

First PREMIER Bank and South Dakota Freedom Scholarship Board

Account Servicing Agreement

This agreement is hereby made and entered into this ____ day of October 2023, by and between South Dakota Freedom Scholarship Board, and First PREMIER Bank, located at 500 S. Minnesota Ave., Sioux Falls, SD 57104 (the “Bank”).

The term of this Agreement is three years beginning November 1, 2023.

First PREMIER Bank (Bank) shall be responsible for providing the following services under this agreement:

1. Process and service all scholar account debts submitted by the Freedom Scholarship Program Manager. Bank will provide a secure system for transmitting applicable scholar information.
2. Mail welcome letter on First PREMIER Bank letterhead within 10 days of receiving scholarship recipient information.
3. Calculate a current amortization schedule, as necessary, for repayment of each scholar account debt based upon the following information provided by the Freedom Scholarship Program Manager.
 - a. Account origination date.
 - b. Amount of each debt.
 - c. Interest rate of each debt.
 - d. Account repayment period or term.
4. Provide scholars periodic account statements as well as free online/mobile account access.
5. Process all principal, interest, and late fee payments if any received from Freedom Scholarship account holders.
 - a. Payment options include ACH, Online, or Check.
 - b. Bank may assess and collect late fees and mail corresponding late notices as applicable.
 - c. Bank may assess and collect non-sufficient funds (NSF) charges as applicable.
6. All charges collected from returned items or non-sufficient funds transactions will be retained by the Bank.
7. Proactively call account holders as necessary to ensure statements/notices are being received. Skip-tracing may be utilized in this process.
8. Establish process and documentation for handling payment extensions or special handling of early problem accounts.
9. Bank will inform Freedom Scholarship when an account is 150 days delinquent. Bank to provide debt detail and scholar contact information to Freedom Scholarship Program Manager . Timeframe for transferring delinquent accounts to third party collection agency subject to change as determined by Freedom Scholarship Board.
10. Bank will provide twice annual deposits of payments (principal, interest, and late fees) received into an agreed upon depository account held at South Dakota Community

Foundation for the benefit of Freedom Scholarship Board in June or December each year.

11. Provide the Freedom Scholarship Program Manager with an account specialist(s) responsible for processing all contracts, resolving problem accounts, and handling inbound/outbound calling efforts.
12. Provide the Freedom Scholarship Program Manager with monthly or periodic portfolio management status report including all outstanding Freedom Scholarship account balances and delinquencies.
13. Bank will issue to scholars:
 - a. periodic statements by mail and
 - b. year-end interest statements by mail
14. Bank will send a close out letter to signify the end of the loan and provide that same information to Freedom Scholarship Program Manager.

Freedom Scholarship shall be responsible providing the following services under this agreement:

1. Provide required documentation to Bank for completion of repayment conversions for scholarship recipients in the educational and employment phases of the Freedom Scholarship Program.
2. Provide guidance/information to First PREMIER regarding action, whether pending or final, concerning a scholarship recipient's status in repayment.
3. Maintain full documentary files regarding students (and their student agreements) until scholars have either completed the Freedom Scholarship Program employment phase or, if it has become a repayment conversion account, until the account has been paid back in full or formally charged off by the Bank or Freedom Scholarship Board.
4. Authorize the Freedom Program Manager to communicate with Bank and scholars regarding this agreement and the information and decisions made hereunder.

I.

First PREMIER Bank does not assume any obligations or liability of Freedom Scholarship or with regard to this program. Bank agrees to indemnify and hold Freedom Scholarship harmless from and against any expense or liability, including reasonable attorney's fees, arising from third party claims made against Freedom Scholarship solely as the result of Bank's negligence, gross negligence, or willful misconduct when performing any of the Bank's services under this Agreement.

II.

Freedom Scholarship does not assume any obligations or liability of First PREMIER Bank with regard to this program.

III.

All instruments and debts serviced by Bank will be originated under the laws of the State of South Dakota and will conform to all applicable laws and regulations.

IV.

Bank will provide the services specified in this agreement for accounts originated until each note has been satisfied.

V.

The parties agree that Bank will charge Freedom Scholarship \$100 per account, per year, for services rendered under this agreement.

In Witness Whereof, the parties signify their agreement effective the date above first written by the signatures affixed below.

**SOUTH DAKOTA FREEDOM
SCHOLARSHIP BOARD**

FIRST PREMIER BANK

BY: _____
Elli Haerter, Program Manager
South Dakota Freedom Scholarship

BY: _____
Darrell Schmith
First PREMIER Bank, Sioux Falls, SD

Date: _____

Date: _____