurance and Financial Services Division One Ashburton Place	Cover letter stating the identity of the payor, and the last known contact information for the payor	Diana Hooley Assistant Attorney General 617-963-2198 diana.hooley@mass.gov

		18th Floor Boston, Massachusetts 02108		
Michigan	Check payable to "State of Michigan"	Michigan Department of Attorney General Corporate Oversight Division P.O. Box 30736 Lansing, Michigan 48909	Cover letter stating the name and last known contact information for the payor, and, in the event of multiple payors, the amount due per payor	Brian G. Green Assistant Attorney General Corporate Oversight Division 517-335-7632 greenb@michigan.gov
Minnesota	Check payable to "State of Minnesota"	Katherine Kelly Minnesota Attorney General's Office 445 Minnesota Street Suite 1200 St. Paul, Minnesota 55101	Cover letter stating the identity and last known contact information, including but not limited to the last known address, for the payor	Katherine Kelly Assistant Attorney General 651-757-1308 Katherine.Kelly@ag.state.mn.us
Mississippi	Check payable to "Mississippi Attorney General's Office"	Bridgette W. Wiggins Consumer Protection Division Mississippi Attorney General's Office Post Office Box 22947 Jackson, Mississippi 39225	Cover letter stating the identity and last known contact information, including but not limited to the last known address, for the payor	Bridgette W. Wiggins Director, Consumer Protection Division Mississippi Attorney General's Office 601-359-4279 bwill@ago.state.ms.us
Missouri	Check payable to "Missouri State Treasurer's Office"	Missouri State Treasurer's Office Unclaimed Property P.O. Box 11272 Jefferson City, Missouri 65102-1272	Cover letter stating that the funds are being remitted pursuant to agreement with the Missouri Attorney General, and diligent, good faith efforts were taken to return the funds to the owner of such funds in accordance with that agreement, but were unsuccessful	Missouri State Treasurer's Office Unclaimed Property 573-751-8533 ucp@treasurer.mo.gov or Michael Schwalbert Assistant Attorney General 314-340-7888 Michael.schwalbert@ago.mo.gov

			Enclose completed Unclaimed Property Report Form (available, with instructions, at www.treasurer.mo.gov/UnclaimedProperty/PDFs/Report.pdf)	
Nebraska	Check payable to "Nebraska State Treasurer"	Nebraska State Treasurer Attention: Meaghan Aguirre Director of Unclaimed Property 809 P Street Lincoln, Nebraska 68508-1390	Cover letter stating the identity and last known contact information, including but not limited to the last known address, for the payor	Meghan Stoppel Chief, Consumer Protection Division Assistant Attorney General 402-471-0858 meghan.stoppel@nebraska.gov
Nevada	Check payable to "Nevada State Treasurer"	Nevada State Treasurer Attn: Unclaimed Property 555 East Washington Avenue Suite 4200 Las Vegas, Nevada 89101	Cover letter stating the identity and last known contact information, including but not limited to the last known address, for the payor	Linda Tobin Deputy State Treasurer 702-486-4354 ltobin@nevadatreasurer.gov
New Hampshire	Check payable to "Treasurer, State of New Hampshire"	Thomas McAnespie Abandoned Property Director 25 Capitol Street Concord, New Hampshire 03301	Cover letter stating (to the extent the information is available) the identity and last known contact information, including but not limited to the last known address, for the payor, date of birth of the payor, social security number of the payor, and amount of payment to be returned	Thomas McAnespie Abandoned Property Director 603-271-1499 tmcanespie@treasury.state.nh.us
New Jersey	Check payable to "New Jersey Division of	Case Initiation and Tracking Unit New Jersey Division of	Cover letter stating the (a) identity of the payor, (b) social security number of	

	Consumer Affairs"	Consumer Affairs Office of Consumer Protection 124 Halsey Street 7tht Floor Newark, New Jersey 07102 Attn: Van Mallett, Lead Investigator	the payor, (c) last known contact information, including but not limited to last known address, for the payor, (d) the amount of funds due to the payor, (e) that good faith efforts were taken to return the funds to the payor, but that the payor has not been located, and (f) the funds are being sent pursuant to an agreement with the Office of the New Jersey Attorney General	
New Mexico	Check payable to "New Mexico Office of the Attorney General"	Office of the Attorney General Attention: Chief Financial Officer P.O. Drawer 1508 Santa Fe, New Mexico 87504-1508	Cover letter stating the identity and last known contact information, including but not limited to the last known address, for the payor	Cholla Khoury Assistant Attorney General 505-490-4060 ckhoury@nmag.gov
New York	Check payable to "State of New York"	Carolyn Fast, Special Counsel Office of the Attorney General Bureau of Consumer Frauds and Protection 28 Liberty Street New York, New York 10005	Cover letter referencing the Assurance and stating the identity, last known contact information, and amount due to be refunded to each payor	Carolyn Fast, Special Counsel Office of the Attorney General Bureau of Consumer Frauds and Protection 212-416-6250 Carolyn.fast@ag.ny.gov
North Carolina	Check payable to "North Carolina Department of Justice"	North Carolina Department of Justice Attention: Matt Liles, Assistant Attorney General 114 W. Edenton Street Raleigh, North Carolina 27603	Cover letter stating the identity of the payor, and the last known contact information for the payor	Matt Liles Assistant Attorney General 919-716-0141 mliles@ncdoj.gov

Ohio	Check payable to "Ohio Attorney General""	Ohio Attorney General's Office c/o Jeffery Loeser 30 East Broad Street 14th Floor Columbus, Ohio 43215	Cover letter referencing the AVC, stating the identity of the payor, and the last known contact information for the payor. Payments sent to the Ohio Attorney General pursuant to Paragraph 94 of this AVC shall be considered consumer restitution under O.R.C. § 1345.01 et seq.	Jeffrey Loeser Senior Assistant Attorney General 614-466-8831 Jeff.Loeser@OhioAttorneyGeneral.gov
Oklahoma	Check payable to "Oklahoma State Treasurer – Unclaimed Property Division"	Oklahoma State Treasurer – Unclaimed Property Division 2300 N. Lincoln Boulevard Room 217 Oklahoma City, Oklahoma 7310	All checks must have a notarized Verification and Checklist – in the form of Form Number 496-UP-Revision 05072018, to be found at https://www.ok.gov/treasurer/documents/Verification_Checklistrevised2018-NOV1%20Cos.pdf Include (a) payor's full name, date of birth, social security number, last known address (with zip code), and phone number; (b) the identifying number and date of the payor's erroneous payment (e.g., check number, transaction number, etc.), as well as	Donice Blakely Senior Unclaimed Property Auditor Oklahoma State Treasurer's Office 405-522-4086

			the date on which that payment was received by the Servicer/CUSO; and (c) the total amount due the payor	
Oregon	Check payable to "Oregon Department of Justice"	Oregon Department of Justice Attn: Karen Rounsville 1162 Court Street NE Salem, Oregon 97301-4096	Cover letter stating the identity of the payor, and the last known contact information for the payor	Katherine Campbell Assistant Attorney General 971-673-1880 Katherine.campbell@doj.state.or.us
Pennsylvania	Check payable to "Commonwealth of Pennsylvania, Office of Attorney General"	Pennsylvania Office of Attorney General Bureau of Consumer Protection Attn: John M. Abel 15th Floor Strawberry Square Harrisburg, Pennsylvania 17120	Cover letter stating the identity of the payor, and the last known contact information for the payor, and that the funds are being remitted pursuant to agreement with the Pennsylvania Office of Attorney General First Associates' TIN/FEIN must appear on the check	Jesse F. Harvey Chief Deputy Attorney General 412-565-2883 jharvey@attorneygeneral.gov
South Carolina	Check payable to "South Carolina Attorney General's Office"	South Carolina Attorney General's Office Post Office Box 11549 Columbia, South Carolina 29211-1549	Cover letter	Kristin Simons Assistant Attorney General 803-734-6134 KSimons@scag.gov
South Dakota	Check payable to "SD State Treasurer – UCP"	South Dakota State Treasurer – UCP 500 East Capitol Avenue Suite 212 Pierre, South Dakota 57501	Cover letter stating the identity of the payor, the last known contact information for the payor, and that First Associates has attempted to notify the payor	Lee DeJabet UCP Administrator 605-773-3900 lee.dejabet@state.sd.us or

				Anissa Grambihler Compliance Manager 605-773-4168 Anissa.grambihler@state.sd.us
Tennessee	Check payable to "Tennessee State Treasurer"	State of Tennessee, Treasury Department Unclaimed Property Division P.O. Box 198649 Nashville, Tennessee 37219-8649 Attn: Jacob Baggett Program Manager, Unclaimed Property	Cover letter stating: 1. the identity and last known contact information for the payor; 2. that the funds are being remitted pursuant to a settlement agreement with the Tennessee Attorney General, and diligent, good faith efforts were taken to return the funds in accordance with that agreement, but were unsuccessful; and 3. that Jacob Baggett approved payment by this method and by remittance outside of the portal	John Gabriel Director Unclaimed Property Division Treasury Department 615-253-5362 or Ann Mikkelsen Assistant Attorney General 615-253-3819 ann.mikkelsen@ag.tn.gov
Texas	Check payable to "Texas Comptroller of Public Accounts – Unclaimed Property Division" or	Texas Comptroller of Public Accounts Unclaimed Property Division Mr. Bryant Clayton P.O. Box 12019 Austin, Texas 78711-2019	Cover letter stating payor name, last known contact information (address, email address, phone, etc.), date of birth and social security number (if available), account and/or check number, description	Bryant Clayton Assistant Director of Unclaimed Property Division Texas Comptroller of Accounts (512) 463-6059, Bryant.Clayton@cpa.texas.gov or

	wire transfer via instructions from Mr. Clayton or Mr. Angus		of the payment, and the amount due to the payor. If possible we would also like images of the front and back of the check; ACH account transfer information; and names/contact information of any other party who may be entitled to receive the money, if any. Ideally, an unclaimed property report also will be submitted with the funds and information, the form for which can be found at https://claimittexas.org/app/create-a-report	Matthew Angus Supervisor Unclaimed Property Division Texas Comptroller of Accounts (512) 463-5225 Matthew.Angus@cpa.texas.gov
Utah	Check payable to "Utah State Treasurers Office"	Utah State Treasurers Office P.O. Box 142321 Salt Lake City, Utah 84114-2321	Cover letter stating last and first name of payor, last known address of payor, social security number of payor, date of last activity (last payment), check number and loan account number Manual file can be uploaded at https://mycash.utah.gov/app/submit-a-report	Karin Adams Program Specialist Utah State Office of Unclaimed Property karinadams@utah.gov 801-715-3308 direct line or Kevin McLean Assistant Attorney General Utah Attorney General's Office 801-366-0254

			or a naupa II file can be created and uploaded at website listed above UPexchange and HRS also offer software. https://hrspro.unclaimedproperty.com/ https://www.unclaimed.org/reporting/ https://up.eagletm.com/UPTiles/Pricing	kmclean@agutah.gov
Vermont	*No state-specific instructions*	*No state-specific instructions*	*No state-specific instructions*	*No state-specific instructions*
Virginia	Check payable to "Treasurer of Virginia"	Virginia Treasury Division of Unclaimed Property P.O. Box 2478 Richmond, Virginia 23218-2478	Cover letter stating the name of the payor, the address of the payor, the social security number of the payor, the last known contact information for the payor (including address, telephone number and email address), the loan account number, and the amount due to be refunded to the payor	Vicki Bridgeman Director Division of Unclaimed Property 804-225-3156 Vicki.bridgeman@trs.virginia.gov or William Dadmun Records and Receipts Manager Division of Unclaimed Property 804-225-2547 or James E. Scott Assistant Attorney General Office of the Attorney General (804) 225-4778 Office

				JScott@oag.state.va.us
Washington	Check payable to "State of Washington Attorney General's Office"	Office of the Attorney General Attention: Margaret Farmer, Litigation Support Manager 800 Fifth Avenue Suite 2000 Seattle, Washington 98104	Cover letter stating the identity of the payor, the last known contact information for the payor, and the amount due	Margaret Farmer Office of the Attorney General Litigation Support Manager 206-389-2521 margaretf@atg.wa.gov or Craig Rader Assistant Attorney General 206-442-4482 CraigR1@atg.wa.gov
West Virginia	Check payable to "West Virginia State Treasurer"	West Virginia State Treasurer Unclaimed Property Office 1900 Kanawha Boulevard Capitol Complex Building #1 Room E-145 Charleston, West Virginia 25305	Cover letter requesting that the funds be accepted, stating the amount(s), and stating that the funds are being remitted pursuant to agreement with the West Virginia Attorney General	Steve Jarrell Assistant Attorney General 304-558-8986 steve.r.jarrell@wvago.gov
Wisconsin	Check payable to "Wisconsin Department of Justice"	Wisconsin Department of Justice Consumer Protection and Antitrust Unit 17 West Main Street P.O. Box 7857 Madison, Wisconsin 53707-7857	Cover letter stating the payor's name, last known address, social security number, and date of birth	R. Duane Harlow Assistant Attorney General 608-266-2950 harlowrd@doj.state.wi.us