

# Instructions for Completing Direct Consolidation Loan Application and Promissory Note

Form Approved  
OMB No. [REDACTED] 0053  
Exp. Date 04/30/2019

## BEFORE YOU BEGIN

Gather all of your education loan records, account statements, and bills so that you will have all the information needed to complete the Direct Consolidation Loan Application and Promissory Note (Note).

Print using a blue or black ballpoint pen. Enter dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: June 1, 2017 = 06-01-2017.

Some of the items in the **Borrower Information**, **Loans You Want to Consolidate**, and **Loans You Do Not Want to Consolidate** sections may have been completed for you. If so, review these items carefully to make sure the information is correct. Cross out any information that is incorrect and enter the correct information. Put your initials next to any information that you change.

**Incorrect or incomplete information may delay processing.**

## BORROWER INFORMATION

**Item 1.** Enter your last name, then your first name and middle initial.

**Item 2:** Enter any former names (such as a maiden name) under which one or more of your loans may have been made. If none, enter N/A.

**Item 3:** Enter your nine-digit Social Security Number.

**Item 4:** Enter your date of birth.

**Item 5:** Enter your permanent address (number, street, apartment number, or rural route number and box number, then city, state, and zip code). If your mailing address is a post office box or general delivery, you must list **both** your permanent address and your mailing address. If you do not have a permanent street address or rural route number and box number, provide the physical location of your residence.

**Item 6:** Enter the area code and telephone number at which you can most easily be reached. (Do not list your work telephone number here.) If you do not have a telephone, enter N/A.

**Item 7 (optional):** Enter your preferred email address for receiving communications. You are not required to provide this information. If you do, we may use your email address to communicate with you. If you do not have an email address or do not wish to provide one, enter N/A.

**Item 8:** Enter the two-letter abbreviation for the state that issued your driver's license, followed by your driver's license number. If you do not have a driver's license, enter N/A.

**Item 9:** Enter your employer's name and address (street, city, state, zip code). If you are self-employed, enter the name and address of your business. If you are not employed, enter N/A.

**Item 10:** Enter your work area code and telephone number. If you are self-employed, enter the area code and telephone number of your business.

## REFERENCE INFORMATION

**Items 11 and 12:** Enter the requested information for two adults with different U.S. addresses who do not live with you and who have known you for at least three years. References who live outside the United States are not acceptable. If a reference does not have a telephone number or email address, or does not wish to provide an email address, enter N/A. If you provide an email address for a reference, we may use it to communicate with the reference.

## LOANS YOU WANT TO CONSOLIDATE

This section asks for information about your federal education loans that you want to consolidate. If you need more space to list loans, use the **Additional Loan Listing Sheet** included with your Note. To find the information you will need to provide for each loan you list in this section, you can look at the last monthly billing statement you received, your quarterly interest statement or annual statement, your coupon book, or the Internet site of your loan holder

or servicer. You may also obtain information about your loans by accessing the National Student Loan Data System (NSLDS) at [www.nsls.ed.gov](http://www.nsls.ed.gov).

**Items 13-16:** Enter the requested information for all of your federal education loans that you want to consolidate, including any Direct Loans that you want to consolidate.

**Item 13:** Enter the code that corresponds to the loan type from the list of loan types and their codes in these instructions. If you are not sure about the loan type, leave this item blank. Loan types not included in the list are not eligible for consolidation.

**Item 14:** Enter the full name and mailing address of the loan holder or the loan holder's servicer (this is the address to which you must send your payments). You must provide at least the name, city, and state of the loan holder or servicer.

**Item 15:** Enter the account number for each loan (the number should be on your statement or in your payment book). If you cannot find the account number, leave this item blank.

**Item 16:** Enter the estimated amount needed to pay off the loan, including any unpaid interest, late fees, and collection costs.

**Item 17:** If you are in your grace period on any of the loans you wish to consolidate and you want to delay processing of your Direct Consolidation Loan application until you have completed your grace period, enter the month and year of your expected grace period end date. If you provide this information, processing of your Direct Consolidation Loan application will be delayed until approximately 30-60 days before the end of your grace period, and your consolidation loan will not enter repayment until after your grace period ends. If you leave Item 17 blank or if you are not consolidating any loans that are in a grace period, processing of your consolidation loan application will begin as soon as we receive your completed Note and any other required documents. Any loans listed in the **Loans You Want to Consolidate** section that are in a grace period will enter repayment immediately upon consolidation. You will then lose the remaining portion of the grace period on those loans.

## LOANS YOU DO NOT WANT TO CONSOLIDATE

This section asks for information about your education loans that you are not consolidating, but want to have considered when we determine your maximum repayment period. If you need more space to list loans, use the **Additional Loan Listing Sheet** included with your Note. To find the information you will need to provide for each loan you list in this section, see the instructions for the **Loans You Want to Consolidate** section.

**Items 18-21:** Enter the requested information for all of your education loans that you do not want to consolidate or that are not eligible for consolidation, but that you want considered when we determine the maximum repayment period for your Direct Consolidation Loan.

**Item 18:** Follow the instructions for Item 13.

**Item 19:** Follow the instructions for Item 14.

**Item 20:** Follow the instructions for Item 15.

**Item 21:** Enter the current balance for each loan. Use the amount on your last statement or enter an approximate amount.

## REPAYMENT PLAN SELECTION

See the instructions in this section of the Note.

## BORROWER UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATIONS

**Items 22-24:** Carefully read these items.

## Instructions for Completing Federal Direct Consolidation Loan Application and Promissory Note (continued)

### PROMISE TO PAY

**This is a legally binding contract.**

**Items 25-29:** Carefully read these items and the entire Note including the **Borrower Understandings, Certifications, and Authorizations** section the **Note Terms and Conditions** section and the **Borrower's Rights and Responsibilities Statement** on pages 10-17

**Item 30:** Sign and date the Note. If you do not sign the Note, your application cannot be processed.

### FINAL NOTES

Review all the information on your Note. When you have completed the form, make a copy for your records and mail the original pages 1, 2, 3, 4, and 5 to us in the envelope provided, along with the completed form(s) identified in the **Repayment Plan Selection** section and any required additional forms or documentation. If you do not have the envelope we provided, mail the Note to the address shown below.

As soon as we receive your completed Note and supporting documents, we will begin processing your application (unless you have entered your expected grace period end date in item 17 of the **Loans You Want to Consolidate** section). During this time, we might contact you with questions. In the meantime, if you currently are required to make payments on your loans, continue to do so. You will need to continue making payments until you receive written notification that your loans have been successfully consolidated and it is time to start paying your Direct Consolidation Loan. If you are having difficulty making payments on your loans, contact your loan holder or servicer at the correspondence address or telephone number on your current loan statements to find out ways you might be able to postpone loan payments; you should ask specifically about your "deferment" and "forbearance" options.

**IMPORTANT:** We will send you a notice before we pay off your loans. This notice will

1. Provide you with information about the loans and payoff amounts that we have verified with your loan holder(s) or through NSLDS, and
2. Tell you the deadline by which you must notify us if you want to cancel the Direct Consolidation Loan, or if you do not want to consolidate one or more of the loans listed in the notice.

The notice that we send will include information about the loans you listed in the **Loans You Want to Consolidate** section. If you have additional loans that are with a holder of a loan listed in the **Loans You Want to Consolidate** section, but you did not list those loans in that section, the notice may also include information about those additional loans. For example, if you have two Subsidized Federal Stafford Loans with Loan Holder A, but you listed only one of these loans in the **Loans You Want to Consolidate** section, the notice that we send may include information about both of your Subsidized Federal Stafford Loans that are with Loan Holder A.

**You must inform us by the deadline specified in the notice if you do not want all of the loans listed in the notice to be consolidated.**

The notice may also include information about loans you listed in the **Loans You Do Not Want to Consolidate** section, but these loans will **not** be consolidated.

### LOAN TYPES AND THEIR CODES

Code	Loan Type
A	Subsidized Federal Stafford Loans
B	Guaranteed Student Loans (GSL)
C	Federal Insured Student Loans (FSL)
D	Direct Subsidized Loans
E	Direct Subsidized Consolidation Loans
F	Federal Perkins Loans
G	Unsubsidized Federal Stafford Loans (including Nonsubsidized Stafford Loans)
H	Federal Supplemental Loans for Students (SLS)
I	Direct PLUS Loans for Graduate/Professional Students
J	Unsubsidized Federal Consolidation Loans
K	Direct Unsubsidized Consolidation Loans
L	Direct Unsubsidized Loans
M	National Direct Student Loans (NDSL)
N	National Defense Student Loans (NDSL)
O	Subsidized Federal Consolidation Loans
P	Auxiliary Loans to Assist Students (ALAS)
Q	Health Professions Student Loans (HPSL)
R	Health Education Assistance Loans (HEAL)
S	Federal PLUS Loans for Graduate/Professional Students
T	Federal PLUS Loans for Parents
U	Direct PLUS Loans for Parents
V	Direct PLUS Consolidation Loans
Y	Nursing Student Loans (NSL) and Nurse Faculty Loans
Z	Loans for Disadvantaged Students (LDS)
W	Education loans ineligible for consolidation
0	Direct Subsidized Loans (Subsidy Loss Eligible)
9	Direct Subsidized Consolidation Loans (Subsidy Loss Eligible)

### WHERE TO SEND YOUR COMPLETED DIRECT CONSOLIDATION LOAN APPLICATION AND PROMISSORY NOTE

Mail pages 1, 2, 3, 4, and 5 of your completed Note and any other required forms (see Final Notes, above) to the following address:

c/o Aidvantage LCP - E1140  
PO Box 8008  
Fishers  
IN, 46038-8008

For help completing this form, call 1-800-722-1300

For the hearing impaired, the TDD number is



**Direct Consolidation Loan Application and Promissory Note**  
**William D. Ford Federal Direct Loan Program**

OMB No. [REDACTED] 0053  
 Form Approved  
 Exp. Date 04/30/2019

**WARNING:** Any person who knowingly makes a false statement or misrepresentation on this form or any accompanying document is subject to penalties that may include fines imprisonment or both under the U.S. Criminal Code and 20 U.S.C. 1097

**BEFORE YOU BEGIN**

Read the instructions for Completing the Direct Consolidation Loan Application and Promissory Note ("instructions")

**NOTE: PAGES 1 THROUGH 5 MUST BE SUBMITTED FOR YOUR LOAN APPLICATION TO BE PROCESSED.**

**BORROWER INFORMATION**

1. Last Name: H [REDACTED] First Name: S [REDACTED] Middle initial: [REDACTED]
2. Former Name(s): S [REDACTED] H [REDACTED]
3. Social Security Number: [REDACTED]
4. Date of Birth: [REDACTED]
5. Permanent Address (Street City State Zip Code) (if P.O. box or general delivery see instructions):  
[REDACTED]
6. Area Code/Telephone Number: [REDACTED]
7. Email Address (optional): [REDACTED]
8. Driver's License State and Number: [REDACTED]
9. Employer's Name and Address (Street City State Zip Code):  
[REDACTED]
10. Work Area Code/Telephone Number: \_\_\_\_\_

**REFERENCE INFORMATION**

List two persons with different U.S. addresses who do not live with you and who have known you for at least three years

11. Last Name: [REDACTED] First Name: [REDACTED] Middle initial: \_\_\_\_\_  
 Permanent Address (Street City State Zip Code):  
[REDACTED]  
 Email Address (optional): \_\_\_\_\_  
 Area Code/Telephone Number: [REDACTED]  
 Relationship to You: [REDACTED]
12. Last Name: [REDACTED] First Name: [REDACTED] Middle initial: [REDACTED]  
 Permanent Address (Street City State Zip Code):  
[REDACTED]  
 Email Address (optional): \_\_\_\_\_  
 Area Code/Telephone Number: [REDACTED]  
 Relationship to You: [REDACTED]



**LOANS YOU DO NOT WANT TO CONSOLIDATE**

**READ THE INSTRUCTIONS BEFORE COMPLETING THIS SECTION.** List all education loans that you are **not** consolidating but want us to consider when we calculate the maximum repayment period for your Direct Consolidation Loan (see item 11 of the Borrower's Rights and Responsibilities Statement that accompanies this Note) Remember to include any Direct Loan Program loans that you do not want to consolidate if you need more space to list loans use the Additional Loan Listing Sheet included with this Note List each loan separately

We will send you a notice before we consolidate your loans This notice will (1) provide you with information about the loans and payoff amounts that we have verified and (2) tell you the deadline by which you must notify us if you want to cancel the Direct Consolidation Loan or if you do not want to consolidate one or more of the loans listed in the notice The notice may also include information about any loans you listed in this section but these loans listed will **not** be consolidated **SEE THE INSTRUCTIONS FOR MORE INFORMATION ABOUT THE NOTICE WE WILL SEND.**

**IN THIS SECTION, LIST ONLY LOANS THAT YOU DO NOT WANT TO CONSOLIDATE**

18. Loan Code (see instructions)	19. Loan Holder/Servicer Name Address and Area Code/Telephone Number (see instructions)	20. Loan Account Number	21. Current Balance

**REPAYMENT PLAN SELECTION**

To understand your repayment plan options carefully read the repayment plan information in item 11 of the **Borrower's Rights and Responsibilities Statement** that accompanies this Note and in any supplemental materials you receive with this Note Then select a repayment plan for your Direct Consolidation Loan

- To select the Standard Repayment Plan the Graduated Repayment Plan or the Extended Repayment Plan complete the **Repayment Plan Selection** form that accompanies this Note
- To select the Revised Pay As You Earn Repayment Plan (REPAYE Plan) the Pay As You Earn Repayment Plan (PAYE Plan) the Income Based Repayment Plan (BR Plan) or the Income Contingent Repayment Plan (ICR Plan) complete the Income Driven Repayment Plan Request form that accompanies this Note or visit [StudentLoans.gov](http://StudentLoans.gov) to complete the Income Driven Repayment Plan Request online

**NOTE:** You **must** select the REPAYE Plan the PAYE Plan the BR Plan or the ICR Plan for repayment of your Direct Consolidation Loan if

- You want to consolidate a defaulted loan and you have not made a satisfactory repayment arrangement with your current loan holder(s); or
- You are consolidating a delinquent Federal Consolidation Loan that the lender has submitted to the guaranty agency for default aversion or you are consolidating a defaulted Federal Consolidation Loan and you are not consolidating any additional eligible loans

**BORROWER UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATIONS**

22. understand that

A. Applying for a Direct Consolidation Loan does not obligate me to agree to take the loan The U S Department of Education (ED) will provide me with

- The deadline by which I must notify ED if I want to cancel the Direct Consolidation Loan or if I do not want to consolidate any of the loans that ED has verified; and
- A notice containing information about the loans and payoff amounts that ED has verified with the holders of my loans or through ED's National Student Loan Data System (NSLDS) before the actual payoffs occur

The notice that ED sends will include information about the loans listed in the **Loans You Want to Consolidate** section of this Note If I have additional loans that are with a holder of a loan listed in the **Loans You Want to Consolidate** section but I did not list those loans in that section the notice may also include information about those additional loans **I must inform ED by the deadline specified in the notice if I do not want all of the loans listed in the notice to be consolidated.**

The notice that ED sends may also include information about loans listed in the **Loans You Do Not Want to Consolidate** section of this Note but these loans will **not** be consolidated

**BORROWER UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATIONS (CONTINUED)**

**B.** understand that if ED accepts this application for a Direct Consolidation Loan ED will send funds to the holders of the loans that want to consolidate to pay off those loans. The amount of my Direct Consolidation Loan will be the sum of the balances of my outstanding eligible loans that have chosen to consolidate. The payoff amount may be greater than or less than the estimated total balance have indicated in the Loans You Want to Consolidate section.

The outstanding balance on each loan to be consolidated includes unpaid principal, unpaid accrued interest and late charges as defined by federal regulations and as certified by the loan holder. Collection costs may also be included. For a Direct Loan Program or Federal Family Education Loan (FFEL) Program loan that is in default, the amount of any collection costs that may be included in the payoff balances of the loans is limited to a maximum of 18.5% of the outstanding principal and interest. For any other defaulted federal education loans, all collection costs that are owed may be included in the payoff balances of the loans.

**C.** If the amount ED sends to my loan holders is more than the amount needed to pay off the balances of the selected loans, the holders will refund the excess amount to ED and this amount will be applied against the outstanding balance of my Direct Consolidation Loan. If the amount that ED sends to my holders is less than the amount needed to pay off the balances of the loans selected for consolidation, ED will include the remaining amount in my Direct Consolidation Loan.

**D.** If I am consolidating loans made under the FFEL, Direct Loan, or Federal Perkins Loan (Perkins Loan) programs, the outstanding balance of my Direct Consolidation Loan counts against the applicable aggregate loan limits for each type of loan. Under the Act, as defined under "Governing Law" in the Note Terms and Conditions section of this Note, the percentage of the original amount of my Direct Consolidation Loan that is attributable to each loan type is counted against the loan limit for that type of loan.

**E.** I agree to repay my Direct Consolidation Loan under the REPAYE Plan, the PAYE Plan, the BR Plan, or the CR Plan if

- I am consolidating a defaulted loan and have not made a satisfactory repayment arrangement with the current holder of the defaulted loan; or
- I am consolidating a delinquent Federal Consolidation Loan (a Federal Consolidation Loan is a consolidation loan made under the FFEL Program) that the lender has submitted to the guaranty agency for default aversion or a defaulted Federal Consolidation loan and I am not including another eligible loan in the consolidation.

**F.** I may not consolidate an existing Direct Consolidation Loan unless I include at least one additional eligible loan in the consolidation.

**G.** I may consolidate an existing Federal Consolidation Loan without including an additional eligible loan in the consolidation if I am

- Consolidating a delinquent Federal Consolidation Loan that the lender has submitted to the guaranty agency for default aversion, or consolidating a defaulted Federal Consolidation Loan and I agree to repay my new Direct Consolidation Loan under the REPAYE Plan, the PAYE Plan, the BR Plan, or the CR Plan;
- Consolidating a Federal Consolidation Loan to use the Public Service Loan Forgiveness Program; or
- Consolidating a Federal Consolidation Loan to use the no accrual of interest benefit for active duty service members.

**H.** I do not consolidate my loans if I may no longer be eligible for certain deferments, subsidized deferment periods, certain types of loan discharges, or loan forgiveness, borrower defenses to repayment based on acts or omissions of the school attended, reduced interest rates, or repayment incentive programs that were available on the loans I am consolidating.

**I.** If I am consolidating a Perkins Loan,

- I will no longer be eligible for interest-free periods while I am enrolled in school at least half time in the grace period on my loan and during deferment periods; and
- I will no longer be eligible for full or partial loan cancellation under the Perkins Loan Program based on years of service in one of the following occupations: teacher in a low-income elementary or secondary school; staff member in an eligible preschool program; special education teacher; member of the Armed Forces who qualifies for special pay; Peace Corps volunteer or volunteer under the Domestic Volunteer Service Act of 1973; law enforcement or corrections officer; attorney in an eligible defender organization; teacher of mathematics, science, foreign languages, bilingual education, or any other high-need field; nurse or medical technician providing health care services; employee of a public or private nonprofit child or family service agency that services high-risk children from low-income families and their families; fire fighter; faculty member at a Tribal College or University; librarian; or speech language pathologist.

**J.** Any payments made on the loans I am consolidating before the date of consolidation will not count toward

- The number of years of qualifying repayment required for loan forgiveness under the REPAYE Plan, the PAYE Plan, the BR Plan, or the CR Plan (see item 11 of the Borrower's Rights and Responsibilities Statement); or
- The 120 qualifying payments required for Public Service Loan Forgiveness (see item 18 of the Borrower's Rights and Responsibilities Statement).

**K.** If I am consolidating a Direct PLUS Loan or a Federal PLUS Loan that I obtained to help pay for my child's undergraduate education, I am not eligible to repay my Direct Consolidation Loan under the REPAYE Plan, the PAYE Plan, or the BR Plan. However, I may repay my Direct Consolidation Loan under the CR Plan.

**L.** If I am consolidating a Direct Loan Program loan first disbursed before July 1, 2012, on which I received an up-front interest rebate and have not yet made the first 12 required on-time payments on that loan at the time the loan is consolidated, I will lose the rebate. This means that the rebate amount will be added back to the principal balance of the loan before it is consolidated.

**M.** ED will give me the opportunity to pay the interest that accrues on the unsubsidized portion of my Direct Consolidation Loan during deferment periods (including in-school deferment periods) and on the entire portion of my Direct Consolidation Loan during forbearance periods. If I do not pay the interest that accrues during these periods, ED may add the unpaid interest that accrues to the principal balance of my loan (this is called "capitalization") at the end of the deferment or forbearance period. Capitalization will increase the principal balance on my loan and the total amount of interest I must pay.

**BORROWER UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATIONS (CONTINUED)**

N. I consolidate my loans after have begun active duty military service my new Direct Consolidation Loan will **not** qualify for the 6% interest rate limit under the Servicemembers Civil Relief Act as described in tem 7 of the Borrower's Rights and Responsibilities Statement during that period of military service

O. ED has the authority to verify information reported on this Note with other federal agencies

23. Under penalty of perjury certify that

A. The information I have provided on this Note is true complete and correct to the best of my knowledge and belief and is made in good faith

B. All of the loans I have selected for consolidation have been used to finance my education or the education of one or more of my children

C. All of the loans I have selected for consolidation are in a grace period or in repayment ("in repayment" includes loans in deferment or forbearance)

D. I owe an overpayment on a Federal Perkins Loan Federal Pell Grant Federal Supplemental Educational Opportunity Grant Academic Competitiveness Grant (ACG) National Science and Mathematics Access to Retain Talent (SMART) Grant or Leveraging Educational Assistance Partnership Grant I have made satisfactory arrangements to repay the amount owed

E. I am in default on any loan I am consolidating I have either made a satisfactory repayment arrangement with the holder of that defaulted loan or will repay my Direct Consolidation Loan under the REPAYE Plan the PAYE Plan the BR Plan or the CR Plan except that **MUST** repay my Direct Consolidation Loan under the REPAYE Plan the PAYE Plan the BR Plan or the CR Plan under the conditions described above in tem 22 E

F. I have been convicted of or if I have pled *nolo contendere* (no contest) or guilty to a crime involving fraud in obtaining funds under a program authorized under Title V of the Higher Education Act of 1965 as amended (HEA) I have fully repaid the funds to ED or to the loan holder in the case of a Title V federal student loan The Title V HEA programs include the Federal Pell Grant FSEOG ACG SMART Grant Leveraging Educational Assistance Partnership Grant Teacher Education Assistance for College and Higher Education (TEACH) Grant Federal Work Study (FWS) Federal Perkins Loan Direct Loan and FFEL programs

24. make the following authorizations

A. authorize ED to contact the holders of the loans I have selected for consolidation to determine the eligibility for consolidation and the payoff amounts of

- The loans listed in the Loans You Want to Consolidate section of this Note and
- Any of my other federal education loans that are held by a holder of a loan listed in the Loans You Want to Consolidate section

further authorize the release of any information required to consolidate my education loans in accordance with the Act to ED or its agents and contractors

B. authorize ED to issue the proceeds of my Direct Consolidation Loan to the holders of the selected loans to pay off those loans

C. authorize ED and its agents and contractors to investigate my credit record and report information about my loan status to persons and organizations permitted by law to receive that information

D. authorize my schools ED and their agents and contractors to release information about my Direct Consolidation Loan to the references I provide and to my immediate family members unless I submit written directions otherwise

E. authorize my schools ED and their agents and contractors to share information about my loan with each other

F. authorize my schools ED and their agents and contractors to contact me regarding my loan request or my loan including repayment of my loan at any cellular telephone number provide now or in the future using automated dialing equipment or artificial or prerecorded voice or text messages

**PROMISE TO PAY**

25. promise to pay ED all sums disbursed under the terms of this Note to pay off my prior loan obligations plus interest and other charges and fees that may become due as provided in this Note

26. I do not make a payment on my Direct Consolidation Loan when it is due will also pay reasonable collection costs including but not limited to attorney fees court costs and other fees

27. My signature on this Note serves as my authorization to pay off the balances of the loans I have selected for consolidation as provided by the holders of the loans

28. will not sign this Note before reading the entire Note even if I am told not to read it or told that I am not required to read it I am entitled to an exact copy of this Note and the **Borrower's Rights and Responsibilities Statement**.

29. My signature certifies that I have read understand and agree to the terms and conditions of this Note including the **Borrower Understandings, Certifications, and Authorizations** section and the **Borrower's Rights and Responsibilities Statement**.

**I UNDERSTAND THAT THIS IS A LOAN THAT I MUST REPAY.**

30. Borrower's Signature:

S [REDACTED] H [REDACTED]

Today's Date(mm-dd-yyyy) [REDACTED]

**THIS PAGE IS INTENTIONALLY BLANK**



## NOTE TERMS AND CONDITIONS

### GOVERNING LAW

The terms of this Direct Consolidation Loan Application and Promissory Note (Note) will be interpreted in accordance with the HEA (20 U.S.C. 1070 *et seq.*), ED's regulations, any amendments to the HEA and the regulations in accordance with the effective date of those amendments, and other applicable federal laws and regulations. Throughout this Note, we refer to these laws and regulations collectively as the "Act".

Under applicable state law, except as preempted by federal law, you may have certain borrower rights, remedies, and defenses in addition to those stated in this Note and in the Borrower's Rights and Responsibilities Statement.

### DISCLOSURE OF LOAN TERMS

This Note applies to a Federal Direct Consolidation Loan (Direct Consolidation Loan). Under this Note, the principal amount that you owe and are required to repay will be equal to all sums disbursed to pay off your prior loans, plus any unpaid interest that is capitalized and added to the principal balance.

Although you will have a single Direct Consolidation Loan, your loan may have up to two separate loan identification numbers depending on the loans you consolidate. These loan identification numbers will represent prior subsidized loans and prior unsubsidized loans. Each applicable loan identification number is represented by this Note.

When the loans you are consolidating are paid off, a disclosure statement will be provided to you. The disclosure will identify the amount of your Direct Consolidation Loan, the loan identification number(s), and additional terms of the loan, such as the interest rate and repayment schedule. If you have questions about the information disclosed, you may contact your servicer.

The Borrower's Rights and Responsibilities Statement accompanying this Note also contains important additional information. The Borrower's Rights and Responsibilities Statement and any disclosure you receive in connection with the loan made under this Note are hereby incorporated into this Note.

We may use a servicer to handle billing and other communications related to your loan.

### INTEREST

Unless we notify you in writing that a different rate will apply, the interest rate on your Direct Consolidation Loan is a fixed rate that is calculated in accordance with a formula specified in the Act. The interest rate for a Direct Consolidation Loan is based on the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher one-eighth of one percent. There is no cap on the interest rate that is determined under this formula. This is a fixed interest rate, which means that the rate will remain the same throughout the life of the loan.

If you are in the military and the interest rate on your loan is greater than 6%, you may qualify to have the rate limited to 6% during your period of service. In addition, under the no accrual of interest benefit for active duty service members, you are not required to pay the interest that accrues on any type of Direct Loan Program loan first disbursed on or after October 1, 2008 during periods of qualifying active duty military service (for up to 60 months).

Except as provided under the Act, you must pay the interest that accrues on your Direct Consolidation Loan during all periods, from the date of disbursement until the loan is paid in full or discharged. You are not required to pay the interest that accrues during deferment periods on the portion of your Direct Consolidation Loan that repaid subsidized loans, except as explained under the heading "Responsibility for Paying All Interest

on All or Part of the Subsidized Portion of a Direct Consolidation Loan (for First-Time Borrowers on or after July 1, 2013)."

You will be given the opportunity to pay the interest that accrues during deferment, forbearance, or other periods as provided under the Act. If you do not pay this interest, we may capitalize the interest (add it to the principal balance of your loan) at the end of the deferment, forbearance, or other period.

### RESPONSIBILITY FOR PAYING ALL INTEREST ON ALL OR PART OF THE SUBSIDIZED PORTION OF A DIRECT CONSOLIDATION LOAN (FOR FIRST-TIME BORROWERS ON OR AFTER JULY 1, 2013)

If you were a **first-time borrower on or after July 1, 2013** when you received a Direct Subsidized Loan and you are now consolidating that loan, you may be responsible for paying the interest that accrues during all periods on the portion of your Direct Consolidation Loan that repaid the Direct Subsidized Loan. See Item 9 of the Borrower's Rights and Responsibilities Statement that accompanies this Note for more information.

### LATE CHARGES AND COLLECTION COSTS

We may collect from you:

- A late charge of not more than six cents for each dollar of each late payment if you do not make any part of a required installment payment within 30 days after it becomes due, and
- Any other charges and fees that are permitted by the Act related to the collection of your Direct Consolidation Loan.

If you default on your loan, you must pay reasonable collection costs, plus court costs and attorney fees.

### REPAYMENT

You must repay the full amount of the Direct Consolidation Loan made under this Note, plus accrued interest. You will repay your loan in monthly installments during a repayment period that begins on the date of the first disbursement of the loan, unless the loan is in a deferment or forbearance period. Generally, payments that you make or that someone else makes on your behalf will be applied first to late charges and collection costs that are due, then to interest that has not been paid, and finally to the principal amount of the loan. However, any payments made under the REPAYE Plan, the PAYE Plan, or the IBR Plan will be applied first to interest that is due, then to fees that are due, and then to the principal amount.

You have a choice of repayment plans. The Borrower's Rights and Responsibilities Statement includes information on these repayment plans. You must select a repayment plan. If you do not select a repayment plan, we will choose a plan for you in accordance with the Act.

Once you choose a repayment plan, we will provide you with a repayment schedule that identifies your payment amounts and due dates. Your first payment will be due within 60 days of the first disbursement of your Direct Consolidation Loan unless the loan is in a deferment or forbearance period. If you intend to repay your loan but are unable to make your scheduled loan payments, we may grant you a forbearance that allows you to temporarily stop making payments, or to temporarily make a smaller payment amount, which extends the time for making payments.

We may adjust payment dates on your Direct Consolidation Loan or may grant you a forbearance to eliminate a delinquency that remains even though you are making scheduled installment payments.

## **NOTE TERMS AND CONDITIONS (CONTINUED)**

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You may prepay all or any part of the unpaid balance on your loan at any time without penalty. We will determine how to apply the prepayment in accordance with the Act.

After you have repaid your Direct Consolidation Loan in full, we will send you a notice telling you that you have paid off your loan.

### **ACCELERATION AND DEFAULT**

At our option, the entire unpaid balance of your Direct Consolidation Loan will become immediately due and payable (this is called "acceleration") if either of the following events occurs:

1. You make a false representation that results in your receiving a loan for which you are not eligible; or
2. You default on the loan.

You will be considered in default on your loan if:

1. The full unpaid balance of the loan becomes immediately due and payable because event 1 above occurs and you do not pay the amount due;
2. You do not make installment payments when due and your failure to make payments has continued for at least 270 days; or
3. You do not comply with other terms of the loan, and we reasonably conclude that you no longer intend to honor your repayment obligation.

If you default, we may capitalize all outstanding interest. This will increase the principal balance of your loan, and the full amount of the loan, including the new principal balance and collection costs, will become immediately due and payable.

If you default, the default will be reported to nationwide consumer reporting agencies (credit bureaus) and will significantly and adversely affect your credit history. A default will have additional adverse consequences as explained in the Borrower's Rights and Responsibilities Statement. Following default, you may be required to repay the loan (potentially including amounts in excess of the principal and interest) under the IBR Plan, the PAYE Plan, the REPAYE Plan, or the ICR Plan in accordance with the Act.

### **LEGAL NOTICES**

Any notice required to be given to you will be effective if it is sent by first class mail to the most recent address that we have for you, by electronic means to an email address you have provided, or by any other method of notification that is permitted or required by applicable law and regulation.

You must immediately notify us of a change in your contact information or status as specified in the Borrower's Rights and Responsibilities Statement under "Information you must report to us."

If we do not enforce or insist on compliance with any term of this Note, this does not waive any of our rights. No provision of this Note may be modified or waived unless we do so in writing. If any provision of this Note is determined to be unenforceable, the remaining provisions will remain in force.

Information about your loan will be submitted to the National Student Loan Data System (NSLDS). Information in NSLDS is accessible to schools, lenders, and guarantors for specific purposes that we authorize.

## IMPORTANT NOTICES

### GRAMM-LEACH-BLILEY ACT NOTICE

In 1999, Congress enacted the Gramm-Leach-Bliley Act (Public Law 106-102). This Act requires that lenders provide certain information to their customers regarding the collection and use of nonpublic personal information.

We disclose nonpublic personal information to third parties only as necessary to process and service your loan and as permitted by the Privacy Act of 1974. See the Privacy Act Notice below. We do not see or otherwise make available any information about you to any third party for marketing purposes.

We protect the security and confidentiality of nonpublic personal information by implementing the following policies and practices. A physical access to the sites where nonpublic personal information is maintained is controlled and monitored by security personnel. Our computer systems offer a high degree of resistance to tampering and circumvention. These systems limit data access to our staff and contract staff on a "need-to-know" basis, and control individual users' ability to access and alter records within the systems. All users of these systems are given a unique user ID with personal identifiers. All interactions by individual users with the systems are recorded.

### PRIVACY ACT NOTICE

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following not be provided to you:

The authority for collecting the requested information from and about you is §451 *et seq.* of the Higher Education Act (HEA) of 1965, as amended (20 U.S.C. 1087a *et seq.*) and the authorities for collecting and using your Social Security Number (SSN) are §484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) and 31 U.S.C. 7701(b). Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the Direct Loan Program, to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect and report on your loan(s) if your loan(s) become delinquent or in default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed, on a case-by-case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records not covered by this notice, but are not limited to, disclosures to federal, state, or local agencies, to parties such as relatives, present and former employers, business and personal associates, to consumer reporting agencies, to financial and educational institutions, and to guaranty agencies in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loan(s), to enforce the terms of the loan(s), to investigate possible fraud and to verify compliance with federal student financial aid program regulations, or to locate you if you become delinquent on your loan payments or if you default. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to state agencies. To provide financial aid history information, disclosures may be made to educational institutions. To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions to

effectively submit student enrollment status, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you on repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. Before making any such disclosure, we will require the contractor to maintain Privacy Act safeguards. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

### FINANCIAL PRIVACY ACT NOTICE

Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3421), ED will have access to financial records in your student loan file maintained in compliance with the administration of the Direct Loan Program.

### PAPERWORK REDUCTION NOTICE

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless the collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0053. Public reporting burden for this collection of information is estimated to average 30 minutes (0.5 hours) per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection of information is required to obtain a benefit in accordance with 34 CFR 685.201(c)(1).

**If you have comments or concerns regarding the status of your individual submission of this form, contact:**

**c/o Aidvantage LCP - E1140  
PO Box 8008  
Fishers  
IN, 46038-8008**

## **IMPORTANT NOTICE**

This Borrower's Rights and Responsibilities Statement provides additional information about the terms and conditions of the loan you will receive under the accompanying Federal Direct Consolidation Loan (Direct Consolidation Loan) Application and Promissory Note (Note). Please keep a copy of the Note and this Borrower's Rights and Responsibilities Statement for your records. You may request another copy of this Borrower's Rights and Responsibilities Statement at any time by contacting your servicer.

Throughout this Borrower's Rights and Responsibilities Statement, the words "we," "us," and "our" refer to the U.S. Department of Education.

### **1. THE WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM**

The William D. Ford Federal Direct Loan (Direct Loan) Program includes the following types of loans, known collectively as "Direct Loans":

- Federal Direct Stafford/Ford Loans (Direct Subsidized Loans)
- Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans)
- Federal Direct PLUS Loans (Direct PLUS Loans)
- Federal Direct Consolidation Loans (Direct Consolidation Loans)

The Direct Loan Program is authorized by Title IV, Part D, of the Higher Education Act of 1965, as amended (HEA), 20 U.S.C. 1070 *et seq.*

Direct Loans are made by the U.S. Department of Education. We contract with servicers to process Direct Loan payments, deferment and forbearance requests, and other transactions, and to answer questions about Direct Loans. Your servicer will provide you with its address and telephone number. It is important to keep in contact with your servicer.

### **2. LAWS THAT APPLY TO THIS NOTE**

The terms and conditions of loans made under this Note are determined by the HEA and other applicable federal laws and regulations. These laws and regulations are referred to as "the Act" throughout this Borrower's Rights and Responsibilities Statement. Under applicable state law, except as preempted by federal law, you may have certain borrower rights, remedies, and defenses in addition to those stated in the Note and this Borrower's Rights and Responsibilities Statement.

**NOTE: Any amendment to the Act that affects the terms of this Note will be applied to your loan in accordance with the effective date of the amendment.**

### **3. DIRECT CONSOLIDATION LOAN IDENTIFICATION NUMBERS**

Depending on the type(s) of federal education loan(s) that you choose to consolidate, your Direct Consolidation Loan may have up to two individual loan identification numbers. However, you will have only one Direct Consolidation Loan and will receive only one bill.

**3a.** The subsidized portion of your Direct Consolidation Loan ("Direct Subsidized Consolidation Loan") will have one loan identification number representing the amount of the following types of loans that you consolidate:

- Subsidized Federal Stafford Loans
- Direct Subsidized Loans
- Subsidized Federal Consolidation Loans
- Direct Subsidized Consolidation Loans
- Federal Insured Student Loans (FISL)

- Guaranteed Student Loans (GSL)

**3b.** The unsubsidized portion of your Direct Consolidation Loan ("Direct Unsubsidized Consolidation Loan") will have one identification number representing the amount of the following types of loans that you consolidate:

- Unsubsidized and Nonsubsidized Federal Stafford Loans
- Direct Unsubsidized Loans
- Unsubsidized Federal Consolidation Loans
- Direct Unsubsidized Consolidation Loans
- Federal PLUS Loans (for parents or for graduate and professional students)
- Direct PLUS Loans (for parents or for graduate and professional students)
- Direct PLUS Consolidation Loans
- Federal Perkins Loans
- National Direct Student Loans (NDSL)
- National Defense Student Loans (NDSL)
- Federal Supplemental Loans for Students (SLS)
- Auxiliary Loans to Assist Students (ALAS)
- Health Professions Student Loans (HPSL)
- Health Education Assistance Loans (HEAL)
- Nursing Student Loans (NSL) and Nurse Faculty Loans
- Loans for Disadvantaged Students (LDS)

### **4. ADDING ELIGIBLE LOANS TO YOUR DIRECT CONSOLIDATION LOAN**

You may add eligible loans to your Direct Consolidation Loan by submitting a request to us within 180 days of the date your Direct Consolidation Loan is made. (Your Direct Consolidation Loan is "made" on the date we pay off the first loan that you are consolidating.) After we pay off any loans that you add during the 180-day period, we will notify you of the new total amount of your Direct Consolidation Loan and of any adjustments that must be made to your monthly payment amount and/or interest rate.

If you want to consolidate any additional eligible loan(s) after the 180-day period, you must apply for a new Direct Consolidation Loan.

### **5. LOANS THAT MAY BE CONSOLIDATED**

#### **General**

Only the federal education loans listed in Items 3a. and 3b. of this Borrower's Rights and Responsibilities Statement may be consolidated into a Direct Consolidation Loan. You may only consolidate loans that are in a grace period or in the repayment period (including loans in deferment or forbearance).

#### **Defaulted loans**

You may consolidate a loan that is in default if:

- You first make satisfactory repayment arrangements with the holder of the defaulted loan, or
- You agree to repay your Direct Consolidation Loan under the REPAYE Plan, the PAYE Plan, the IBR Plan, or the ICR Plan (see Item 11).

**WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM**  
**DIRECT CONSOLIDATION LOAN BORROWER'S RIGHTS AND RESPONSIBILITIES STATEMENT**

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**Existing consolidation loans**

You may not consolidate an existing Direct Consolidation Loan unless you include at least one additional eligible loan in the consolidation.

You may consolidate an existing Federal Consolidation Loan (a Federal Consolidation Loan is a consolidation loan that was made under the FFEL Program) into a new Direct Consolidation Loan without including an additional loan if you are:

- Consolidating a delinquent Federal Consolidation Loan that the lender has submitted to the guaranty agency for default aversion, or consolidating a defaulted Federal Consolidation Loan, and you agree to repay your new Direct Consolidation Loan under the REPAYE Plan, the PAYE Plan, the IBR Plan, or the ICR Plan;
- Consolidating a Federal Consolidation Loan to use the Public Service Loan Forgiveness program described in Item 18 of this Borrower's Rights and Responsibilities Statement; or
- Consolidating a Federal Consolidation Loan to use the no accrual of interest benefit for active duty service members described in Item 8.

You may not consolidate an existing joint consolidation loan. A joint consolidation loan is a Direct Consolidation Loan or a Federal Consolidation Loan that was made jointly to you and your spouse.

**6. INFORMATION YOU MUST REPORT TO US**

Until your loan is repaid, you must notify your servicer if you:

- Change your address or telephone number;
- Change your name (for example, maiden name to married name);
- Change your employer or your employer's address or telephone number changes; or
- Have any other change in status that would affect your loan (for example, if you receive a deferment while you are unemployed, but you find a job and therefore no longer meet the eligibility requirements for the deferment).

**7. INTEREST RATE**

The interest rate on your Direct Consolidation Loan will be the weighted average of the interest rates on the loans you are consolidating, rounded to the nearest higher one-eighth of one percent. There is no cap on the interest rate that is determined under this formula. We will send you a notice that tells you the interest rate on your loan.

The interest rate on a Direct Consolidation Loan is a fixed rate. This means that the interest rate will remain the same throughout the life of your loan.

**Servicemembers Civil Relief Act**

**If you are in military service, you may qualify for a lower interest rate on your loans.**

Under the Servicemembers Civil Relief Act (SCRA), the interest rate on loans you received before you began your military service may be limited to 6% during your military service. In most cases, your servicer will determine if you are eligible for this benefit based on information from the U.S. Department of Defense, and, if any of your qualifying loans have an interest rate greater than 6%, will automatically reduce that rate to 6% during your military service. If you think you qualify for the 6% interest rate but have not received it, contact your servicer. Your servicer can also provide more information about this benefit.

Because the SCRA interest rate benefit applies only to loans obtained prior to military service, if you consolidate your loans after you have entered a period of active duty military service, your new Direct Consolidation Loan will not be eligible for the 6% interest rate limit under the SCRA for that period of active duty.

If you consolidate loans you obtained prior to a period of active duty military service and the interest rate on those loans is reduced to 6% under the SCRA, the 6% interest rate will be used to determine the fixed weighted average interest rate on your Direct Consolidation Loan.

**8. PAYMENT OF INTEREST**

**General**

In general, interest accrues on a Direct Consolidation Loan from the date the loan is made until it is paid in full or discharged. You are responsible for paying the interest that accrues as explained below.

**Payment of interest on a Direct Subsidized Consolidation Loan**

Except as explained in Item 9 of this Borrower's Rights and Responsibilities Statement, you are not required to pay the interest that accrues on a Direct Subsidized Consolidation Loan (see Item 3a. of this Borrower's Rights and Responsibilities Statement) during deferment periods, and during certain periods of repayment under the REPAYE Plan, the PAYE Plan, and the IBR Plan. Except as explained below under **No accrual of interest benefit for active duty service members**, you are responsible for paying the interest that accrues on a Direct Subsidized Consolidation Loan during all other periods.

If you were a first-time borrower on or after July 1, 2013 when you received a Direct Subsidized Loan that you are now consolidating, you may be responsible for paying the interest that accrues during all periods on the portion of your Direct Consolidation Loan that repaid the Direct Subsidized Loan, as explained in Item 9 of this Borrower's Rights and Responsibilities Statement.

**Payment of interest on a Direct Unsubsidized Consolidation Loan**

Except as explained below for certain borrowers who are active duty service members, and during certain periods of repayment under the REPAYE Plan, you are responsible for paying the interest that accrues on a Direct Unsubsidized Consolidation Loan (see Item 3b. of this Borrower's Rights and Responsibilities Statement) during all periods.

**No accrual of interest benefit for active duty service members**

Under the no accrual of interest benefit for active duty service members, you are not required to pay the interest that accrues during periods of qualifying active duty military service (for up to 60 months) on the portion of a Direct Consolidation Loan that repaid a Direct Loan Program or FFEL Program loan first disbursed on or after October 1, 2008.

**Interest capitalization**

If you do not pay the interest as it accrues on either a Direct Subsidized Consolidation Loan or a Direct Unsubsidized Consolidation Loan (during periods when you are responsible for paying the interest), we will add the accrued interest to the unpaid principal balance of your loan at the end of the deferment or forbearance period. This is called "capitalization." Capitalization increases the unpaid principal balance of your loan, and interest then accrues on the increased principal balance.

The chart that follows shows the difference in the total amount you would repay on a \$15,000 Direct Unsubsidized Consolidation Loan if you pay the

**WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM**  
**DIRECT CONSOLIDATION LOAN BORROWER'S RIGHTS AND RESPONSIBILITIES STATEMENT**

interest as it accrues during a 12-month deferment or forbearance period, compared to the amount you would repay if you do not pay the interest and it is capitalized.

The example in the chart shows payments made under the Standard Repayment Plan (with a repayment period of 15 years based on the amount of the Direct Consolidation Loan) at an interest rate of 8.25%. In this example, you would pay \$12 less per month and \$912 less altogether if you pay the interest as it accrues during a 12-month deferment or forbearance period.

	<b>If you pay the interest as it accrues...</b>	<b>If you do not pay the interest and it is capitalized...</b>
<b>Loan Amount</b>	\$15,000	\$15,000
<b>Interest for 12 Months</b>	\$1,238 (paid as accrued)	\$1,238 (unpaid and capitalized)
<b>Principal to be Repaid</b>	\$15,000	\$16,238
<b>Monthly Payment</b>	\$146	\$158
<b>Number of Payments</b>	180	180
<b>Total Repaid</b>	\$27,447	\$28,359

**Federal income tax deduction**

You may be able to claim a federal income tax deduction for interest payments you make on Direct Loans. For further information, refer to IRS Publication 970, which is available at <http://www.irs.ustreas.gov>.

**9. RESPONSIBILITY FOR PAYING ALL INTEREST ON ALL OR PART OF THE SUBSIDIZED PORTION OF A DIRECT CONSOLIDATION LOAN (FOR FIRST-TIME BORROWERS ON OR AFTER JULY 1, 2013)**

If you were a **first-time borrower on or after July 1, 2013** (see Note below) when you received a Direct Subsidized Loan and you are now consolidating that loan, you may be responsible for paying the interest that accrues during all periods on the portion of your Direct Consolidation Loan that repaid the Direct Subsidized Loan, as explained below.

There is a limit on the maximum period of time (measured in academic years) for which a first-time borrower on or after July 1, 2013 can receive Direct Subsidized Loans. In general, a first-time borrower may not receive Direct Subsidized Loans for more than 150% of the published length of his or her program of study. This is called the "maximum eligibility period."

Generally, a first-time borrower on or after July 1, 2013 will become responsible for paying the interest that accrues during all periods on previously received Direct Subsidized Loans if the borrower:

- Continues to be enrolled in any undergraduate program after having received Direct Subsidized Loans for his or her maximum eligibility period, or
- Enrolls in another undergraduate program that is the same length as or shorter than the borrower's previous program.

There are a few exceptions to this rule. Your school or servicer can provide you with more information about this requirement and the exceptions.

You must pay the interest that accrues during all periods (including deferment periods) on the portion of your Direct Consolidation Loan that repaid a Direct Subsidized Loan you received as a first-time borrower on or after July 1, 2013 if:

- Before consolidating the Direct Subsidized Loan, you become responsible for paying all interest that accrues on that loan, as explained above; or

- After consolidating the Direct Subsidized Loan you become responsible for paying all interest that accrues on that loan, as explained above.

**Note:** A first-time borrower on or after July 1, 2013 is an individual who has no outstanding balance on a Direct Loan Program loan or a Federal Family Education Loan (FFEL) Program loan on July 1, 2013, or who has no outstanding balance on a Direct Loan or FFEL program loan on the date he or she obtains a Direct Loan Program loan after July 1, 2013.

**10. INTEREST RATE REDUCTION FOR AUTOMATIC WITHDRAWAL OF PAYMENTS**

Under the automatic withdrawal option, your bank automatically deducts your monthly loan payment from your checking or savings account and sends it to us. Automatic withdrawal helps to ensure that your payments are made on time. In addition, you receive a 0.25% interest rate reduction while you repay under the automatic withdrawal option. Your servicer will provide you with information about the automatic withdrawal option. You can also get the information on your servicer's web site, or by calling your servicer. Your servicer's web site address and toll-free telephone number are provided on correspondence that your servicer sends you.

**Note:** Another repayment incentive program, the up-front interest rebate, was available on Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans that were first disbursed before July 1, 2012. The rebate is equal to a percentage of the loan amount, and is the same amount that would result if the interest rate on the loan were lowered by a specific percentage. To permanently keep an up-front interest rebate, a borrower must make each of the first 12 required monthly payments on time when the loan enters repayment. If you consolidate a Direct Loan on which you received an up-front interest rebate before you have permanently earned the rebate (the correspondence you received about your loan will tell you if you received a rebate), you will lose the rebate. The rebate amount will be added back to the principal balance of the loan before it is consolidated.

**11. REPAYING YOUR LOAN**

**General**

Unless you receive a deferment or forbearance on your loan (see Item 17), your first payment will be due within 60 days of the first disbursement of your Direct Consolidation Loan. Your servicer will notify you of the date your first payment is due.

You must make payments on your loan even if you do not receive a bill or repayment notice.

You must repay all of your Direct Loans under the same repayment plan, unless you want to repay your loans under the REPAYE Plan, the PAYE Plan, the IBR Plan, or the ICR Plan (see below) and you have other Direct Loans that do not qualify for repayment under those plans. In that case, you may select the REPAYE, PAYE, IBR, or ICR plan for the loans that are eligible for repayment under those plans, and may select a different repayment plan for the loans that may not be repaid under the REPAYE, PAYE, IBR, or ICR plan. Direct Consolidation Loans that repaid Direct PLUS Loans or FFEL Program PLUS Loans made to parent borrowers may not be repaid under the REPAYE, PAYE, or IBR plans. However, they may be repaid under the ICR Plan.

We will ask you to choose a repayment plan for your Direct Consolidation Loan. If you do not choose a repayment plan, we will place you on the Standard Repayment Plan.

**Repayment plans for all Direct Consolidation Loans**

You may choose the Standard Repayment Plan, the Graduated Repayment Plan, the Extended Repayment Plan, or the Income-Contingent Repayment Plan to repay any Direct Consolidation Loan.

**Standard Repayment Plan**

Under the Standard Repayment Plan, you will make fixed monthly payments and repay your loan in full within 10 to 30 years (not including periods of deferment or forbearance) from the date the loan entered repayment, depending on the amount of your Direct Consolidation Loan and the amount of your other student loan debt (not to exceed the amount you are consolidating) as listed in the **Loans You Do Not Want to Consolidate** section of your Note (see the chart below). Your payments must be at least \$50 a month (\$600 a year) and will be more, if necessary, to repay the loan within the required time period.

**Graduated Repayment Plan**

Under the Graduated Repayment Plan, you will usually make lower payments at first, and your payments will gradually increase over time. You will repay your loan in full within 10 to 30 years (not including periods of deferment or forbearance) from the date the loan entered repayment, depending on the total amount of your Direct Consolidation Loan and the amount of your other student loan debt (not to exceed the amount you are consolidating) as listed in **Loans You Do Not Want to Consolidate** section of your Note (see the chart below). Your scheduled monthly payment must at least be equal to the amount of interest that accrues each month. No single scheduled payment will be more than three times greater than any other payment.

<b>Standard and Graduated Plans: Maximum Repayment Periods</b>	
<b>Total Education Loan Indebtedness</b>	<b>Maximum Repayment Period</b>
Less than \$7,500	10 years
\$7,500 to \$9,999	12 years
\$10,000 to \$19,999	15 years
\$20,000 to \$39,999	20 years
\$40,000 to \$59,999	25 years
\$60,000 or more	30 years

**Extended Repayment Plan**

You are eligible for the Extended Repayment Plan only if **(1)** you have an outstanding balance on Direct Loans that exceeds \$30,000, and **(2)** you had no outstanding balance on a Direct Loan as of October 7, 1998, or on the date you obtained a Direct Loan on or after October 7, 1998.

Under this plan, you will repay your loan in full over a period not to exceed 25 years (not including periods of deferment or forbearance) from the date the loan entered repayment. You may choose to make fixed monthly payments or graduated monthly payments that start out lower and gradually increase over time. If you make fixed monthly payments, your payments must be at least \$50 a month (\$600 a year) and will be more, if necessary, to repay the loan within the required time period. If you make graduated payments, your scheduled monthly payment must at least be equal to the amount of interest that accrues each month. No single scheduled payment under the graduated option will be more than three times greater than any other payment.

**Income-Contingent Repayment Plan (ICR Plan)**

Under the ICR plan, your monthly payment amount will be either 20% of your discretionary income or a percentage of what you would repay under a Standard Repayment Plan with a 12-year repayment period, whichever is less. Discretionary income for this plan is the difference between your adjusted gross income and the poverty guideline amount for your state of residence and family size, divided by 12.

If you are married and file a joint federal income tax return, the income used to determine your ICR Plan payment amount will be the combined adjusted gross income of you and your spouse.

If you are married and file a separate federal income tax return from your spouse, only your individual adjusted gross income will be used to determine your ICR Plan payment amount.

Until we obtain the information needed to calculate your monthly payment amount, your payment will equal the amount of interest that accrues monthly on your loan unless you request a forbearance.

While you are repaying under the ICR Plan, you must provide documentation of your income and certify your family size each year so that we may recalculate your payment amount.

Under the ICR Plan, if your loan is not repaid in full after you have made the equivalent of 25 years of qualifying monthly payments over a period of at least 25 years have elapsed, any remaining loan amount will be forgiven. You may have to pay federal income tax on the loan amount that is forgiven.

**Additional repayment plans for Direct Consolidation Loans that did not repay parent PLUS loans**

**Note: Direct Consolidation Loans that repaid parent plus loans may not be repaid under these plans**

A parent PLUS loan is a Direct PLUS Loan or FFEL PLUS Loan that you obtained to help pay for your child's undergraduate education.

If you are not consolidating any parent PLUS loans, you may also choose the REPAYE Plan, the PAYE Plan, or the IBR Plan to repay your Direct Consolidation Loan.

If you are consolidating a parent PLUS loan, you may not choose the REPAYE Plan, the PAYE Plan, or the IBR Plan, but you may choose the ICR Plan (see above).

**Revised Pay As You Earn Repayment Plan (REPAYE Plan)**

Under the REPAYE Plan, your monthly payment amount is generally 10% of your discretionary income. Discretionary income for this plan is the difference between your adjusted gross income and 150% of the poverty guideline amount for your state of residence and family size, divided by 12.

If you are married, the income used to determine your REPAYE Plan payment amount will generally be the combined income of you and your spouse, regardless of whether you file a joint or separate federal income tax return.

While you are repaying under the REPAYE Plan, you must provide documentation of your income (and, if you are married, your spouse's income) and certify your family size each year so that we may recalculate your payment amount.

Under the REPAYE Plan, if all of the loans you are repaying under the plan were obtained for undergraduate study, any remaining loan amount will be forgiven after you have made the equivalent of 20 years of qualifying monthly payments over a period of at least 20 years. If any of the loans you are repaying under the REPAYE Plan were obtained for graduate or professional study, any remaining loan amount will be forgiven after you have made the equivalent of 25 years of qualifying monthly payments over a period of at least 25 years. You may have to pay federal income tax on the loan amount that is forgiven.

**Pay As You Earn Repayment Plan (PAYE Plan)**

Under the PAYE Plan, your monthly payment amount is generally 10% of your discretionary income. Discretionary income for this plan is the difference between your adjusted gross income and 150% of the poverty guideline amount for your state of residence and family size, divided by 12.

If you are married and file a joint federal income tax return, the income used to determine your PAYE Plan payment amount will be the combined adjusted gross income of you and your spouse.

If you are married and file a separate federal income tax return from your spouse, only your individual adjusted gross income will be used to determine your PAYE Plan payment amount.

The PAYE Plan is available only to new borrowers. You are a new borrower for the PAYE Plan if:

1. You had no outstanding balance on a Direct Loan or a FFEL Program loan as of October 1, 2007, or you have no outstanding balance on a Direct Loan or a FFEL Program loan when you obtain a new loan on or after October 1, 2007, and
2. You receive a disbursement of a Direct Subsidized Loan, Direct Unsubsidized Loan, or student Direct PLUS Loan (a Direct PLUS Loan made to a graduate or professional student) on or after October 1, 2011, or you receive a Direct Consolidation Loan based on an application received on or after October 1, 2011. However, you are not considered to be a new borrower for the PAYE Plan if the Direct Consolidation Loan you receive repays loans that would make you ineligible under part 1 of this definition.

In addition to being a new borrower, to initially qualify for the PAYE Plan, the monthly amount you would be required to pay under this plan, based on your income and family size, must be less than the amount you would have to pay under the Standard Repayment Plan with a 10-year repayment period.

If you are married and file a joint federal income tax return, the loan amount we use to determine whether you qualify for the PAYE Plan will include your eligible loans and your spouse's eligible loans.

If you are married and file a separate federal income tax return from your spouse, the loan amount we use to determine whether you qualify for the PAYE Plan will include only your eligible loans.

While you are repaying under the PAYE Plan, you must provide documentation of your income and certify your family size each year so that we may recalculate your payment amount. If your income increases to the point that the amount you would have to pay under the PAYE Plan based on your income is more than what you would have to pay under the Standard Repayment Plan, you will remain on the PAYE Plan, but your monthly payment will no longer be based on your income. Instead, your monthly payment will be what you would be required to pay under the Standard Repayment Plan.

Under the PAYE Plan, if your loan is not repaid in full after you have made the equivalent of 20 years of qualifying monthly payments over a period of at least 20 years, any remaining loan amount will be forgiven. You may have to pay federal income tax on the loan amount that is forgiven.

**Income-Based Repayment Plan (IBR Plan)**

Under the IBR Plan, your monthly payment amount is generally 15% (10% if you are a new borrower; see Note below) of your discretionary income. Discretionary income for this plan is the difference between your adjusted gross income and 150% of the poverty guideline amount for your state of residence and family size, divided by 12.

If you are married and file a joint federal income tax return, the income used to determine your IBR Plan payment amount will be the combined adjusted gross income of you and your spouse.

If you are married and file a separate federal income tax return from your spouse, only your individual adjusted gross income will be used to determine your IBR Plan payment amount.

To initially qualify for the IBR Plan, the monthly amount you would be required to pay under this plan, based on your income and family size, must be less than the amount you would have to pay under the Standard Repayment Plan with a 10-year repayment period.

If you are married and file a joint federal income tax return, the loan amount we use to determine whether you qualify for the IBR Plan will include your eligible loans and your spouse's eligible loans.

If you are married and file a separate federal income tax return from your spouse, the loan amount we use to determine whether you qualify for the IBR Plan will include only your eligible loans.

While you are repaying under the IBR Plan, you must provide documentation of your income and certify your family size each year so that we may recalculate your payment amount. If your income increases to the point that the amount you would have to pay under the IBR Plan based on your income is more than what you would have to pay under the Standard Repayment Plan with a 10-year repayment period, you will remain on the IBR Plan, but your monthly payment will no longer be based on your income. Instead, your monthly payment will be what you would be required to pay under the Standard Repayment Plan with a 10-year repayment period.

Under the IBR Plan, if your loan is not repaid in full after you have made the equivalent of 25 years (20 years if you are a new borrower) of qualifying monthly payments over a period of at least 25 years (20 years if you are a new borrower), any remaining loan amount will be forgiven. You may have to pay federal income tax on the loan amount that is forgiven.

**Note:** You are a **new borrower** for the IBR Plan if you have no outstanding balance on a Direct Loan or a FFEL Program loan on July 1, 2014, or if you have no outstanding balance on a Direct Loan or a FFEL Program loan on the date you obtain a Direct Loan after July 1, 2014. Your servicer will determine whether you are a new borrower based on the information about your loans in the U.S. Department of Education's National Student Loan Data System.

**Additional repayment plan information**

If you can show to our satisfaction that the terms and conditions of the repayment plans described above are not adequate to meet your



**WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM**  
**DIRECT CONSOLIDATION LOAN BORROWER'S RIGHTS AND RESPONSIBILITIES STATEMENT**

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exceptional circumstances, we may provide you with an alternative repayment plan.

You can use the Repayment Estimator at [StudentAid.gov/Repayment-Estimator](https://studentaid.gov/Repayment-Estimator) to estimate your monthly and total payment amounts under the different repayment plans and to evaluate your eligibility for the PAYE and IBR plans. The calculators are for informational purposes only. Your servicer will make the official determination of your payment amount and, for the PAYE and IBR plans, your eligibility for the plan.

You may change repayment plans at any time after you have begun repaying your loan. However, you may not change to a different repayment plan that has a maximum repayment period of less than the number of years your loan has already been in repayment, except that you may change to the REPAYE Plan, the PAYE Plan, the IBR Plan, or the ICR Plan at any time.

If you are making payments under any repayment plan other than the REPAYE Plan, the PAYE Plan, and the IBR Plan, we apply your payments in the following order:

1. Late charges and collection costs,
2. Outstanding interest, and
3. Outstanding principal.

If you are making payments under the REPAYE Plan, the PAYE Plan, or the IBR Plan, we apply your payments in the following order:

1. Outstanding interest,
2. Late charges and collection costs, and
3. Outstanding principal.

There is no penalty if you make loan payments before they are due, or pay more than the amount due each month (prepayments). We apply any prepayments in accordance with the Act. Your servicer can provide more information about how prepayments are applied.

When you have repaid your loan in full, your servicer will send you a notice telling you that you have paid off your loan. You should keep this notice in a safe place.

## **12. TRANSFER OF LOAN**

We may transfer the servicing of one or all of your loans to another servicer. If there is a change in the address to which you must send payments or direct communications, we will notify you of the new servicer's name, address and telephone number, the effective date of the transfer, and the date when you must begin sending payments or directing communications to that servicer. Transfer of a loan to a different servicer does not affect your rights and responsibilities under that loan.

## **13. LATE CHARGES AND COLLECTION COSTS**

If you do not make any part of a payment within 30 days after it is due, we may require you to pay a late charge. This charge will not be more than six cents for each dollar of each late payment. If you do not make payments as scheduled, we may also require you to pay other charges and fees involved in collecting your loan.

## **14. DEMAND FOR IMMEDIATE REPAYMENT**

The entire unpaid amount of your loan becomes due and payable (this is called "acceleration") if you:

- Make a false statement that causes you to receive a loan that you are not eligible to receive; or
- Default on your loan.

## **15. DEFAULTING ON YOUR LOAN**

Default (failing to repay your loan) is defined in detail in the Note Terms and Conditions section of this Note. If you default:

- We will require you to immediately repay the entire unpaid amount of your loan.
- We may sue you, take all or part of your federal and state tax refunds and other federal or state payments, and/or garnish your wages so that your employer is required to send us part of your salary to pay off your loan.
- We will require you to pay reasonable collection fees and costs, plus court costs and attorney fees.
- You will lose eligibility for other federal student aid and assistance under most federal benefit programs.
- You will lose eligibility for loan deferments.
- We will report your default to nationwide consumer reporting agencies (see Item 16). This will harm your credit history and may make it difficult for you to obtain credit cards, home or car loans, or other forms of consumer credit.

If you default on your loan, you will not be charged collection costs if you respond within 60 days to the initial notice of default that we send to you, and you enter into a repayment agreement with us, including a loan rehabilitation agreement, and fulfill that agreement.

## **16. CONSUMER REPORTING AGENCY NOTIFICATION**

We will report information about your loan to nationwide consumer reporting agencies (commonly known as "credit bureaus") on a regular basis. This information will include the disbursement dates, amount, and repayment status of your loan (for example, whether you are current or delinquent in making payments). Your loan will be identified as an education loan.

If you default on a loan, we will report this to nationwide consumer reporting agencies. We will notify you at least 30 days in advance that we plan to report default information to a consumer reporting agency unless you resume making payments on the loan within 30 days of the date of the notice. You will be given a chance to ask for a review of the debt before we report it.

If a consumer reporting agency contacts us regarding objections you have raised about the accuracy or completeness of any information we have reported, we are required to provide the agency with a prompt response.

## **17. DEFERMENT AND FORBEARANCE (POSTPONING PAYMENTS)**

### **General**

If you meet certain requirements, you may receive a **deferment** that allows you to temporarily stop making payments on your loan. If you cannot make your scheduled loan payments, but do not qualify for a deferment, we may give you a **forbearance**. A forbearance allows you to temporarily stop making payments on your loan, temporarily make smaller payments, or extend the time for making payments.

### **Deferment**

You may receive a deferment:

- While you are enrolled at least half time at an eligible school;
- While you are in a full-time course of study in a graduate fellowship program;

## WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

### DIRECT CONSOLIDATION LOAN BORROWER'S RIGHTS AND RESPONSIBILITIES STATEMENT

- While you are in an approved full-time rehabilitation program for individuals with disabilities;
- While you are unemployed (for a maximum of three years; you must be diligently seeking, but unable to find, full-time employment);
- While you are experiencing an economic hardship (including Peace Corps service), as defined in the Act (for a maximum of three years);
- While you are serving on active duty during a war or other military operation or national emergency or performing qualifying National Guard duty during a war or other military operation or national emergency and, if you were serving on or after October 1, 2007, for an additional 180-day period following the demobilization date for your qualifying service; or
- If you are a member of the National Guard or other reserve component of the U.S. Armed Forces (current or retired) and you are called or ordered to active duty while you are enrolled at least half time at an eligible school or within 6 months of having been enrolled at least half time, during the 13 months following the conclusion of your active duty service, or until you return to enrolled student status on at least a half-time basis, whichever is earlier.

You may be eligible to receive additional deferments if, at the time you received your first Direct Loan, you had an outstanding balance on a loan made under the FFEL Program before July 1, 1993. If you meet this requirement, contact your servicer for information about additional deferments that may be available.

You may receive a deferment based on your enrollment in school on at least a half-time basis if:

- You submit a deferment request to your servicer along with documentation of your eligibility for the deferment, or
- Your servicer receives information from the school you are attending that indicates you are enrolled at least half time.

If your servicer processes a deferment based on information received from your school, you will be notified of the deferment and will have the option of canceling the deferment and continuing to make payments on your loan.

For all other deferments, you (or, for a deferment based on active duty military service or qualifying National Guard duty during a war or other military operation or national emergency, a representative acting on your behalf) must submit a deferment request to your servicer, along with documentation of your eligibility for the deferment. In certain circumstances, you may not be required to provide documentation of your eligibility if your servicer confirms that you have been granted the same deferment for the same period of time on a FFEL Program loan. Your servicer can provide you with a deferment request form that explains the eligibility and documentation requirements for the type of deferment you are requesting. You may also obtain deferment request forms and information on deferment eligibility requirements from your servicer's web site.

If you are in default on your loan, you are not eligible for a deferment.

You are not responsible for paying the interest on a Direct Subsidized Consolidation Loan during a period of deferment, except as explained in Item 9 of this Borrower's Rights and Responsibilities Statement. However, you are responsible for paying the interest on a Direct Unsubsidized Consolidation Loan during a period of deferment.

### Forbearance

We may give you a forbearance if you are temporarily unable to make your scheduled loan payments for reasons including, but not limited to, financial hardship and illness.

We will give you a forbearance if:

- You are serving in a medical or dental internship or residency program, and you meet specific requirements;
- The total amount you owe each month for all of the student loans you received under Title IV of the Act (Direct Loan Program loans, FFEL Program loans, and Federal Perkins Loans) is 20% or more of your total monthly gross income (for a maximum of three years);
- You are serving in a national service position for which you receive a national service education award under the National and Community Service Trust Act of 1993. In some cases, the interest that accrues on a qualified loan during the service period will be paid by the Corporation for National and Community Service;
- You are performing service that would qualify you for loan forgiveness under the Teacher Loan Forgiveness program that is available to certain Direct Loan and FFEL program borrowers;
- You qualify for partial repayment of your loans under a student loan repayment program administered by the Department of Defense; or
- You are called to active duty in the U.S. Armed Forces.

To request a forbearance, contact your servicer. Your servicer can explain the eligibility and documentation requirements for the type of forbearance you are requesting. You may also obtain information on forbearance eligibility requirements from your servicer's web site.

Under certain circumstances, we may also give you a forbearance without requiring you to submit a request or documentation. These circumstances include, but are not limited to, the following:

- Periods necessary for us to determine your eligibility for a loan discharge;
- A period of up to 60 days in order for us to collect and process documentation related to your request for a deferment, forbearance, change in repayment plan, or consolidation loan (we do not capitalize the interest that is charged during this period); or
- Periods when you are involved in a military mobilization, or a local or national emergency.

You are responsible for paying the interest that accrues on your entire Direct Consolidation Loan during a period of forbearance.

### 18. DISCHARGE (HAVING YOUR LOAN FORGIVEN)

#### Death, bankruptcy, and total and permanent disability

We will discharge (forgive) your loan if:

- You die. Your servicer must receive acceptable documentation (as defined in the Act) of your death. We will also discharge the portion of a Direct Consolidation Loan that repaid one or more Direct PLUS Loans or Federal PLUS Loans obtained on behalf of a child who dies.
- Your loan is discharged in bankruptcy after you have proven to the bankruptcy court that repaying the loan would cause undue hardship. Direct Loans are not automatically discharged if you file for bankruptcy.
- You become totally and permanently disabled (as defined in the Act) and meet certain other requirements.

**WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM  
DIRECT CONSOLIDATION LOAN BORROWER'S RIGHTS AND RESPONSIBILITIES STATEMENT**

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**School closure, false certification, identity theft, and unpaid refund**

In certain cases, we may also discharge all or a portion of your loan if:

- One or more Direct Loan Program, FFEL Program, or Federal Perkins Loan Program loans that you consolidated was used to pay for a program of study that you (or the child for whom you borrowed a Direct PLUS Loan or Federal PLUS Loan) were unable to complete because the school closed;
- Your eligibility (or the eligibility of the child for whom you borrowed a Direct PLUS Loan or Federal PLUS Loan) for one or more of the Direct Loan Program or FFEL Program loans that you consolidated was falsely certified by the school;
- Your eligibility for one or more of the Direct Loan Program or FFEL Program loans that you consolidated was falsely certified as a result of a crime of identity theft; or
- The school did not pay a required refund of one or more Direct Loan Program or FFEL Program loans that you consolidated.

**Teacher Loan Forgiveness**

We may forgive a portion of your Direct Consolidation Loan that repaid Direct Subsidized Loans or Direct Unsubsidized Loans you received after October 1, 1998, or subsidized or unsubsidized Federal Stafford Loans you received under the FFEL program after October 1, 1998 if you:

- Teach full time for five consecutive years in certain low-income elementary or secondary schools, or for low-income educational service agencies;
- Meet certain other qualifications; and
- Did not owe a Direct Loan or a FFEL program loan as of October 1, 1998, or as of the date you obtain a loan after October 1, 1998.

**Public Service Loan Forgiveness**

A Public Service Loan Forgiveness (PSLF) program is also available. Under this program, we will forgive the remaining balance due on your eligible Direct Loan Program loans after you have made 120 payments on those loans (after October 1, 2007) under certain repayment plans while you are employed full-time in certain public service jobs. The required 120 payments do not have to be consecutive. Qualifying repayment plans include the REPAYE Plan, the PAYE Plan, the IBR Plan, the ICR Plan, and the Standard Repayment Plan with a 10-year repayment period.

**Note:** Although the Standard Repayment Plan with a 10-year repayment period is a qualifying repayment plan for PSLF, to receive any loan forgiveness under this program you must make the majority of the required 120 payments under the REPAYE Plan, the PAYE Plan, the IBR Plan, or the ICR Plan.

**Additional loan discharge information**

The Act may provide for certain loan forgiveness or repayment benefits on your loans in addition to the benefits described above.

For a discharge based on your death or the death of the child on whose behalf you obtained a Direct PLUS Loan or Federal PLUS Loan that was consolidated, a family member must contact your loan servicer. To request a loan discharge based on one of the other conditions described above (except for a discharge due to bankruptcy), you must complete an application. Your servicer can tell you how to apply.

In some cases, you may assert, under applicable law and regulations, a defense against repayment of your loan on the basis that the school did

something wrong or failed to do something that it should have done. You can make such a defense against repayment only if the school's act or omission directly relates to one or more of the loans that you consolidated or to the educational services that the loan(s) you consolidated was intended to pay for. If you believe that you have a defense against repayment of your loan, contact your servicer.

We do not guarantee the quality of the academic programs provided by schools that participate in federal student financial aid programs. You must repay your loan even if you do not complete the education paid for with the loan, are unable to obtain employment in the field of study for which the school provided training, or are dissatisfied with, or do not receive, the education you paid for with the loan.

**19. DEPARTMENT OF DEFENSE AND OTHER FEDERAL AGENCY LOAN REPAYMENT**

Under certain circumstances, military personnel may have their federal education loans repaid by the Secretary of Defense. This benefit is offered as part of a recruitment program that does not apply to individuals based on their previous military service or to those who are not eligible for enlistment in the U.S. Armed Forces. For more information, contact your local military service recruitment office.

Other agencies of the federal government may also offer student loan repayment programs as an incentive to recruit and retain employees. Contact the agency's human resources department for more information.

**END OF BORROWER'S RIGHTS AND RESPONSIBILITIES STATEMENT**



# REPAYMENT PLAN REQUEST:

Standard Repayment Plan/Graduated Repayment Plan/Extended Repayment Plan  
William D. Ford Federal Direct Loan (Direct Loan) Program

OMB No. 0014  
Form Approved  
Exp. Date 1/31/2020

**WARNING:** Any person who knowingly makes a false statement or misrepresentation on this form or on any accompanying document is subject to penalties that may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

## SECTION 1: BORROWER INFORMATION

Please enter or correct the following information.

Check this box if any of your information has changed.

SSN [REDACTED]

Name S [REDACTED] H [REDACTED]

Address [REDACTED]

City [REDACTED] State [REDACTED] Zip Code [REDACTED]

Telephone - Primary [REDACTED]

Telephone - Alternate [REDACTED]

E-mail (Optional) [REDACTED]

## SECTION 2: REPAYMENT PLAN REQUEST

### 1. Choose one of the following:

- I want to select a plan for all of my Direct Loans.
- I want to select a plan for only my Direct Loans that are not eligible for the Income-Based Repayment (IBR), Pay As You Earn (PAYE), Revised Pay As You Earn (REPAYE), or Income-Contingent Repayment (ICR) Plans. The following loans are not eligible for these plans:
  - Direct Parent PLUS Loans: not eligible for IBR, PAYE, REPAYE, or ICR.
  - Direct Consolidation Loans made on or after July 1, 2006 that repaid Direct Parent PLUS Loans or Federal Parent PLUS Loans: not eligible for IBR, PAYE, or REPAYE. These loans are eligible for ICR.
  - Direct Consolidation Loans made before July 1, 2006 that repaid Direct Parent PLUS Loans or Federal Parent PLUS Loans (these are called "Direct PLUS Consolidation Loans"): not eligible for IBR, PAYE, REPAYE, or ICR.

### 2. Check the box for the repayment plan that you wish to select:

These plans are described in Section 5.

- Standard     Graduated     Extended - Fixed Payments     Extended - Graduated Payments

**Note:** If you are interested in the IBR, PAYE, REPAYE, or ICR Plan, visit [StudentLoans.gov](http://StudentLoans.gov) to read or complete the application. Visit [StudentAid.gov/IDR](http://StudentAid.gov/IDR) to learn more. To compare repayment plans, visit the repayment estimator at [StudentAid.gov/repayment-estimator](http://StudentAid.gov/repayment-estimator).

## SECTION 3: BORROWER REQUEST, UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATION

If I am currently repaying my Direct Loans under the IBR Plan and I am requesting to change the Graduated or Extended Repayment Plan, **I request** a one-month reduced-payment forbearance in the amount of my current monthly IBR payment or \$5, whichever is greater (unless I request another amount below or I decline the forbearance) to help me move from IBR to the new plan I requested.

**I request** a one-month reduced-payment forbearance in the amount of: \_\_\_\_\_ (must be at least \$5).

**I understand that: (1)** If I am requesting a change from the IBR Plan to the Graduated or Extended Repayment Plan, I may decline the one-month reduced-payment forbearance described above by contacting my loan servicer. If I decline the forbearance, I will be placed on the Standard Repayment Plan and must make one monthly payment under that plan before I can be placed on the Graduated or Extended Repayment Plan and **(2)** If I am delinquent in making payments under my current repayment plan at the time I request to change to a different plan, my servicer may grant me a forbearance to cover any payments that are overdue or would be due at the time I enter my new repayment plan. Unpaid interest that accrues during this forbearance period may be capitalized at the end of the forbearance period.

**SECTION 3: BORROWER UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATION (CONTINUED)**

I certify that: (1) The information I have provided on this form is true and correct and (2) I have read and understand the terms and conditions of the repayment plan that I requested in Section 2, as explained in Section 5.

I authorize the U.S. Department of Education (and its agents or contractors) to contact me regarding my request or my loan(s), including repayment of my loan(s), at any number that I provide on this form or any future number that I provide for my cellular telephone or other wireless device using automated telephone dialing equipment or artificial or prerecorded voice or text messages.

Borrower's Signature S [REDACTED] H [REDACTED] Date [REDACTED]

**SECTION 4: INSTRUCTIONS FOR COMPLETING THE FORM**

Type or print using dark ink. Enter dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: January 31, 2019 = 01-31-2019. If you need help completing this form, contact your federal loan servicer. If you want to apply for a repayment plan and your Direct Loans are serviced by different federal loan servicers, you must submit a separate repayment plan request to each loan servicer.

Return the completed form and any required documentation to the address shown in Section 6.

**SECTION 5: REPAYMENT PLAN DESCRIPTIONS**

**STANDARD REPAYMENT PLAN**

Under this plan, you will pay a fixed amount each month over the course of your maximum repayment period in an amount that will ensure that your loan is fully repaid by the end of your repayment period. This plan may result in lower total interest paid when compared to other plans. For Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans, the maximum repayment period is 10 years. For Direct Consolidation Loans, the maximum repayment period ranges from 10 to 30 years, depending on loan debt.

**GRADUATED REPAYMENT PLAN**

Under this plan, your payments start out low and then increase every two years. No single payment under this plan will be more than three times greater than any other payment. Your scheduled payment amount will ensure that your loan is fully repaid by the end of your repayment period. Generally, the amount you will repay over the life of your loan will be higher under this plan than under the Standard Repayment Plan. This plan may be beneficial if your income is low now but is likely to steadily increase. For Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans, the maximum repayment period is 10 years. For Direct Consolidation Loans, the maximum repayment period ranges from 10 to 30 years, depending on loan debt.

**EXTENDED REPAYMENT PLAN**

- You may choose this plan only if (1) you had no outstanding balance on a Direct Loan on October 7, 1998 or on the date you obtained a Direct Loan after that date, and (2) you owe more than \$30,000 in outstanding Direct Loans.
- Under this plan, you have the option of making either fixed or graduated payments over your maximum repayment period. Your scheduled payment amount will ensure that your loan is fully repaid by the end of your repayment period. If you choose graduated payments, your payments start out low and then increase every two years.
- Under either the fixed or graduated monthly payment option, the Extended Repayment Plan will give you a lower monthly payment on your non-consolidation loans than the Standard or Graduated Repayment Plans. However, because of the longer repayment period, you will pay more interest over the life of your loans.
- For all loan types, the maximum repayment period is 25 years.

**SECTION 6: WHERE TO SEND THE COMPLETED FORM**

Return the completed form and any required documentation to:  
(If no address is shown, return to your loan servicer.)

If you need help completing this form call:  
(If no telephone number is shown, call your loan servicer.)

## SECTION 7: IMPORTANT NOTICES

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**Privacy Act Notice.** The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authorities for collecting the requested information from and about you is §451 et seq. of the Higher Education Act of 1965, as amended (20 U.S.C. 1087a et seq.) and the authorities for collecting and using your Social Security Number (SSN) are §§428B(f) and 484(a)(4) of the HEA (20 U.S.C. 1078-2(f) and 1091(a)(4)) and 31 U.S.C. 7701(b). Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program is voluntary, but you must provide the requested information, including your SSN, to participate.

The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the Direct Loan Program, to permit the servicing of your loans, and, if it becomes necessary, to locate you and to collect and report on your loans if your loans become delinquent or default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed, on a case-by-case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices. The routine uses of this information include, but are not limited to, its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to consumer reporting agencies, to financial and educational institutions, and to guaranty agencies in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loans, to enforce the terms of the loans, to investigate possible fraud and to verify compliance with federal student financial aid program regulations, or to locate you if you become delinquent in your loan payments or if you default. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to state agencies. To provide financial aid history information, disclosures may be made to educational institutions.

To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions to efficiently submit student enrollment statuses, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. Before making any such disclosure, we will require the contractor to maintain Privacy Act safeguards. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

**Paperwork Reduction Notice.** According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0014. Public reporting burden for this collection of information is estimated to average 5 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain a benefit in accordance with 34 CFR 685.208. If you have comments or concerns regarding the status of your individual submission of this form, please contact your loan servicer directly (see Section 6).