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DISCOVER FINANCIAL SERVICES

Personal Loan/3 Kinds

#10 cd

pgs: 9

CIRCULAR ENCLOSED:

"10 Simple Steps to Financial Freedom"

It's called the Discover Personal Loan, and we think you'll find it more effective than other debt consolidation tools you've seen before.

What makes the Discover Personal Loan so different? Three things:

FIRST, YOU'LL MAKE A SINGLE FIXED PAYMENT EACH MONTH: No more juggling 3 or more credit card bills—each with its own interest rate, due date, and minimum payment. You'll have just *one* bill to pay each month, which makes it so much easier to plan and budget. Your interest rate is *locked-in* for the life of the loan, so you never have to worry about your payments going up. And best of all, you'll know from the start exactly when your debt will be paid off in full!

SECOND, YOU COULD SAVE MONEY ON INTEREST: When you replace the higher-interest debt on credit cards with the lower-interest rates on a Discover Personal Loan, which start as low as 6.99% APR¹, you could save thousands of dollars on interest over the life of the loan. For example:

Suppose you currently have three credit cards with a total balance of \$15,000 at a 15.00% APR² variable rate and you're paying \$359 a month³ (more than the minimum).

By the time you pay off those credit cards, you'll pay \$6,346 in interest! But with a Discover Personal Loan at the fixed rate of 6.99% APR (if you qualify), you'll pay just \$2,238 in interest!

THIRD, YOU COULD PAY DOWN YOUR DEBT FASTER: Best of all, you could get out of debt sooner with a Discover Personal Loan. To use the example above, it would take you 5 years to pay off your \$15,000 balance by making a payment of \$359 a month. But with a Discover Personal Loan, you can be debt free in just 4 years—even though you're making the exact same monthly payment!

But those aren't the only advantages of a Discover Personal Loan...

You don't have to put up any collateral as you would with a secured bank loan or home equity loan. And if you make your payments on time, you NEVER have to pay any fees⁴ or pre-payment penalties.

You can take advantage of our FREE telephone payments, FREE online payments, and FREE automatic payments. Plus, if you change your mind anytime in the first 30 days⁵—for any reason—you can return the money and not owe a penny more.

Continued on Page 3

How much money can you get?*

You decide! From as little as \$2,500 to as much as \$25,000. We can deposit the money into your checking account. Or, if you prefer, we'll send it directly to your creditors so you never have to touch it. You can even send a portion to your creditors and keep the rest for yourself!

You can take between 36 and 84 months to repay. Our highly-trained loan specialists (all of them based in the U.S.A., by the way) will help you choose a repayment schedule that's right for you.

It takes only 15 minutes to get a decision. Less than an hour to complete the application. And usually just *three* days to get your money in the bank!

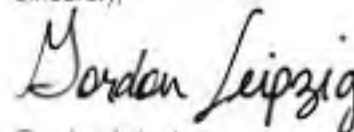
One word of warning, though...

This offer is by invitation only. And the invitation expires within 90 days of receipt. (See your official expiration date on the first page of this letter.) After that date, I cannot guarantee you'll see this offer or these generous terms again. So I urge you to respond right away.

How? Three ways. You can apply online at www.DiscoverPersonalLoans.com/apply. You can call us at 1-800-767-1823 and get a decision in under an hour. Or you can fill out the application on the back of this page, return it by mail, and one of our loan specialists will give you a call.

No matter how you choose to apply, let me be the first to congratulate you. Because you've taken the first step—the *most important one!*—to paying down your higher-interest debt and living a life of financial freedom!

Sincerely,



Gordon Leipzig
Director, Personal Loans

P.S. By far the fastest way to get the money in your hands is to go online and apply today. So please visit DiscoverPersonalLoans.com/apply right away. And please have your personal invitation number (on the front page of this letter) handy when you go online!

PLEASE TURN THE PAGE TO GET STARTED NOW

¹Your APR will be between 6.99% and 18.99% based on creditworthiness at the time of application. See enclosed Important Information and Loan Agreement for rates, fees, and other terms and conditions of this offer.

²www.creditcards.com - National average credit card APR as of 11/13/14

³The estimated calculation assumes that you make fixed monthly payments of \$359 on time, and you do not incur additional balances on the credit cards. Total interest is based upon a fixed APR of 15.00% calculated on the average daily balance on a simple interest basis (added to interest then principal) on the last day of the month. Paying more towards your credit cards will reduce interest paid and the repayment period. Actual results may vary.

⁴We may charge a fee if your payment is late or if you do not have sufficient funds to cover a payment.

⁵If you change your mind in the first 30 days of your loan disbursement, just return the loan proceeds, all amounts advanced to you and act on your behalf. We will not charge you any interest and the loan will be canceled. You must mail your request to cancel in writing, along with a single check for the amount of the loan proceeds (including any amounts paid directly to your creditors) to: Discover Personal Loans, PO Box 30-84, Salt Lake City, UT 84130-0084. The loan proceeds check and request to cancel must be received within 30 days of the date of the disbursement of your loan.

⁶Loan approval is subject to confirmation that your income, debt-to-income ratio, credit history, and application information meet the minimum requirements you listed on the offer.

DISCOVER PERSONAL LOANS

PERSONAL LOAN APPLICATION

Paul [REDACTED]
32 [REDACTED]
East Lansdowne, PA 19050 [REDACTED]

INVITATION NUMBER
7100041208597 - M - 48C - 01 - D102

There Are 3 Ways to Apply:

- Fill out & return this entire page to: Discover Personal Loans, PO Box 5192, Southfield, MI 48086-9907
- Apply online at DiscoverPersonalLoans.com/apply
- Call 1-800-767-1823 And get a decision in 15 minutes! (Finish the application in less than an hour)

1 Choose your loan amount and payment term See reference chart below for estimated monthly payments by loan amount and term*

DESIRED LOAN AMOUNT	DESIRED LOAN TERM (IN MONTHS)	PRIMARY USE OF LOAN
\$ [REDACTED] , [REDACTED] .00 <small>(Maximum \$2,000; minimum \$25,000)</small>	<input type="checkbox"/> 36 <input type="checkbox"/> 48 <input type="checkbox"/> 60 <input type="checkbox"/> 72 <input type="checkbox"/> 84	<input type="checkbox"/> Debt Consolidation <input type="checkbox"/> Other

Estimated payments are for illustration purposes only and assume you pay on time; they are based on 6.99% APR for 36-72 months and 7.99% APR for 84 months. Your APR will be between 6.99% and 18.99% based on creditworthiness at time of application. See enclosed Important Information and Loan Agreement for APRs and loan payments that may apply based on your creditworthiness and duration of loan term.

Loan Amount	36 Months	48 Months	60 Months	72 Months	84 Months
\$5,000	\$99 for 60 months	\$120 for 48 months	\$154 for 36 months		
\$10,000	\$170 for 72 months	\$198 for 60 months	\$239 for 48 months	\$309 for 36 months	
\$15,000	\$256 for 72 months	\$297 for 60 months	\$359 for 48 months	\$463 for 36 months	
\$20,000	\$312 for 84 months	\$341 for 72 months	\$396 for 60 months	\$479 for 48 months	
\$25,000	\$390 for 84 months	\$426 for 72 months	\$495 for 60 months	\$599 for 48 months	

2 Provide your personal information

Are you a: U.S. citizen **OR** Permanent resident
Do you have a: Checking account Yes No
Savings account Yes No

Social Security Number: [REDACTED]
Date of birth (mm/dd/yyyy): [REDACTED]
Mother's maiden name (for security purposes): [REDACTED]
Home phone: [REDACTED]
E-mail address (To receive important Account Servicing information and other Discover offers.): [REDACTED]
Occupation: [REDACTED]
Employer: [REDACTED]
Work phone: [REDACTED]
How much (if any) of your Total Gross Income includes non-taxable income such as Social Security, certain military income, workers' compensation, welfare benefits, disability, or child support payments? \$ [REDACTED]
Years of current employer: [REDACTED]
Gross Annual Household Income* Before taxes, excluding commission, bonus, and overtime: \$ [REDACTED]
Non-taxable Income: \$ [REDACTED]
Primary residence: Own Rent
Monthly housing payment: \$ [REDACTED].00
*You must have a minimum household income of \$25,000 to be considered for a Discover Personal Loan. Among, child support or separate maintenance income need not be disclosed if you do not wish us to consider it as a basis for repayment.

3 List the accounts you'd like us to pay directly

ACCOUNT NUMBER	CREDIT CARD ISSUER	TRANSFER AMOUNT
1 [REDACTED]	[REDACTED]	\$ [REDACTED]
2 [REDACTED]	[REDACTED]	\$ [REDACTED]
3 [REDACTED]	[REDACTED]	\$ [REDACTED]

Upon approval, we can deposit your loan funds directly into your checking or savings account. If you choose to deposit some or all of your loan funds directly into a checking or savings account, please complete:

ABA Routing Number: [REDACTED] Account Number: [REDACTED] Account type: Checking Savings

4 Please read, sign and date

I understand that my loan amount, term and rate will be set after you have reviewed my financial information. I have read and agree to the Important Information enclosed. I certify that I am at least 18 years of age and that the information provided is accurate. By providing my phone numbers, I agree that Discover, its affiliates and agents may call me at these numbers. If this is a cell phone number I agree that Discover may contact me using an automatic dialer, including pre-recorded messages and/or text messages, even if my cell phone provider may charge me for calls according to my current plan.

X
Customer Signature: [REDACTED] Date: [REDACTED]

PRESCREEN & OPT-OUT NOTICE - You were "prescreened" to receive this offer of credit because your credit report indicated you met our criteria. We may not extend credit to you if, after receiving your application, we find that you do not continue to meet any applicable criteria bearing on your creditworthiness established prior to your selection, or if you omit any required information from your application. If you do not want to receive prescreened offers of credit from this and other companies, call the consumer reporting agencies toll-free, (888) 567-8688; visit www.optoutprescreen.com; or write: TransUnion Name Removal, PO Box 505, Woodlyn, PA 19094-0505; Equifax Options, PO Box 740123, Atlanta, GA 30374-0123; Experian Opt-Out, P.O. Box 919, Allen, TX 75013; Innovis Consumer Assistance, PO Box 495, Pittsburgh, PA 15230-0495.

10 SIMPLE STEPS TO FINANCIAL FREEDOM



CIRCULAR

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How to Pay Down Your Debt *FAST...* *And Save Money Doing It!*

MILLIONS OF AMERICANS—even those with excellent credit scores—struggle with revolving debt. It's not unusual for some families to carry balances on 3 or more credit cards, each with its own interest rate, due date, and minimum payment.

Even for people with high incomes and a strong sense of financial responsibility, managing revolving debt can be stressful. Juggling balances across several different cards...making minimum payments on some and higher payments on others...and worrying about when promotional 0% interest rates will expire.

Sound familiar?

If so, you may have wondered if there's anything you can do about it. Fortunately, there is...

Here at Discover we believe credit cards are a convenient and valuable financial tool for any responsible consumer. But we also understand that it's possible to get overextended on credit card debt.

That's why we're pleased to present these 10 simple steps—many of them recommended by expert financial planners—for paying down

your debt quickly and achieving financial freedom:

1. CONSOLIDATE YOUR BILLS: They say that "money makes a good servant, but a lousy master." Which means that if you tell your money where to go, it will work hard to help make you happy, peaceful and secure. But not if you allow your money to tell you where to go.

That's why many financial advisors recommend consolidating your bills into a single payment with an unsecured loan, such as the Discover Personal Loan.

No more juggling multiple due dates and payments. No more worrying about interest rate increases. Instead, you'll pay just one simple bill each month, always for the same amount.

2. TACKLE YOUR HIGHER-INTEREST DEBT FIRST: Paying off your highest-interest debt first is a strategy recommended by many financial experts because it can significantly reduce the total amount of interest you pay until your balance is fully paid off. For example:

[Continued on next page.]

10 SIMPLE STEPS TO FINANCIAL FREEDOM (Continued from page 1)

Suppose you had \$15,000 of debt on three different credit cards at an average of 15.00% APR¹ and you were making total payments of \$359 per month² (more than the minimum). Now suppose you consolidated that credit card debt into a \$15,000 Discover Personal Loan at 6.99% APR¹. You'll still only pay \$359 a month, but over the life of the loan you'll pay \$4,108 less in interest payments. Think of what you could do with an extra four thousand dollars in your pocket!

3. DON'T GET NICKED BY FEES!

Of course, interest payments aren't the only thing you need to worry about when you borrow money. Some lenders nick you with fees. There are application fees, origination fees, even fees for paying off the loan early! But with a Discover Personal Loan, you'll pay zero fees as long as you continue to make your payments on time³.

4. DON'T PUT UP COLLATERAL IF YOU DON'T HAVE TO:

In order to qualify for a home equity loan or a line of credit from the bank, you usually have to put up some kind of collateral. But a Discover Personal Loan is different. It's an "unsecured" loan, which means there is no collateral required. As long as you meet the necessary lending criteria, you can get up to \$25,000 without any collateral.

(Continued on next page...)



RIVERWOODS, IL—Nearly 153,000 men and women were approved for a Discover Personal Loan in 2014. These customers joined nearly 500,000 other Americans who have taken out Discover Personal Loans since the program's inception in 2007. Last year, more than 80,000 people successfully paid off their loans in full.

"The purpose of the Discover Personal Loan is to help people with excellent credit ratings who may be struggling with revolving debt on two or more credit cards," says Gordon Leipzig, Director of Discover Personal Loans for Discover.

By all accounts, the program is enormously successful with high satisfaction ratings and many happy customers. "My loan application was handled quickly with same-day approval," said one recently, "and cut my credit card bills in half."

"My loan application was handled quickly with same day approval and cut my credit card bills in half."

Here's what folks are saying about Discover Personal Loans³:

- My Discover Personal Loan helped me pay down higher-interest debt and get a fresh start. ★★★★★ 4.2
- My Discover Personal Loan was priced competitively compared to other financial offers available to me. ★★★★★ 4.2
- Discover Personal Loan specialists were knowledgeable and able to answer my questions. ★★★★★ 4.5
- Discover Personal Loan specialists were courteous and treated me with respect. ★★★★★ 4.5
- I would consider Discover Financial Services for my future financial needs. ★★★★★ 4.5

A Tale of Two Credit Card Customers



To illustrate the difference between a Discover Personal Loan and revolving credit card debt, let's consider the case of two fictional characters we'll call "Mike" and "Mary."

Each of them carries 3 credit cards with a total balance of \$15,000. Both make payments of \$359 each month² (more than the minimum) because they want to get out of debt as quickly as possible. But Mike and Mary took very different steps to reach their goal.

Mike continued to pay off his credit cards at \$359 a month. But with an average APR of 15.00% variable (typical for credit cards), he never knew when he would be able to pay off his debt. After 5 years, he finally succeeded in becoming debt free. But when all was said and done, he paid \$6,346 in interest on his \$15,000 debt!

Mary took a different approach. She applied for a DISCOVER Personal Loan for \$15,000 at an APR of 6.99%¹. She used the money to pay off all three of her credit card balances immediately. Instead of juggling three credit card bills each month, Mary made just one fixed monthly payment of \$359. Although Mike and Mary continued to make the same monthly payment, Mary got out of debt in just four years and paid only \$2,238 in interest!

"This was the easiest and the fairest loan process that I experienced."

(Continued from previous page)

5. FAVOR FIXED OVER VARIABLE RATES: Many credit cards nowadays offer variable interest rates. It's not uncommon, for example, for a credit card to advertise a 0% promotional interest rate to new customers. When this introductory rate expires, however, the rate can jump much higher.

But a Discover Personal Loan is different. Your interest rate is locked in for the life of the loan. Your rate will never go up. With a Discover Personal Loan, you'll know exactly how much you'll pay each month and exactly when your debt will be paid off!

6. SIMPLIFY YOUR BUDGET: Nearly every financial planner recommends putting your family on a household budget in order to get out of debt. But budgeting can be difficult if you're paying 3 or more credit card bills with different interest rates, different minimum payments, and different due dates.

With a Discover Personal Loan, however, you have one fixed payment each month that makes it easier to build a budget and stick to it. You not only know exactly how much you owe on your loan, but you also know how much "wiggle room" you have to spend on things like recreation, restaurants, and entertainment.

7. TAKE THE TIME YOU NEED TO MAKE THE RIGHT DECISION:

Borrowing money is always a significant decision and you should take the time to make sure it's right for you. That's why the DISCOVER Personal Loan comes with a 30-Day Guarantee. Take up to 30 days to make sure you're comfortable with your decision. If you decide that you'd rather not keep the loan, return the money to us within the 30-day grace period and you won't be charged any interest⁴. Your loan will be canceled with no questions asked and no penalties or fees incurred.

8. TAKE ADVANTAGE OF FREE FINANCIAL TOOLS: To make it even easier to manage your debt, Discover Personal Loans provides a variety of useful tools, including FREE automatic bill payments,

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¹Your APR will be between 6.99% and 18.99% based on creditworthiness at the time of application. See the enclosed Important Information and Loan Agreement for rates, fees, and other terms and conditions of this offer.

LIVING DEBT FREE *and loving it!*

10 SIMPLE STEPS TO FINANCIAL FREEDOM (continued from page 3)

FREE online payments, and FREE phone payments. Plus, when you visit our website www.DiscoverPersonalLoans.com, you'll find informational videos and other helpful advice to help you make paying down your debt as easy and fast as possible.



9. PAY YOUR CREDITORS FIRST

When you're approved for a Discover Personal Loan, you don't even have to touch the money if you don't want to. We can arrange to have it sent directly to your creditors. If you prefer, of course, you can have it deposited into your own bank account. Many of our customers choose to do both. They ask us to send enough

money to their credit card companies to pay down their balances... then deposit the remainder in their bank to use for other purposes.

"Discover was easy to do business with every step of the way."



10. THERE'S NO BETTER TIME TO START THAN NOW!

One thing's for sure about debt: The longer you wait to dig out of it, the deeper you get. Before long you can only afford to make minimum payments and you're looking at 10, 20, even 30 years before you're in the clear.

That's why the Discover Personal Loan is designed to help you take action fast. When you dial 1-800-767-1823, your call will be answered by a highly-trained loan specialist who is qualified to give you a decision on the spot. (All of our specialists are based right here in the U.S.A., by the way.)

It takes only 15 minutes to get a decision on your interest rate and payment terms. It takes less than an hour to complete the application. Then it takes only 72 hours—just three days—to get the money in your bank. The sooner you call, the sooner you'll be on the road to financial freedom.

So please visit
DiscoverPersonalLoans.com/apply
today!

GET THE FAQs

About Discover Personal Loans!

Q. How much money can I borrow?

A. You decide! From as little as \$2,500 all the way up to \$25,000. You can also decide how much time you need to repay, from 36 months to as long as 7 years. With the help of your Discover loan specialist, you'll choose the loan amount, monthly payment, and repayment length that works best for you.

Q. Are there any fees or penalties?

A. Absolutely NONE! Not as long as make your payments on time. There are no origination fees. No application fees. No penalties for early payment⁶.

Q. Can I use the loan for something other than paying down debt?

A. Yes! Although the Discover Personal Loan was designed for debt consolidation, the loan can be used for other purposes. Many of our customers ask us to send a portion of the loan to their creditors to pay down debt... and have the rest deposited in their checking account for other purposes.

Q. How long does it take to be approved and get the money?

A. You can get a decision in as little as 15 minutes. It takes less than an hour to complete the paperwork. And you (or your creditors) will have the money in your hands within 3 days!

Q. What if I get the money and then change my mind?

A. No problem. The Discover Personal Loan comes with a 30-Day Guarantee⁷. Return the money—for any reason—within 30 days and you'll owe nothing.

¹ www.creditcards.com - National credit card average APR as of 11/13/14.

² The estimated calculation assumes that you make fixed monthly payments of \$359 on time and you do not incur additional balances on the credit cards. Total interest is based upon a fixed APR of 15.00% calculated on the average daily balance on a simple interest basis credited to interest then principal, on the last day of the month. Paying more towards your credit cards will reduce interest paid and the repayment period. Actual results may vary.

³ Your APR will be between 6.99% and 18.99% based on creditworthiness at the time of application. See the enclosed Important Information and Loan Agreement for rates, fees, and other terms and conditions of this offer.

⁴ We may charge a fee if your payment is late or if you do not have sufficient funds to cover a payment.

⁵ Based on 2014 cumulative survey feedback from Discover Personal Loan customers.

⁶ If you change your mind in the first 30 days of your loan disbursement, just return the loan proceeds, all amounts advanced to you and on your behalf. We will not charge you any interest and the loan will be canceled. You must mail your request to cancel in writing, along with a single check for the amount of the loan proceeds (including any amounts paid directly to your creditors) to: Discover Personal Loans, PO Box 30954, Salt Lake City, UT 84130-0954. The loan proceeds check and request to cancel must be received within 30 days of the date of the disbursement of your loan.

IMPORTANT INFORMATION

Discover® Personal Loans are made by Discover Bank, Member FDIC.

As used below, 'you' means the applicant; 'we' or 'us' means Discover Bank.

Application Information: Federal law requires that we obtain certain information about you such as date of birth, Social Security Number and street address in order to verify your identity. You authorize us to receive and exchange information about you, including from your employer, your bank, credit bureaus, and others, for purposes of verifying your identity and the information on this application and determining your eligibility for credit and for the review or collection of your loan. Upon your request, we will inform you of the name and address of each consumer reporting agency from which we obtained a consumer report relating to you. **This Offer is Not Transferable, You Must Be At Least 18 Years of Age and You Must Be A U.S. Citizen or Permanent U.S. Resident.**

\$25,000 minimum annual household income required.

You understand that we, after evaluating your application and checking your credit report, may decide not to offer credit to you.

This offer expires on the 'Apply by' date indicated on the front of the offer letter. After this date, the offer is subject to change without notice.

Ohio Residents: The Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

Wisconsin Residents: If you are a married Wisconsin resident, your signature confirms that this loan obligation is being incurred in the interest of your marriage or family, for provision of any marital property agreement (i.e., prenuptial agreement), unilateral statement under Section 766.59 of the Wisconsin Statutes, or court decree under Section 766.70 of the Wisconsin Statutes adversely affects the interest of the Lender unless the Lender, prior to the time that the loan is approved, is furnished with a copy of the marital property agreement, a statement, or a decree or has actual knowledge of the adverse provision. If the loan for which you are applying is granted, you will notify us if you have a spouse who needs to receive notification that credit has been extended to you.

Annual Percentage Rates (APR) range from 6.99% to 18.99% and will be determined based on your creditworthiness and loan term. Loan amounts range from \$2,500 to \$25,000.

Estimated Payments and Finance Charges

\$5,000

APR	72 months		60 months		48 months		36 months	
	Monthly Payment	Finance Charge	Monthly Payment	Finance Charge	Monthly Payment	Finance Charge	Monthly Payment	Finance Charge
6.99%	\$88	\$1,136	\$99	\$939	\$129	\$746	\$154	\$557
10.99%	\$95	\$1,850	\$109	\$1,521	\$129	\$1,202	\$164	\$892
14.99%	\$106	\$2,610	\$119	\$2,135	\$129	\$1,678	\$173	\$1,239
18.99%	\$117	\$3,414	\$130	\$2,781	\$149	\$2,175	\$183	\$1,597

\$10,000

APR	72 months		60 months		48 months		36 months	
	Monthly Payment	Finance Charge	Monthly Payment	Finance Charge	Monthly Payment	Finance Charge	Monthly Payment	Finance Charge
6.99%	\$170	\$2,272	\$198	\$1,876	\$239	\$1,492	\$309	\$1,114
10.99%	\$190	\$3,701	\$217	\$3,042	\$258	\$2,404	\$327	\$1,784
14.99%	\$211	\$5,220	\$236	\$4,271	\$278	\$3,359	\$347	\$2,476
18.99%	\$234	\$6,827	\$259	\$5,561	\$299	\$4,350	\$387	\$3,194

\$15,000

APR	72 months		60 months		48 months		36 months	
	Monthly Payment	Finance Charge	Monthly Payment	Finance Charge	Monthly Payment	Finance Charge	Monthly Payment	Finance Charge
6.99%	\$256	\$3,408	\$297	\$2,817	\$359	\$2,239	\$463	\$1,671
10.99%	\$285	\$5,551	\$326	\$4,564	\$386	\$3,605	\$491	\$2,676
14.99%	\$317	\$7,831	\$357	\$6,406	\$417	\$5,034	\$520	\$3,717
18.99%	\$351	\$10,241	\$389	\$8,342	\$448	\$6,524	\$550	\$4,792

\$20,000

APR	84 months		72 months		60 months		48 months	
	Monthly Payment	Finance Charge	Monthly Payment	Finance Charge	Monthly Payment	Finance Charge	Monthly Payment	Finance Charge
7.99%	\$312	\$6,176	\$351	\$5,241	\$405	\$4,326	\$488	\$3,432
10.99%	\$342	\$8,797	\$381	\$7,402	\$438	\$6,085	\$517	\$4,807
14.99%	\$386	\$12,409	\$423	\$10,441	\$476	\$8,542	\$557	\$6,713
18.99%	\$432	\$16,291	\$467	\$13,654	\$519	\$11,122	\$596	\$8,699

\$25,000

APR	84 months		72 months		60 months		48 months	
	Monthly Payment	Finance Charge	Monthly Payment	Finance Charge	Monthly Payment	Finance Charge	Monthly Payment	Finance Charge
7.99%	\$390	\$7,721	\$438	\$6,551	\$507	\$5,407	\$610	\$4,290
10.99%	\$428	\$10,946	\$478	\$9,252	\$543	\$7,606	\$646	\$6,009
14.99%	\$482	\$15,511	\$528	\$13,051	\$595	\$10,577	\$696	\$8,391
18.99%	\$540	\$20,384	\$584	\$17,068	\$648	\$13,903	\$747	\$10,674

Late Charge: If we do not receive the full amount of any monthly payment by its due date, we will charge you a late fee of \$20.

Further Terms: See your Loan Agreement for any additional information about non-payment, default, any required repayment in full before the scheduled date and prepayment refunds and penalties.

Acceptance of Loan Terms: You accept and agree to all the terms of the loan and the Loan Agreement when you do any of the following:

- (a) provide your verbal agreement to these terms by telephone;
- (b) use or receive the benefit of the loan proceeds; or
- (c) endorse a check or receive the loan proceeds deposited into your account.

Disbursement. If you have indicated that you intend to use the loan for debt consolidation purposes then, at our discretion, we may require you to use all or a portion of the loan funds to pay down your outstanding loan balances with other creditors. If we require or you request that the loan funds be used to pay your creditors directly, you may choose the creditors and the order in which payments are made. It may take up to two weeks for payments to your creditors to be made. Please continue to make payments to those accounts to avoid late fees and finance charges. You agree that any loan funds remaining after payment to your creditors will be disbursed in accordance with your application. If you requested direct deposit of the loan funds, you authorize and agree to have the loan funds deposited directly into your checking/savings account, as indicated on the application.

30-DAY GUARANTEE: If you return the loan proceeds (all amounts advanced to you or on your behalf) within 30 days of the date of disbursement of your loan, we will not charge you any interest or origination fees (if applicable) and your loan will be cancelled. You must submit your request to cancel to us in writing, along with a single check for the amount of the loan proceeds (including any amounts paid directly to your creditors), and mail it to: **Discover Personal Loans, PO Box 30954, Salt Lake City, UT 84130-0954** (or such other address as we shall subsequently provide you). We must receive this request to cancel and the loan proceeds within 30 days of the date of disbursement of your loan.

LOAN AGREEMENT

PROMISE TO PAY: You agree to the terms of this Loan Agreement and promise to pay to Discover Bank ("us" or "we" or "our") the Principal Amount Advanced (the Amount Financed) with interest at the Interest Rate disclosed with the Truth in Lending Disclosure Statement. Interest will begin to accrue on the entire Principal Amount Advanced from the date of the first disbursement and will continue to accrue on the unpaid balance of the principal amount until you have repaid all of the Principal Amount Advanced. The method used to calculate interest is

Simple Interest: Simple interest is calculated daily by dividing the Loan Interest Rate by 365 and multiplying that by the Unpaid Principal Amount. This is the Daily Interest charged. Interest charged for any billing period is calculated by adding the Daily interest charged for the days in that billing period. The payment schedule is estimated on the Truth in Lending Disclosure Statement. You will make consecutive monthly payments in the amounts and in accordance with the due dates shown on the monthly billing statements or coupons that you will receive. You are obligated to pay the monthly payments by the due date even if you do not receive a billing statement or coupon. In the event you do not receive a billing statement or coupon, you may contact us to obtain your payment information by calling 1-877-258-2633 (or such other telephone number as we may subsequently provide to you).

Each Scheduled Payment (minimum payment due each month) will be applied, first to any unpaid fees and charges (other than Late Fees), then to accrued and unpaid interest, then to the unpaid balance of the Principal Amount Advanced, then to any unpaid Late Fees. The Finance Charge (the total interest you pay) and Total of Payments (the total interest and principal you pay) described on the Truth in Lending Disclosure Statement are based on the assumption that you will make every payment on the day it is due for the defined term of the loan. Any payment that exceeds the Scheduled Payment will be applied first to any unpaid Late Fees, then to any unpaid fees and charges (other than Late Fees), then to accrued and unpaid interest, then to the unpaid balance of the Principal Amount Advanced. Your final payment may be larger or smaller, depending on whether you have made payments late or early. If payments are received late, your final payment may be larger, or if payments are received early, your final payment may be smaller. If you requested that your due date be on a particular day of the month, or delay in notifying us of your acceptance of your loan, it may increase or decrease the length of your first billing period. A longer first billing period will result in increased finance charges and will increase the amount of your monthly payments. A shorter first billing period will result in decreased finance charges and a smaller final payment. You agree to pay all amounts then outstanding with your final payment; however, the number of payments will be increased, if necessary, so that the amount of the final payment will not be more than twice the amount of the previous payment. Any portion of the outstanding balance that remains unpaid after maturity will bear interest.

We can accept late payments, partial payments, or checks and money orders marked "payment in full", or with any other restrictive endorsement, without losing any of our rights under this Loan Agreement.

DISBURSEMENT: The proceeds of your loan will be disbursed in accordance with the instructions you have provided. If we reasonably conclude that we will not be able to disburse some or all of the proceeds of your loan in accordance with your instructions, then at our sole discretion we may either issue a check to you or credit your loan account for the amount that we were unable to disburse as you requested.

PREPAYMENT: You may prepay all or part of your loan at any time without penalty.

LATE FEE: Unless otherwise prohibited by applicable law, if we do not receive the full amount of any monthly payment by its due date, you will pay a Late Fee of \$39.

RETURNED PAYMENT FEE: We will charge you a Returned Payment Fee of \$29 each time you pay us with a check or other instrument that is returned unpaid. This fee will also apply if a debit transaction to a deposit account from which you have authorized us in writing, electronically, or orally to deduct all or a part of an amount you owe us under this Agreement is returned unpaid. We will charge you this fee the first time any payment is returned unpaid, even if it is paid upon resubmission.

DEFAULT—ACCELERATION—COLLECTION COSTS: You will be in default if we do not receive the full amount of any monthly payment by its due date or if we reasonably believe that you are unable or unwilling to pay. If you are in default, we can demand upon notice the immediate payment of your outstanding Loan balance. In addition, a negative credit report reflecting on your credit record may be submitted to one or more credit reporting agencies. If you are in default on this loan, you will also be considered to be in default on any other Discover card or loan account you have with us. We can accept late payments or partial payments, or delay enforcing or not enforce any of our rights under this Loan Agreement without losing or waiving them. If we refer the collection of your loan to an attorney or employ an attorney to represent us with regard to recovery of money that you owe us, we may charge you reasonable attorneys' fees and court or other collection costs as permitted by law and as actually incurred by us, including fees and cost in connection with any appeal.

PRIVACY: Our Privacy Policy includes a summary of the personal information we collect, when it may be shared with others, how we safeguard the confidentiality and security of information and the steps you may take to limit our sharing of such information with others.

OUR COMMUNICATION WITH YOU: You agree that we (and our affiliates, agents, and contractors) may monitor or record any calls between you and us. If we need to contact you in

service your account or to collect amounts you owe to us, you authorize us (and our affiliates, agents and contractors) to contact you at any number (i) you have provided to us, (ii) from which you called us, or (iii) which we obtained and believe we can reach you at. We may contact you in any way, such as calling, texting or email. We may contact you using an automated dialer or using pre-recorded messages. We may contact you on a mobile, wireless, or similar device, even if you are charged for it by your provider.

NOTICES TO US: You must give certain notices to us in writing. If you change your address, you must notify us of your new address in writing within 15 days. Any communications with us required or permitted under the Federal Bankruptcy Code must be in writing, must include your account number, and must be sent to **Discover® Personal Loans, PO Box 30954, Salt Lake City, UT 84130-0954** (or such other address as we shall subsequently provide to you).

ASSIGNMENT OF LOAN: We may sell, assign or transfer your loan or any portion thereof without notice to you.

CLAIM NOTICES: In the event that you or we have a claim that arises from or relates to your loan, any prior account you had with us, your application, the relationships which result from your loan or the enforceability of the Loan Agreement or any prior agreement, before initiating, joining or participating in any judicial or arbitration proceeding, as either an individual legator or member of a class ("Proceeding"), the complaining party shall give the other party: (1) a written notice of the claim ("Claim Notice"), at least 15 days before initiating any Proceeding, explaining in reasonable detail the nature of the claim and any supporting facts; and (2) a reasonable good faith opportunity to resolve the claim without the necessity of a Proceeding. This includes any claims involving our parent corporation, subsidiaries, affiliates (including, without limitation, Discover Financial Services and DB Servicing Corporation), predecessors, successors, assigns, as well as the officers, directors and employees of each of these entities. Any Claim Notice shall be sent to us at **Discover® Personal Loans, PO Box 30954, Salt Lake City, UT 84130-0954** (or such other address as we shall subsequently provide to you) or to you at your address appearing in our records or, if you are represented by counsel, to your attorney at your attorney's office.

ARBITRATION

Agreement to arbitrate. In the event of a dispute between you and us arising under or relating to this Account, either may choose to resolve the dispute by binding arbitration, as described below, instead of in court. Any claim (except for a claim challenging the validity or enforceability of this arbitration agreement, including the Class Action Waiver) may be

resolved by binding arbitration if either side requests it. THIS MEANS IF EITHER YOU OR WE CHOOSE ARBITRATION, NEITHER PARTY SHALL HAVE THE RIGHT TO LITIGATE SUCH CLAIM IN COURT OR TO HAVE A JURY TRIAL. ALSO DISCOVERY AND APPEAL RIGHTS ARE LIMITED IN ARBITRATION.

CLASS ACTION WAIVER. ARBITRATION MUST BE ON AN INDIVIDUAL BASIS. THIS MEANS NEITHER YOU NOR WE MAY JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION BY OR AGAINST OTHER ACCOUNTHOLDERS, OR LITIGATE IN COURT OR ARBITRATE ANY CLAIMS AS A REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.

Only a court, and not an arbitrator, shall determine the validity and effect of the Class Action Waiver. Even if all parties have opted to litigate a claim in court, you or we may elect arbitration with respect to any claim made by a new party or any new claims later asserted in that lawsuit.

Your Right to Go To Small Claims Court. We will not choose to arbitrate any claim you bring in small claims court. However, if such a claim is transferred, removed or appealed to a different court, we may then choose to arbitrate.

Governing Law and Rules. This arbitration agreement is governed by the Federal Arbitration Act ("FAA"). Arbitration must proceed only with the American Arbitration Association ("AAA") or JAMS. The rules for the arbitration will be those in this arbitration agreement and the procedures of the chosen arbitration organization, but the rules in this arbitration agreement will be followed if there is disagreement between the agreement and the organization's procedures. If the organization's procedures change after the claim is filed, the procedures in effect when the claim was filed will apply. For a copy of each organization's procedures, to file a claim or for other information, please contact:

• AAA at 1101 Laurel Oak Rd., Voorhees, NJ 08043, www.adr.org (phone: 1-877-495-4185) or

• JAMS at 620 Eighth Ave., Floor 34, New York, NY 10018, www.jamsadr.com (phone: 1-800-352-5267).

If both AAA and JAMS are completely unavailable, and if you and we cannot agree on a substitute, then either you or we may request that a court appoint a substitute.

Fees and Costs. If you wish to begin arbitration against us but you cannot afford to pay the organization's or arbitrator's costs, we will pay these costs if you ask us in writing. Any request like this should be sent to Discover Bank, PO Box 30416, Salt Lake City, UT 84130. If you also file arbitration, the arbitrator

will decide whether you must reimburse us for money we advanced for you for the arbitration. If you win the arbitration, we will not ask for reimbursement of money we advanced.

Hearings and Decisions. Arbitration hearings will take place in the federal judicial district where you live. A single arbitrator will be appointed.

The arbitrator must:

• Follow all applicable substantive law, except when contradicted by the FAA;

• Follow applicable statutes of limitations;

• Honor valid claims of privilege;

• Issue a written decision including the reasons for the award.

The arbitrator's decision will be final and binding except for any review allowed by the FAA. However, if more than \$100,000 was genuinely in dispute, then either you or we may choose to appeal to a new panel of three arbitrators. The appellate panel is completely free to accept or reject the entire original award or any part of it. The appeal must be filed with the arbitration organization not later than 30 days after the original award issues. The appealing party pays all appellate costs unless the appellate panel determines otherwise as part of its award.

Any arbitration award may be enforced (such as through a judgment) in any court with jurisdiction.

Other Beneficiaries of this Provision. In addition to you and us, the rights and duties described in this arbitration agreement apply to: our affiliates and our and their officers, directors and employees; any third party co-defendant of a claim subject to this arbitration provision; and all joint Accountholders your Account(s).

Survival of this Provision. This arbitration provision shall survive:

• closing of your Account;

• any legal proceedings to collect money you owe;

• any bankruptcy by you; and

• any sale by us of your Account.

You Have the Right to Reject Arbitration for this Account.

You may reject the arbitration agreement but only if we receive from you a written notice of rejection within 30 days of your receipt of this Agreement. You must send the notice of rejection to: Discover Bank, PO Box 30116, Salt Lake City, UT 84130. Your rejection notice must include your name, address, phone number, Account number and personal signature. No one else may sign the rejection notice for you. Your rejection notice also must not be sent with any

other correspondence. Rejection of arbitration will not affect your other rights or responsibilities under this Agreement. If you reject arbitration, neither you nor we will be subject to the arbitration provisions for this Account.

CREDIT REPORTS: You authorize us to obtain your credit report at any time before your Loan is repaid in full. If you ask, we will tell you whether one was obtained and the name and address of the credit bureau that was used.

GOVERNING LAW: This Loan Agreement and any claim or dispute arising out of this Loan Agreement will be governed by applicable federal law and, to the extent state law applies, Delaware law.

We may report information about your loan to credit bureaus. Late payments, missed payments or other defaults on your loan may be reflected on your credit report. If you believe that specific information that we have reported about your loan is inaccurate, notify us at Discover Personal Loans, PO Box 30954, Salt Lake City, UT 84130-0954 (or such other address as we shall subsequently provide to you).

STATE-SPECIFIC PROVISIONS:

California Residents: A married applicant may apply for a separate account.

California and Utah Residents: As required by law, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a consumer credit reporting agency if you fail to perform the terms of your credit obligations.

Iowa and Kansas Residents: NOTICE TO CONSUMER:

(1) Do not enter into this Loan Agreement before you read it.

(2) You are entitled to a copy of this Loan Agreement. (3) You may prepay the unpaid balance at any time without penalty and may be entitled to receive a refund of unearned finance charges in accordance with law.

Maryland Residents: We elect Subtitle 10, Credit Grantor Closed-End Credit Provision to Title 12 of the Commercial Law Article of the Annotated Code of Maryland, to govern this Loan Agreement, only to the extent not inconsistent with 12 U.S.C. §1631d and related regulations and opinions.

Missouri Residents: Oral agreements or commitments to loan money, extend credit, or to forbear from enforcing repayment of a debt, including promises to extend or renew such debts, are not enforceable. To protect you (borrower(s)) and us (creditor) from misunderstanding or disappointment, any agreements we reach covering such matters are contained in this writing, which is the complete and exclusive statement of

the agreement between us, except as we may later agree in writing to modify it.

New Hampshire Residents: If we refer this Loan Agreement to an attorney for collection, you agree to pay our reasonable attorneys' fees. However, if you prevail in (1) any action, suit, or proceeding we bring, or (2) an action brought by you in connection with this Loan Agreement, or (3) if you successfully assert a partial defense or setoff, recoupment, or counterclaim to an action brought by us, the court may withhold from us the entire amount or such portion of the attorneys' fees as the court considers equitable.

New York and Vermont Residents: A consumer credit report may be ordered on you in connection with your application for credit. If you ask, we will tell you whether or not one was ordered and if one was, the name and address of the consumer credit reporting agency that provided it. Subsequent consumer credit reports may be requested or used in connection with an update, renewal, or extension of the credit applied for without further notice to you.

Ohio Residents: The Ohio laws against discrimination require that all creditors make credit equally available to all credit-worthy customers and that consumer credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

Texas Residents: You give up (waive) your common law rights to receive notice of intent to accelerate and notice of acceleration. This means that you give up the right to receive notice that we intend to demand that you pay all that you owe on the contract at once (accelerate) and notice that we have accelerated.

This written Loan Agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

West Virginia Residents: Any provision in this Loan Agreement authorizing the holder of this Loan Agreement to collect attorneys' fees in the event of a default are void if the party being sued for collection is a resident of the State of West Virginia.

Wisconsin Residents: If you are a married Wisconsin resident, your signature confirms that this loan obligation is being incurred in the interest of your marriage or family. No provision of any marital property agreement (i.e., premarital agreement), unilateral statement under Section 766.59 of the Wisconsin Statutes, or court decree under Section 766.70

of the Wisconsin Statutes adversely affects the interest of the Lender unless the Lender, prior to the time that the loan is approved, is furnished with a copy of the marital property agreement, a statement, or a decree or has actual knowledge of the adverse provision. If the loan for which you are applying is granted, you will notify us if you have a spouse who may receive notification that credit has been extended to you.

Notwithstanding the provisions of the paragraphs marked "DEFAULT—ACCELERATION—COLLECTION COSTS" to the contrary, you will be in default hereunder only (1) if the interval between scheduled payments is 2 months or less; and you permit to be outstanding an amount exceeding one full payment that has remained unpaid for more than 10 days after its scheduled due date or deferred due date, or you fail to pay the first payment or the last payment within 40 days of its scheduled due date; or (2) if the interval between scheduled payments is more than 2 months, you permit to be outstanding all or any part of one scheduled payment that has remained unpaid for more than 60 days after its scheduled due date or deferred due date. You will also be in default if you fail to observe any other provision of this Loan Agreement, the breach of which materially impairs your ability to pay the amounts due under the Loan Agreement.

30-DAY GUARANTEE: If you return the loan proceeds (all amounts advanced to you or on your behalf) within 30 days of the date of disbursement of your loan, we will not charge you any interest or origination fees (if applicable) and your loan will be cancelled. You must submit your request to cancel to us in writing, along with a single check for the amount of the loan proceeds, and mail it to: Discover Personal Loans, PO Box 30954, Salt Lake City, UT 84130-0954 (or such other address as we shall subsequently provide you). We must receive the request to cancel and the loan proceeds within 30 of the date of disbursement of your loan.