

PRÉSTAMO DIRECTO DE CONSOLIDACIÓN

Paquete de autoayuda

PRÉSTAMO DIRECTO DE CONSOLIDACIÓN

La consolidación

Una consolidación es similar al refinanciamiento de una deuda. Una persona puede consolidar todos, algunos, e incluso sólo uno de sus préstamos estudiantiles. Antes de tomar la decisión de hacer una consolidación, uno debe considerar los aspectos a favor y aquéllos en contra, según se desglosan en el sitio virtual de Asistencia al Prestatario Estudiantil (www.studentloanborrowerassistance.org) y el del Departamento de Educación (www.ed.gov).

El Préstamo Directo de Consolidación

Bajo el programa de Préstamo Directo de Consolidación, usted puede consolidar la mayoría de los préstamos estudiantiles. Los préstamos que NO son elegibles para consolidación incluyen préstamos estatales o privados sin garantía federal. Para poder obtener un Préstamo Directo de Consolidación, usted tiene que tener un préstamo Directo o un préstamo de FFEL sin saldar. Esto significa, por ejemplo, que un préstamo Perkins solamente no se puede consolidar y convertir en un préstamo directo de consolidación. Si el préstamo elegible para consolidación es un préstamo FFEL, el prestatario debe también certificar que no pudo obtener una consolidación FFEL o que no pudo obtener un Préstamo de Consolidación FFEL bajo términos de pago que tomaran en cuenta sus ingresos. Esto no debe resultar un problema ya que a partir del 1 de julio, 2010 no hay más préstamos de consolidación de FFEL.

¿Cómo solicitar un préstamo directo de consolidación?

Antes de comenzar a cumplimentar la solicitud, debe obtener una lista completa de sus préstamos federales vía el sistema de datos nacional de préstamos estudiantiles¹ del Departamento de Educación. Puede obtener esta información en línea accediendo a www.nsls.ed.gov o llamando por teléfono al 1-800-4-FED-AID.

¹ Traducción NO oficial del *National Student Loan Data System*.

Puede solicitar un préstamo directo de consolidación en línea accediendo a <https://loanconsolidation.ed.gov/>. También puede descargar los formularios aquí, o utilizar los números telefónicos para información de contacto escritos bajo estas líneas, para pedir una solicitud.

Este paquete informativo provee los formularios actuales y una solicitud modelo. Los formularios que usted debe cumplimentar y enviar son los siguientes:

1. Solicitud y Pagaré
2. Selección de Plan de Pago
3. Hoja de Préstamos Adicionales (sólo si no puede enumerar todos sus préstamos en el formulario de la solicitud)
4. Consentimiento a Divulgación de Información Contributiva del Plan de Pago Sensible a los Ingresos (Sólo si escoge el ICRP o IBR)
5. Formulario de Documentación Alternativa de Ingresos (sólo si usted solicita el ICRP o IBR y está dentro del primer año de pago de su préstamo directo, o si ha recibido notificación de que este formulario es un requisito para usted. También puede escoger llenar este formulario si sus ingresos según reportados en su planilla de contribuciones más reciente no refleja adecuadamente sus ingresos actuales.)

Además de los formularios enumerados, asegúrese de leer los siguientes documentos:

1. Carta al Estimado Prestatario
2. Derechos y Responsabilidades del Prestatario
3. Instrucciones de la Solicitud y el Pagaré

¿A dónde enviar la solicitud cumplimentada?

Recomendamos que, una vez haya cumplimentado la solicitud, haga una copia para sus archivos. Luego, envíe el documento original por correo a: U.S. Department of Education, Loan Consolidation Center, P.O. Box 242800, Louisville KY 40224-2800. Debe considerar enviar este documento mediante correo certificado y guardar el recibo.

¿Qué esperar después de enviar su solicitud?

Si bien el Departamento dice que procesar la solicitud de consolidación toma entre 60 y 90 días, podría tomar más tiempo. Tiene la opción de llamar a los números de servicio impresos a continuación para verificar el progreso de su solicitud. Solicitar en línea puede acelerar el proceso. Mientras la solicitud está procesándose, tiene la opción de solicitar un aplazamiento al pago de su deuda, en particular si está en mora y le preocupa ser objeto del proceso de cobro.

Para más información:

Números de teléfono para Préstamos Directos de Consolidación:

- Número de teléfono libre de cargos: 1-800-557-7392
- Para prestatarios con impedimentos auditivos o del habla con TDD: 1-800-557-7395

Representantes de servicio al cliente están disponibles para contestar llamadas de prestatarios dentro del siguiente horario:

- De lunes a viernes, entre 8:00 a.m. y 8:30 p.m. (Hora del este de EE.UU.)
- De lunes a viernes, entre 5:00 a.m. P.S.T. y 5:30 p.m. (Hora del Pacífico de EE.UU.)

LEA ESTOS FORMULARIOS PRIMERO

1. Carta al Estimado Prestatario
2. Derechos y Responsabilidades del Prestatario
3. Instrucciones para la Solicitud y el Pagaré

Direct Loans

William D. Ford Federal Direct Loan Program

Dear Borrower,

Thank you for your interest in the U.S. Department of Education's Federal Direct Consolidation Loan (Direct Consolidation Loan) Program.

Contents of Direct Consolidation Loan Application Package

- Direct Consolidation Loan Application and Promissory Note.
- Instructions for completing the Direct Consolidation Loan Application and Promissory Note.
- Additional forms related to applying for a Direct Consolidation Loan.

Items You Should Review Before Applying

Choosing a Direct Consolidation Loan is a decision that will affect your financial future. There are several documents that will help you make an informed decision. Please be sure to carefully read all of these documents before you complete your Direct Consolidation Loan Application and Promissory Note:

- **Application and Promissory Note, Borrower's Rights and Responsibilities, and Instructions:** Find helpful, line-by-line guidance and information—a "must" when completing your application and understanding your rights and responsibilities.

ADDITIONAL INSTRUCTIONS: If you have any Direct Unsubsidized Loans (TEACH) (converted from TEACH Grants), which you want to consolidate or do not want to consolidate, select loan type 'L' (Direct Unsubsidized Loans) when you complete the *Education Loan Indebtedness* sections of the Direct Consolidation Loan Application and Promissory Note and Additional Loan Listing Sheet—and on the Request to Add Loans form if you add any loans to an existing consolidation.

- **Addendum to Direct Consolidation Loan Application and Promissory Note:** As a result of new laws or regulations, some of the terms and conditions of Direct Consolidation Loans may differ from the terms and conditions that are included in the Application and Promissory Note. If any of the loan terms and conditions in the Application and Promissory Note have changed, this package will also include an Addendum to the Direct Consolidation Loan Application and Promissory Note that explains these changes.

Estimate Your Monthly Repayment Amounts

Determining how much you will pay each month and for how long is essential to determining which repayment plan is best for you. Use our online, interactive repayment estimator (calculator) at <http://www.loanconsolidation.ed.gov> or contact us at the telephone number or address listed below.

Additional Forms You May Need to Submit

You may be required to submit other forms with your Application and Promissory Note. Read each form carefully to determine whether you need to submit it. The following is a description of each form:

- **Additional Loan Listing Sheet:** Use this form if all of your loans do not fit in the space provided in the *Education Loan Indebtedness* section of your Application and Promissory Note.
- **Repayment Plan Selection Form:** Complete this form to select a repayment plan to repay your consolidation loan.

NOTE: For your information only, a Repayment Plan Choices insert is also provided to help you decide which plan to select. This insert does not need to be returned to us.

NOTE: You may not repay your parent Direct PLUS Loan(s) or Direct Consolidation Loan(s) that includes a parent Direct PLUS Loan(s) under the IBR Plan.

NOTE: If you pay under the Income Contingent Repayment (ICR) or Income-Based Repayment (IBR) Plan, your 25-year repayment period may include prior periods of repayment under other repayment plans and certain periods of economic hardship deferment.

- **Consent to Disclosure of Tax Information Form:** Complete this form *only* if you are required or select to repay your consolidation loan under the ICR or IBR Plan. This form provides your consent for the Internal Revenue Service (IRS) to disclose your tax information to us. The income information provided by the IRS is used to determine your monthly payment amount under the ICR or IBR plan. If you are married, follow the instructions on the form regarding any spousal requirements.
- **Alternative Documentation of Income Form:** You may also complete this form to provide us with your income information before we receive it from the IRS or to provide updated income information. If you are married, follow the instructions on the form regarding any spousal requirements.

Checklist of Items to Send Us

_____ Your completed Application and Promissory Note.

_____ A photocopy of any supporting documents required to be sent as stated in the application and/or instructions.

_____ A completed Repayment Plan Selection form showing the repayment plan you selected.

- If you selected the ICR or IBR Plan, you must also complete the Consent to Disclosure of Tax Information. You may also submit the Alternative Documentation of Income form..
- If you are consolidating a defaulted loan(s) and have not made satisfactory repayment arrangements, you **must** select the ICR Plan on the Repayment Plan Selection form.

The Length of the Consolidation Process Varies

Generally it takes 60 to 90 days to complete the consolidation process. Processing may take longer if your Application and Promissory Note is incomplete or if your loan holder(s) does not reply promptly to our request for loan pay-off information. We will contact you if we have questions.

You Need to Continue Making Payments

Continue making your monthly loan payments to your current loan holder (if you are required to do so) until you receive written notification that your loan(s) has been successfully consolidated. If you are having difficulty making your loan payments, contact your current loan holder(s) to find out how to postpone payments. Ask specifically about your "deferment" or "forbearance" options.

Additional Information and Assistance

The list below contains information on how to contact us and various methods for submitting your application.

- **E-mail** loan_consolidation@mail.hp.com
- **Web** **Apply online—it's fast, it's easy, and it reduces errors!**
<http://www.loanconsolidation.ed.gov>
- **Phone** 1-800-557-7392 (1-800-557-7395 TDD for the hearing impaired)
8:00 AM to 8:00 PM Eastern Time, Monday through Friday
- **Mail** **U.S. Department of Education**
Consolidation Department
P.O. Box 242800
Louisville, KY 40224-2800

Federal Direct Consolidation Loan Instructions for Application and Promissory Note

Before You Begin

Before beginning, you will need to gather all of your loan records, account statements, and bills so that you will have on hand all the information needed to complete the Application and Promissory Note.

Use a blue or black ball point pen to complete the Application and Promissory Note. Enter dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: June 24, 1982 = 06-24-1982.

Some of the items in Sections A and C 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.

Section A: Borrower Information

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

Item 2: Enter your nine-digit Social Security Number.

Item 3: Enter your permanent address (number, street, apartment number, or rural route number and box number, then city, state, zip code). If your mailing address is post office box or general delivery, you must list **both** your permanent address and your mailing address.

Item 4: 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 5 (optional): Enter your preferred e-mail address for receiving communications. You are not required to provide this information. If you do, we may use your e-mail address to communicate with you. If you do not have an e-mail address or do not wish to provide one, enter N/A.

Item 6: 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 7: Enter your date of birth.

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. If you are self-employed, enter the name of your business. If you are not employed, enter N/A.

Item 10: Enter your employer's address or, if you are self-employed, the address of your business (street, city, state, zip code).

Item 11: Enter your work area code and telephone number. If you are self-employed, enter the area code and telephone number of your business.

Section B: Reference Information

Item 12: Enter the requested information for two persons 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, enter N/A.

Section C1: Education Loan Indebtedness – Loans You Want to Consolidate

Section C2: Education Loan Indebtedness – Loans You Do Not Want to Consolidate

Section C1 asks for information about your federal education loans that you want to consolidate. Section C2 asks for information about your education loans that you are not consolidating, but want to have considered when calculating your maximum repayment period. If you need more space to list loans in Section C1 or C2, use the Additional Loan Listing Sheet included with your Application and Promissory Note. To find the information you will need to complete Sections C1 and C2, 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 at www.nslds.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. **You must consolidate at least one Direct Loan or FFEL Program loan.**

Item 13: Enter the code that corresponds to the loan type from the chart provided on this instructions page ("Loan Types and Their Codes"). If you are not sure about the loan type, leave this item blank.

Item 14: Enter the full name and mailing address of the holder of the loan or the holder's servicer. (This is the address to which you are or will be sending 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 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 consolidation loan will be delayed until approximately 30-60 days before the end of your grace period. If you leave Item 17 blank, processing of your consolidation loan will begin as soon as we receive your completed Application and Promissory Note and any other required documents, and any loans listed in Section C1 that are in a grace period will enter repayment immediately upon consolidation.

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 determining 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 give us an approximate amount.

Section D: Repayment Plan Selection

See the instructions provided in this section.

Section E: Borrower Understandings, Certifications, and Authorizations

Items 22-24: Carefully read these items.

Section F: Promissory Note

This is a legally binding contract.

Item 25: Carefully read the Promise to Pay and the entire Application and Promissory Note, including the Borrower Understandings, Certifications, and Authorizations in Section E, the terms and conditions on page 4, and the Borrower's Rights and Responsibilities Statement on pages 5-8.

Item 26: Sign and date the Application and Promissory Note. If you do not sign the Application and Promissory Note, your application cannot be processed.

Final Notes

Review all the information on your Application and Promissory Note. When complete, make a copy for your records and mail the original pages 1, 2, and 3 to us in the envelope provided, along with the completed Repayment Plan Selection form and, if required, the Income Contingent Repayment Plan Consent to Disclosure of Tax Information form. If you no longer have the envelope, mail the Application and Promissory Note to the address shown below.

As soon as we receive your completed Application and Promissory Note and supporting documents, we will begin processing (unless you have entered your expected grace period end date in Section C1, Item 17). During this time, we might call you with questions. We will be sending you a notice before we pay off your loans.

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; ask specifically about your "deferment" or "forbearance" options.

Loan Types and Their Codes (use these codes to complete Sections C1 and C2)

A	Subsidized Federal Stafford Loans	N	National Defense Student Loans (NDSL)
B	Guaranteed Student Loans (GSL)	O	Subsidized Federal Consolidation Loans
C	Federal Insured Student Loans (FISL)	P	Auxiliary Loans to Assist Students (ALAS)
D	Direct Subsidized Loans	Q	Health Professions Student Loans (HPSL)
E	Direct Subsidized Consolidation Loans	R	Health Education Assistance Loans (HEAL)
F	Federal Perkins Loans	S	Federal PLUS Loans (for parents or for graduate/professional students)
G	Unsubsidized Federal Stafford Loans (including Nonsubsidized Stafford Loans)	T	Parent Loans for Undergraduate Students (PLUS)
H	Federal Supplemental Loans for Students (SLS)	U	Direct PLUS Loans (for parents or for graduate/professional students)
J	Unsubsidized Federal Consolidation Loans	V	Direct PLUS Consolidation Loans
K	Direct Unsubsidized Consolidation Loans	Y	Nursing Student Loans (NSL)
L	Direct Unsubsidized Loans	Z	Loans for Disadvantaged Students (LDS)
M	National Direct Student Loans (NDSL)	W	Education loans ineligible for consolidation

For help completing this form, call 1-800-557-7392.

For the hearing impaired, the TDD number is 1-800-557-7395.

Mail your completed Application and Promissory Note and any other required forms (see Final Notes, above) to the following address:

U.S. Department of Education
Consolidation Department
P.O. Box 242800
Louisville, KY 40224-2800

FORMULARIOS QUE DEBE LLENAR

SOLICITUD Y PAGARÉ

Independientemente de cuál plan de pago escoja, debe llenar este formulario.

Página 1:

Aquí usted provee su información básica, incluyendo su nombre, dirección y número de seguro social. Asegúrese de escribir la información con claridad en bolígrafo azul o negro, o en máquina de escribir. La Sección B de la página 1 exige que provea dos referencias. Las referencias pueden ser de familiares o amigos siempre y cuando estos no compartan residencia con usted y le conozcan desde hace por lo menos tres años. Las personas que provean sus referencias tienen que vivir en Estados Unidos.

Página 2:

Asegúrese de escribir su nombre y seguro social en la parte superior de la hoja. Aquí usted debe hacer una lista de todos sus préstamos federales que quiere consolidar. Si usted no tiene esta información, debe solicitarla en línea al Departamento de Educación federal a través de la página virtual www.nsls.ed.gov o llamando al 1-800-4-FED-AID. Haga su mejor esfuerzo por contestar todas las preguntas. El “tipo de préstamo” va a estar incluido en la información que le provea el Departamento de Educación. Esta parte debe ser cumplimentada escribiendo, por ejemplo, “FFEL Stafford subsidiado” o “FFEL Stafford no subsidiado”. También puede informarse del monto del balance actual de su préstamo a través del Departamento de Educación. Normalmente, no es un problema que deje en blanco el espacio para el “número de cuenta” si usted desconoce esa información. Sin embargo, debe hacer un esfuerzo máximo por conseguirla.

Si tiene préstamos adicionales, debe utilizar la “Hoja de Préstamos Adicionales” para hacer la lista de los préstamos que no quepan en este formulario.

Página 3:

Asegúrese de escribir su nombre y seguro social en la parte superior de la hoja. Después de leer la sección de “Promesa de Pago”, usted debe firmar este formulario al final.

Página 4:

Esta información se provee para que usted la tenga y la lea.

Páginas 5-9:

Información importante sobre derechos y responsabilidades.

Entre las páginas siguientes, se incluye una solicitud en blanco.

Borrower's Name (please print) _____

Social Security Number _____

Section C1: Education Loan Indebtedness – Loans You Want to Consolidate (continued from page 1)

13. Loan Type (See Instructions)	14. Loan Holder's/Service's Name, Address, and Area Code/Telephone Number (See Instructions)	15. Loan Account Number	16. Estimated Payoff Amount

17. Grace Period End Date. If any of the loans you want to consolidate are in a grace period, you can delay the processing of your Direct Consolidation Loan until the end of your grace period by entering your expected grace period end date in the space provided. If you leave this item blank, your Direct Consolidation Loan will be processed and any loans listed in Section C1 that are in a grace period will enter repayment immediately upon consolidation.

Expected Grace Period End Date (month/year):

Section C2: Education Loan Indebtedness – 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 to have considered when calculating your maximum repayment period. Include any Direct Loan Program loans that you do not want to consolidate. If you need more space to list additional loans, use the Additional Loan Listing Sheet included with this package. List each loan separately. Please print. **ONLY LIST LOANS THAT YOU DO NOT WANT TO CONSOLIDATE IN THIS SECTION.**

18. Loan Type (See Instructions)	19. Loan Holder's/Service's Name, Address, and Area Code/Telephone Number (See Instructions)	20. Loan Account Number	21. Current Balance

Section D: Repayment Plan Selection

To understand your repayment plan options, carefully read the repayment plan information in the Borrower's Rights and Responsibilities Statement on pages 5-8 of this Application and Promissory Note (Note) and in any supplemental materials you receive with this Note. Then select a repayment plan by completing the **Repayment Plan Selection** form that accompanies this Note. Please note the following:

- If you select the Income Contingent Repayment (ICR) Plan, you must also complete the **Income Contingent Repayment Plan Consent to Disclosure of Tax Information** form that is included with this Note. **Your selection of the ICR Plan cannot be processed without this form.**
- If you want to consolidate a defaulted loan(s) and you have not made a satisfactory repayment arrangement with your current holder(s), you must select the ICR Plan, or effective July 1, 2009, the Income-Based Repayment Plan. You must also select the ICR Plan or the Income-Based Repayment Plan if you are consolidating a delinquent Federal Consolidation Loan that the lender has submitted to the guaranty agency for default aversion, and you are not consolidating any additional eligible loans.

Borrower's Name (please print) _____

Social Security Number _____

Section E: Borrower Understandings, Certifications, and Authorizations

22. I understand that:

- A. My Direct Consolidation Loan will, to the extent used to pay off loans that I have selected for consolidation, count against the applicable aggregate loan limits under the Act. The term "the Act" is defined under "Governing Law" on page 4 of this Note.
- B. The amount of my Direct Consolidation Loan is the sum of the balances of my outstanding eligible loans that I have chosen to consolidate. My 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 each 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 U.S. Department of Education (ED) limits collection costs that may be included in the payoff balances of the loans to a maximum of 18.5 percent 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. ED will provide me with information about the loans and payoff amounts that ED verifies with the holders of my loans before the actual payoffs occur. If I do not want to consolidate any of the loans that ED has verified, I must notify ED before the loans are paid off.
- D. If the amount ED sends to my holders is more than the amount needed to pay off the balances of the selected loans, the holders will refund the excess to ED and it 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.
- E. Unless I am consolidating a delinquent Federal Consolidation Loan that the lender has submitted to the guaranty agency for default aversion or a defaulted Federal Consolidation Loan, or, effective July 1, 2008, I am consolidating a Federal Consolidation Loan into the Direct Loan Program to use the Public Service Loan Forgiveness Program, I may consolidate an existing Federal Consolidation Loan or Direct Consolidation Loan only if I include at least one additional eligible loan in the consolidation.
- F. If I am consolidating a delinquent Federal Consolidation Loan 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, I must agree to repay my Direct Consolidation Loan under the Income Contingent Repayment Plan or, effective July 1, 2009, the Income-Based Repayment Plan.

23. Under penalty of perjury, I certify that:

- A. The information that 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. I do not have any other application pending for a Federal Consolidation Loan with any FFEL Program lender.
- C. All of the loans selected for consolidation have been used to finance my education or the education of my dependent student(s).
- D. All of the loans selected for consolidation are in a grace period or in repayment (including loans in deferment or forbearance).
- E. Unless I am consolidating a delinquent Federal Consolidation Loan that the lender has submitted to the guaranty agency for default aversion or a defaulted Federal Consolidation Loan, or, effective July 1, 2008, I am consolidating one or more FFEL Program loans into the Direct Loan Program to use the Public Service Loan Forgiveness Program, if none of the loans I am consolidating is a Direct Loan Program loan, I have sought and been unable to obtain a Federal Consolidation Loan from a FFEL Program lender, or I have been unable to obtain a Federal Consolidation Loan with income-sensitive repayment terms or, effective July 1, 2009, income-based repayment terms that are acceptable to me.
- F. If I owe an overpayment on a Federal Perkins Loan, Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Academic Competitiveness Grant (ACG), National Science or Mathematics Access to Retain Talent (SMART) Grant, or Leveraging Educational Assistance Partnership Grant, I have made satisfactory arrangements with the holder to repay the amount owed.
- G. If I am in default on any loan I am consolidating (except as provided above in Item 22.F.), I have either made a satisfactory repayment arrangement with the holder of that defaulted loan, or I will repay my Direct Consolidation Loan under the income contingent repayment plan or, effective July 1, 2009, the Income-Based Repayment Plan.
- H. If I have been convicted of, or pled *nolo contendere* or guilty to, a crime involving fraud in obtaining federal student aid funds under Title IV of the Higher Education Act of 1965, as amended (the Act), I have completed the repayment of those funds to ED, or to the loan holder in the case of a Title IV federal student loan.

24. I make the following authorizations:

- A. I authorize ED to contact the holders of the loans selected for consolidation to determine the eligibility of the loans for consolidation and the payoff amounts. I further authorize release to ED or its agent of any information required to consolidate my education loans in accordance with the Act.
- B. I authorize ED to issue the proceeds of my Direct Consolidation Loan to the holders of the selected loans to pay off the debts.
- C. I authorize ED to investigate my credit record and report information about my loan status to persons and organizations permitted by law to receive that information.
- D. I authorize my school(s) and ED to release information about my Direct Consolidation Loan to the references on the loan and to members of my immediate family, unless I submit written directions otherwise.
- E. I authorize my school(s), ED, or their agents to verify my social security number with the Social Security Administration (SSA) and, if the number on my loan record is incorrect, then I authorize SSA to disclose my correct social security number to these parties.

Section F: Promissory Note (continued on page 4) – to be completed and signed by the borrower.

25. **Promise to Pay:**

I promise to pay to the U.S. Department of Education (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. If I do not make payments on this Note when due, I will also pay reasonable collection costs, including but not limited to attorney's fees, court costs, and other fees.

If ED accepts my application, I understand that ED will on my behalf send funds to the holders of the loans that I want to consolidate to pay off those loans. I further understand that the amount of my Direct Consolidation Loan will equal the sum of the amounts that the holders of the loans verified as the payoff balances on the loans selected for consolidation. My signature on this Note serves as my authorization to pay off the balances of the loans selected for consolidation as provided by the holders of the loans.

The payoff amount may be greater than or less than the estimated total balance I have indicated in Section C1. Further, I understand that if any collection costs are owed on the loans selected for consolidation, these costs may be added to the principal balance of my Direct Consolidation Loan.

I will not sign this Note before reading the entire Note, even if I am told not to read it. I am entitled to an exact copy of this Note and the Borrower's Rights and Responsibilities Statement. 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 in Section E, and the Borrower's Rights and Responsibilities Statement.

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

26. **Borrower's Signature** _____

Today's Date (mm-dd-yyyy) _____

Governing Law

The terms of this Federal Direct Consolidation Loan Application and Promissory Note (Note) will be interpreted in accordance with the Higher Education Act of 1965, as amended (20 U.S.C. 1070 *et seq.*), the U.S. Department of Education's (ED's) regulations, as they may be amended in accordance with their effective date, and other applicable federal laws and regulations (collectively referred to as the "Act"). Applicable state law, except as preempted by federal law, may provide for certain borrower rights, remedies, and defenses in addition to those stated in this Note.

Disclosure of Loan Terms

This Note applies to a Federal Direct Consolidation Loan (Direct Consolidation Loan). Under this Note, the principal amount that I owe, and am required to repay, will be equal to all sums disbursed to pay off my prior loan obligations, plus any unpaid interest that is capitalized and added to the principal amount.

My Direct Consolidation Loan may have up to two separate loan identification numbers depending on the loans I choose to 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 that I am consolidating are paid off, a disclosure statement will be sent to me identifying the amount of my Direct Consolidation Loan, the associated loan identification numbers, and additional terms of the loan. Important additional information is also contained in the Borrower's Rights and Responsibilities Statement. The Borrower's Rights and Responsibilities Statement and any disclosure I receive in connection with the loan made under this Note are hereby incorporated into this Note.

Interest

Interest will be calculated using a formula provided for by the Act. Unless ED notifies me in writing of a lower rate, the interest rate on my Direct Consolidation Loan will be based on the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher one-eighth of one percent, but will not exceed 8.25%. This is a fixed interest rate, which means that the rate will remain the same throughout the life of the loan.

Except for interest ED does not charge me during a deferment period on the subsidized portion of my Direct Consolidation Loan, I agree to pay interest on the principal amount of my Direct Consolidation Loan from the date of disbursement until the loan is paid in full or discharged. ED may add interest that accrues but is not paid when due to the unpaid principal balance of this loan, as provided under the Act. This is called capitalization.

Late Charges and Collection Costs

ED may collect from me: (1) a late charge of not more than six cents for each dollar of each late payment if I fail to make any part of a required installment payment within 30 days after it becomes due, and (2) any other charges and fees that are permitted by the Act related to the collection of my Direct Consolidation Loan. If I default on my loan, I will pay reasonable collection costs, plus court costs and attorney fees.

Repayment

I must repay the full amount of the Direct Consolidation Loan made under this Note, plus accrued interest. I will repay my loan in monthly installments during a repayment period that begins on the date of the first disbursement of the loan, unless it is in a deferment or forbearance period. Payments made by me or on my 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, except during periods of repayment under the Income-Based Repayment Plan. Under the Income-Based Repayment Plan, payments will be applied first to interest that is due, then to fees that are due, and then to the principal amount.

ED will provide me with a choice of repayment plans. Information on these plans is included in the Borrower's Rights and Responsibilities Statement. I must select a repayment plan. If I do not select a repayment plan, ED will choose a plan for me in accordance with ED's regulations.

ED will provide me with a repayment schedule that identifies my payment amounts and due dates. My first payment will be due within 60 days of the first

disbursement of my Direct Consolidation Loan unless it is in a deferment or forbearance period. If I am unable to make my scheduled loan payments, ED may allow me to temporarily stop making payments, reduce my payment amount, or extend the time for making payments, as long as I intend to repay my loan. Allowing me to temporarily delay or reduce loan payments is called forbearance.

ED may adjust payment dates on my Direct Consolidation Loan or may grant me forbearance to eliminate a delinquency that remains even though I am making scheduled installment payments.

I may prepay any part of the unpaid balance on my loan at any time without penalty. After I have repaid my Direct Consolidation Loan in full, ED will send me a notice telling me that I have paid off my loan.

Acceleration and Default

At ED's option, the entire unpaid balance of the Direct Consolidation Loan will become immediately due and payable (this is called "acceleration") if either of the following events occurs: (1) I make a false representation that results in my receiving a loan for which I am not eligible; or (2) I default on the loan.

The following events will constitute a default on my loan: (1) I fail to pay the entire unpaid balance of the loan after ED has exercised its option under the preceding paragraph; (2) I fail to make installment payments when due, provided my failure has persisted for at least 270 days; or (3) I fail to comply with other terms of the loan, and ED reasonably concludes that I no longer intend to honor my repayment obligation. If I default, ED may capitalize all outstanding interest into a new principal balance, and collection costs will become immediately due and payable.

If I default, the default will be reported to national credit bureaus and will significantly and adversely affect my credit rating. I understand that a default will have additional adverse consequences to me as disclosed in the Borrower's Rights and Responsibilities Statement. I also understand that if I default, ED may require me to repay the loan under an income contingent repayment plan in accordance with the Act.

Legal Notices

Any notice required to be given to me will be effective if mailed by first class mail to the most recent address that ED has for me. I will immediately notify ED of a change of address or status, as specified in the Borrower's Rights and Responsibilities Statement.

If ED fails to enforce or insist on compliance with any term on this Note, this does not waive any right of ED. No provision of this Note may be modified or waived except in writing by ED. If any provision of this Note is determined to be unenforceable, the remaining provisions will remain in force.

Borrower's Rights and Responsibilities Statement

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.**

In this document, the words "we," "us," and "our" refer to the U.S. Department of Education. The word "loan" refers to your Direct Consolidation Loan.

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.

Direct Loans are made by the U.S. Department of Education. Our Direct Loan Servicing Center services, answers questions about, and processes payments on Direct Loans. We will provide you with the Direct Loan Servicing Center's address and telephone number.

2. Laws that apply to this Note. The terms and conditions of loans made under this Note are determined by the Higher Education Act of 1965, as amended (20 U.S.C. 1070 *et seq.*) 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. State law, unless it is preempted by federal law, may provide you with certain rights, remedies, and defenses in addition to those stated in the Note and this Borrower's Rights and Responsibilities Statement.

NOTE: Any change to the Act applies to loans in accordance with the effective date of the change.

3. Direct Consolidation Loan identification numbers. Depending on the type(s) of federal education loan(s) that you choose to consolidate, your 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 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 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)
- Parent Loans for Undergraduate Students (PLUS)
- Auxiliary Loans to Assist Students (ALAS)
- Health Professions Student Loans (HPSL)
- Health Education Assistance Loans (HEAL)
- Nursing Student Loans (NSL)
- 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.

If you want to consolidate an additional eligible loan 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 repayment (including loans in deferment or forbearance). At least one of the loans that you consolidate must be a Direct Loan Program loan or a Federal Family Education Loan (FFEL) Program loan.

Defaulted loans. You may consolidate a loan that is in default if (a) you first make satisfactory repayment arrangements with the holder of the defaulted loan, or (b) you agree to repay your Direct Consolidation Loan under the Income Contingent Repayment Plan (see Item 10).

Existing consolidation loans. Generally, you may consolidate an existing Direct Consolidation Loan or Federal Consolidation Loan into a new Direct Consolidation Loan only if you include at least one additional eligible loan in the consolidation. However, you may consolidate a Federal Consolidation Loan into a new Direct Consolidation Loan without including an additional loan if the Federal Consolidation Loan is delinquent and has been submitted by the lender to the guaranty agency for default aversion, or if the Federal Consolidation Loan is in default. In such cases, you must agree to repay the new Direct Consolidation Loan under the Income Contingent Repayment Plan or, effective July 1, 2009, the Income-Based Repayment Plan. Effective July 1, 2008, you may also consolidate a single Federal Consolidation Loan into a new Direct Consolidation Loan for purposes of using the public service loan forgiveness program described in Item 16 of this Borrower's Rights and Responsibilities Statement.

6. Information you must report to us. Until your loan is repaid, you must notify the Direct Loan Servicing Center 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 received a deferment while you were unemployed, but have found 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 **lesser** of the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher one-eighth of one percent, OR 8.25%. 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.

8. Payment of interest. We charge interest on a Direct Consolidation Loan from the date the loan is made until it is paid in full or discharged, including during periods of deferment or forbearance. However, we do not charge interest on the subsidized portion of a Direct Consolidation Loan ("Direct Subsidized Consolidation Loan" – see Item 3a.) during deferment periods.

If you do not pay the interest as it is charged during the periods described above, we will add the interest to the unpaid principal amount 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 we will then charge interest on the increased principal amount.

The chart below shows the difference in the total amount you would repay on a \$15,000 Direct Unsubsidized Consolidation Loan if you pay the interest as it is charged 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.

	If you pay the interest as it is charged...	If you do not pay the interest and it is capitalized...
Loan Amount	\$15,000	\$15,000
Capitalized Interest for 12 months (at the maximum rate of 8.25%)	\$0	\$1,238
Principal to be Repaid	\$15,000	\$16,238
Monthly Payment (Standard Repayment Plan)	\$146	\$158
Number of Payments	180	180
Total Amount Repaid	\$26,209	\$28,359

In this example, you would pay \$12 less per month and \$2,150 less altogether if you pay the interest as it is charged during a 12-month deferment or forbearance period.

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. Repayment incentive programs. A repayment incentive is a benefit that we offer to encourage you to repay your loan on time. Under a repayment incentive program, the interest rate we charge on your loan may be reduced. Some repayment incentive programs require you to make a certain number of payments on time to keep the reduced interest rate. For Direct Consolidation Loans, the following repayment incentive program may be available to you:

Interest Rate Reduction for Electronic Debit Account Repayment

Under the Electronic Debit Account (EDA) repayment option, your bank automatically deducts your monthly loan payment from your checking or savings account and sends it to us. EDA helps to ensure that your payments are made on time. In addition, you receive a 0.25 percent interest rate reduction while you repay under the EDA option. We will include information about the EDA option in your first bill. You can also get this information on the Direct Loan Servicing Center's web site, or by calling the Direct Loan Servicing Center's toll-free telephone number (the web site address and telephone number are provided on all correspondence that the Direct Loan Servicing Center sends you).

The Direct Loan Servicing Center can provide you with more information on other repayment incentive programs that may be available.

Note: Another repayment incentive program, the up-front interest rebate, is available on Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans. 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 permanently earn the rebate (the correspondence you received about your loan will tell you if you received a rebate), you will have to make the first 12 required monthly payments on your Direct Consolidation Loan on time to keep the interest rebate. You will lose the rebate if you do not make all of your first 12 required monthly payments on time. If you lose the rebate, we will add the rebate amount back to the principal balance on your loan account. This will increase the amount that you must repay.

10. Repaying your loan. Your first payment will be due within 60 days of the first disbursement of your Direct Consolidation Loan unless your loan is in a

deferment or forbearance period. The Direct Loan Servicing Center 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. Billing information is sent to you as a convenience, and you are obligated to make payments even if you do not receive a bill or notice.

You may choose one of the following repayment plans to repay your loan:

- **Standard Repayment Plan** – Under this 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 as listed in Section C2 of your Note (see the chart below). Your payments must be at least \$50 a month and will be more, if necessary, to repay the loan within the required time period.
- **Graduated Repayment Plan** – Under this plan, your payments will be lower at first and will then increase over time, usually every two years. 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 as listed in Section C2 of your Note (see the chart below). No single payment under this plan will be more than three times greater than any other payment.

Maximum Repayment Periods Under the Standard and Graduated Repayment Plans	
Total Education Loan Indebtedness	Maximum Repayment Period
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 may choose this plan only if (1) you had no outstanding balance on a Direct Loan Program loan as of October 7, 1998, or on the date you obtained a Direct Loan Program loan on or after October 7, 1998, and (2) you have an outstanding balance on Direct Loan Program Loans that exceeds \$30,000. Under this plan, you may choose to make either fixed or graduated monthly payments and will repay your loan in full over a repayment period not to exceed 25 years (not including periods of deferment or forbearance) from the date your loan entered repayment. If you choose to make fixed monthly payments, your payments must be at least \$50 a month and will be more, if necessary, to repay the loan within the required time period. If you choose to make graduated monthly payments, your payments will start out lower and will then increase over time, generally every two years. Under a graduated repayment schedule, your monthly payment must at least be equal to the amount of interest that accrues each month, and no single payment will be more than three times greater than any other payment.
- **Income Contingent Repayment Plan** – Under this plan, your monthly payment amount will be based on your adjusted gross income (and that of your spouse if you are married), your family size, and the total amount of your Direct Loans. Until we obtain the information needed to calculate your monthly payment amount, your payment will equal the amount of interest that has accrued on your loan unless you request a forbearance. As your income changes, your payments may change. If you do not repay your loan after 25 years under this plan, the unpaid portion will be forgiven. You may have to pay income tax on any amount forgiven.
- **Income-Based Repayment Plan (effective July 1, 2009)** – Under this plan, your required monthly payment amount will be based on your income during any period when you have a partial financial hardship. Your monthly payment amount may be adjusted annually. The maximum repayment period under this plan may exceed 10 years. If you meet certain requirements over a specified period, you may qualify for cancellation of any outstanding balance on your loans. **NOTE:** Direct Consolidation Loans that repaid parent Direct

PLUS Loans or parent Federal PLUS Loans may not be repaid under the Income-Based Repayment Plan.

If you can show to our satisfaction that the terms and conditions of these repayment plans are not adequate to meet your exceptional circumstances, we may provide you with an alternative repayment plan.

If you do not choose a repayment plan, we will choose a plan for you in accordance with the Act.

You may change repayment plans at any time after you have begun repaying your loan. There is no penalty if you make loan payments before they are due, or pay more than the amount due each month.

Except as provided by the Act for payments made under the Income-Based Repayment Plan, we apply your payments and prepayments in the following order: late charges and collection costs first, outstanding interest second, and outstanding principal last.

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

11. 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.

12. Demand for immediate repayment. The entire unpaid amount of your loan becomes due and payable (on your Note 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.

13. Defaulting on your loan. Default (failing to repay your loan) is defined in detail in the "Promissory Note" section on page 4 of your 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 tax refund or other federal payments, and/or garnish your wages so that your employer is required to send us part of your wages 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 also report your default to national credit bureaus (see Item 14).

14. Credit bureau notification. We will report information about your loan to one or more national credit bureaus. 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).

If you default on a loan, we will also report this to national credit bureaus. We will notify you at least 30 days in advance that we plan to report default information to a credit bureau unless you resume making payments on the loan within 30 days. You will be given a chance to ask for a review of the debt before we report it.

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

15. Deferment and forbearance (postponing payments). 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;
- In a full-time course of study in a graduate fellowship program;
- In an approved full-time rehabilitation program for individuals with disabilities;
- Unemployed (for a maximum of three years; you must be conscientiously seeking, but unable to find, full-time employment); or

- Experiencing an economic hardship (including Peace Corps service), as determined under the Act (for a maximum of three years).
- 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 are serving on or after October 1, 2007, for the 180-day period following the demobilization date for your qualifying service.

Effective October 1, 2007, 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 enrolled at an eligible school, or within 6 months of having been enrolled, you are eligible for a deferment during the 13 months following the conclusion of the active duty service, or until the date you return to enrolled student status, 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 Federal Family Education Loan (FFEL) Program before July 1, 1993. If you meet this requirement, you may receive a deferment while you are:

- Temporarily totally disabled, or unable to work because you are required to care for a spouse or dependent who is disabled (for a maximum of three years);
- On active duty in the U.S. Armed Forces, on active duty in the National Oceanic and Atmospheric Administration (NOAA), or serving full-time as an officer in the Commissioned Corps of the Public Health Service (for a combined maximum of three years);
- Serving in the Peace Corps (for a maximum of three years);
- A full-time paid volunteer for a tax-exempt organization or an ACTION program (for a maximum of three years);
- In a medical internship or residency program (for a maximum of two years);
- Teaching in a designated teacher shortage area (for a maximum of three years);
- On parental leave (for a maximum of six months);
- A working mother entering or re-entering the workforce (for a maximum of one year); or
- While the student for whom you borrowed a PLUS loan is dependent and is enrolled at least half-time at an eligible school, or is in an approved full-time rehabilitation training program for individuals with disabilities.

You may receive a deferment based on your enrollment in school on at least a half-time basis if (1) you submit a deferment request form to the Direct Loan Servicing Center along with documentation of your eligibility for the deferment, or (2) the Direct Loan Servicing Center receives information from the school you are attending that indicates you are enrolled at least half-time. If the Direct Loan Servicing Center 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 military duty or qualifying National Guard duty during a war or other military operation or national emergency, your representative) must submit a deferment request form to the Direct Loan Servicing Center, along with documentation of your eligibility for the deferment. In certain circumstances, you may not be required to provide documentation of your eligibility if the Direct Loan Servicing Center confirms that you have been granted the same deferment for the same period of time on a FFEL Program loan. The Direct Loan Servicing Center can provide you with a deferment request form that explains the requirements for the type of deferment you are requesting. You may also obtain deferment request forms and information on deferment eligibility requirements from the Direct Loan Servicing Center's web site at www.dl.ed.gov.

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

You are responsible for paying the interest on a Direct Unsubsidized Consolidation Loan during a deferment period. You are not responsible for paying the interest on a Direct Subsidized Consolidation Loan during a deferment period.

Forbearance

We will give you a forbearance if: You are serving in a medical or dental internship or residency program, and you meet specific requirements;

- You are serving in a national service position for which you receive a national service education award under the National and Community Service Act of 1990 (AmeriCorps);
- You qualify for partial repayment of your loans under the Student Loan Repayment Program, as administered by the Department of Defense.
- 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; or
- The total amount you owe each month for all of the student loans you received under Title IV of the Act is 20 percent or more of your total monthly gross income (for a maximum of three years).

In addition, 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 or illness.

To request a forbearance, contact the Direct Loan Servicing Center. The Direct Loan Servicing Center can provide you with a forbearance request form that explains the requirements for the type of forbearance you are requesting. You may also obtain forbearance request forms and information on forbearance eligibility requirements from the Direct Loan Servicing Center's web site at www.dl.ed.gov.

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 interest 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 on your entire Direct Consolidation Loan during a forbearance period.

16. Discharge (having your loan forgiven). We will discharge (forgive) your Direct Consolidation Loan if:

- The Direct Loan Servicing Center receives acceptable documentation 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 student who dies.
- Your loan is discharged in bankruptcy. However, federal student loans are not automatically discharged if you file for bankruptcy. To have your loan discharged in bankruptcy, you must prove to the bankruptcy court, in an adversary proceeding, that repaying the loan would cause undue hardship.
- We determine that you are totally and permanently disabled (as defined in the Act), based on a physician's certification, and you meet additional requirements during a 3-year conditional discharge period. During that period, your earnings from work must not exceed the poverty line amount for a family of two, and you must not receive any additional loans under the Direct Loan, FFEL, or Federal Perkins Loan programs. You may not receive a discharge due to total and permanent disability based on a condition that existed before you received any of the loans that you consolidated, unless a doctor certifies that the condition substantially deteriorated after the loan was made.

In certain cases, we may also discharge all or a portion of your Direct Consolidation 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 dependent student for whom you borrowed a PLUS loan) were unable to complete because the school closed;
- Your eligibility (or the eligibility of the dependent student for whom you borrowed a 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.

We may forgive a portion of your Direct Consolidation Loan that repaid Direct Subsidized 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 and/or secondary schools and meet certain other qualifications, and if you did not owe a Direct Loan or FFEL program loan as of October 1, 1998, or as of the date you obtain a loan after October 1, 1998.

A public service loan forgiveness program is available that provides for the cancellation of the remaining balance due on your eligible Direct Loan Program loans after you have made 120 payments (after October 1, 2007) on those loans under certain repayment plans while you are employed in certain public service jobs.

To request a loan discharge based on one of the conditions described above (except for discharges due to death or bankruptcy), you must complete an application that you may obtain from the Direct Loan Servicing Center or from the Direct Loan Servicing Center's web site at www.dl.ed.gov.

In some cases, you may assert, as a defense against collection of your loan, 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 your loan or to the educational services that the loan was intended to pay for, and if what the school did or did not do would give rise to a legal cause of action against the school under applicable state law. If you believe that you have a defense against repayment of your loan, contact the Direct Loan Servicing Center.

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 your education, are unable to obtain employment in your field of study, or are dissatisfied with, or do not receive, the education you paid for with the loan.

17. Department of Defense and other federal agency loan repayment.

Under certain circumstances, military personnel may have educational 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

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 sell or otherwise make available any information about you to any third parties for marketing purposes.

We protect the security and confidentiality of nonpublic personal information by implementing the following policies and practices. All 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 notice 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 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 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 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 status, 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.

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 it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0053. The time required to complete this information collection is estimated to average 1.0 hour (60 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, Washington, DC 20202-4700.

If you have any questions regarding the status of your individual submission of this form, write directly to:

**U.S. Department of Education
Consolidation Department
P.O. Box 242800
Louisville, KY 40224-2800**

Direct Loans

William D. Ford Federal Direct Loan Program

Federal Direct Consolidation Loan Additional Loan Listing Sheet

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form will be subject to penalties which may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

OMB No. 1845-0053
Form Approved
Exp. Date 11/30/2010

Borrower's Name _____

Borrower's Social Security Number _____

Use this form only if you need additional space to list loans in Sections C1 or C2 of your Federal Direct Consolidation Loan Application and Promissory Note (Note). Refer to the instructions for Items 13-21 when completing this form. Be sure to attach this form to pages 1, 2, and 3 of your Note when you submit it.

Section C1: Education Loan Indebtedness – Loans You Want to Consolidate (continued)

Read the instructions before completing this section. List each federal education loan that you want to consolidate, including any William D. Ford Federal Direct Loan (Direct Loan) Program loans that you want to include in your Direct Consolidation Loan. List each loan separately. Please print. **ONLY LIST LOANS THAT YOU WANT TO CONSOLIDATE IN THIS SECTION.**

13. Loan Type (See Instructions)	14. Loan Holder's/Service's Name, Address, and Area Code/Telephone Number (See Instructions)	15. Loan Account Number	16. Estimated Payoff Amount

Section C2: Education Loan Indebtedness – Loans You Do Not Want to Consolidate (continued)

Read the instructions before completing this section. List all education loans that you are not consolidating, but want to have considered when calculating your maximum repayment period. Include any Direct Loan Program loans that you do not want to consolidate. List each loan separately. Please print. **ONLY LIST LOANS THAT YOU DO NOT WANT TO CONSOLIDATE IN THIS SECTION.**

18. Loan Type (See Instructions)	19. Loan Holder's/Service's Name, Address, and Area Code/Telephone Number (See Instructions)	20. Loan Account Number	21. Current Balance

FORMULARIOS QUE USTED DEBE CUMPLIMENTAR

SELECCIÓN DE PLAN DE PAGO

Debe llenar este formulario. Antes, debe visitar y revisar la página virtual de Asistencia para el Prestatario Estudiantil (www.studentloanborrowerassistance.org) y la del Departamento de Educación federal (www.ed.gov) para asegurarse de que comprende sus opciones de plan de pago. Si usted escoge el ICRP, tiene que marcar el cuadro correspondiente en la Sección 2 y cumplimentar la Sección 4. En la Sección 4.A, puede indicar el tamaño de su familia. Proveer esta información es muy importante.

Si usted selecciona el ICRP y tiene un cónyuge, debe proveer información sobre su cónyuge en la Sección 3. También tiene la opción de escoger plan de pago conjunto de ICRP si tanto usted como su cónyuge tienen Préstamos Directos, y ambos quieren pagar utilizando el ICPR. Si escoge esta opción, los balances pendientes en todos los préstamos de ambos se sumarán para determinar el pago mensual. Antes de decidirse por escoger esta opción, es una buena idea obtener más información sobre los beneficios y los perjuicios de pagar en conjunto.

Si usted escoge el IBR, tiene que marcar el cuadro correspondiente en la Sección 2 y cumplimentar la Sección 5. En la Sección 5.A, puede indicar el tamaño de su familia. Proveer esta información es muy importante.

Tiene que firmar este formulario al final. Si, junto a su cónyuge, usted escoge la opción de pago conjunto, él o ella también tiene que firmar.



REPAYMENT PLAN SELECTION

William D. Ford Federal Direct Loan Program

OMB No. 1845-0014
Form Approved
Exp. Date 08/31/2010

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

Instructions

Read the enclosed information carefully to understand your repayment options and then complete this form to select a repayment plan or to change your previous repayment plan. **Please print clearly using blue or black ink.**

If you need help completing this form, contact the Loan Consolidation Department through one of the options provided in Section 6 on the back of this form. **Return the completed form to the address shown in Section 6.** If you are selecting any repayment plan except for the Income Contingent Repayment Plan with the joint repayment option, you may do so electronically at the Direct Loan Servicing Center's Web site: www.dl.ed.gov

Section 1: Borrower Information – to be completed by ALL BORROWERS

Borrower's Last Name _____ Borrower's First Name _____ Borrower's Middle Initial _____ Borrower's Social Security Number: _____
|_|_|_|-|_|_|-|_|_|_|_|

Section 2: Repayment Plan Selection – to be completed by ALL BORROWERS

Place an "X" in the box under the repayment plan that you wish to select for each type of loan that you owe. The enclosed information describes each of the repayment plans. You must choose the same repayment plan for all of your Direct Loans, unless you have both parent Direct PLUS Loans (Direct PLUS Loans you received as a parent to pay for the education of a dependent student) and one or more of the other types of Direct Loans listed below (Direct Subsidized Loans, Direct Unsubsidized Loans, Direct Consolidation Loans, and student Direct PLUS Loans (Direct PLUS Loans you received to pay for your own graduate or professional education)), and you want to repay your Direct Subsidized Loans, Direct Unsubsidized Loans, Direct Consolidation Loans, and/or student Direct PLUS Loans under the Income Contingent Repayment (ICR) Plan or Income-Based Repayment (IBR) Plan. In that case, you must select a different repayment plan for your parent Direct PLUS Loans. You may repay any Direct Consolidation Loan (except for a Direct PLUS Consolidation Loan) under the ICR Plan, but a Direct PLUS Consolidation Loan or a Direct Consolidation that repaid parent PLUS loans may not be repaid under the IBR Plan.

- You may not repay parent Direct PLUS Loans under the ICR or IBR Plan.
- To be eligible to repay your loans under the IBR Plan, you must have a partial financial hardship (see Section 5 of this form).

Loan Types	Standard	Graduated	Extended	Income Contingent	Income-Based
Direct Subsidized Loans			Fixed Payments <input type="checkbox"/> Graduated Payments <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Direct Unsubsidized Loans	<input type="checkbox"/>	<input type="checkbox"/>			
Direct Consolidation Loans					
Student Direct PLUS Loans					
Parent Direct PLUS Loans	<input type="checkbox"/>	<input type="checkbox"/>	Fixed Payments <input type="checkbox"/> Graduated Payments <input type="checkbox"/>	Not Available	Not Available
Direct PLUS Consolidation Loans					

Section 3: Spouse Information – to be completed by SOME MARRIED BORROWERS

If you are married, complete this section only if you are (1) selecting the ICR Plan (unless you are separated from your spouse), (2) selecting the IBR Plan and you and your spouse file your federal income taxes jointly, or (3) selecting any repayment plan for a Direct Consolidation Loan held jointly by you and your spouse.

Spouse's Last Name _____ Spouse's First Name _____ Spouse's Middle Initial _____ Spouse's Social Security Number: _____
|_|_|_|-|_|_|-|_|_|_|_|

Section 4: Additional ICR Information – to be completed by BORROWERS WHO SELECT ICR

Complete this section only if you are selecting the ICR Plan.

Note: To repay under the ICR Plan, you must complete an ICR & IBR Plan Consent to Disclosure of Tax Information form. You may also be required to complete an ICR & IBR Plan Alternative Documentation of Income form. We have enclosed the required ICR & IBR Plan form(s). Please complete and return the enclosed form(s) along with this Repayment Plan Selection form. If you do not submit the required ICR & IBR form(s), you will be placed on the Standard Repayment Plan (unless you were previously on another Direct Loan repayment plan).

When you begin repaying your loan under ICR, your initial payment amount will be the full amount of interest that accumulates on your loan each month. If you cannot afford the initial interest payment, you may request a forbearance until you are notified of your actual ICR payment.

During a forbearance you are not required to make any payments of principal or interest, but interest continues to accumulate on your loan. If you are beginning repayment of your Direct Loan for the first time, interest that you do not pay during the forbearance will be capitalized (added to your outstanding principal balance) at the end of the forbearance. Capitalization increases your loan's principal amount, and therefore the total amount of interest you will repay on your loan. If you are requesting a change from another Direct Loan repayment plan to the ICR Plan, you may receive a forbearance for up to 60 days during which unpaid interest will not be capitalized. During the 60-day period, you will have to provide us with the information that we need to calculate your payment amount under ICR. To request a forbearance, contact the Direct Loan Servicing Center through one of the options provided on your billing statements.

A. Family Size. Enter your family size on the line below. Your family size number includes you and your spouse. It includes your children if they get more than half their support from you. It includes other people only if: (1) they now live with you, **and** (2) they now get more than half their support from you **and** they will continue to get this support from you. **Support** includes money, gifts, loans, housing, food, clothes, car, medical and dental care, payment of college costs, etc. **If your family size number changes, notify the Consolidation Department in writing at the mailing address or the Web site address shown in Section 6.**

Family Size: _____

B. ICR Joint Repayment Option. If you and your spouse each have Direct Loans and both of you want to repay the loans under the ICR Plan, you may choose to repay your loans jointly (see ICR Plan description in the enclosed Repayment Plan Choices sheet). If you choose to repay jointly, place an "X" in the box below and have your spouse sign and date this form.

I wish to repay my loan(s) jointly with my spouse under the ICR Plan.

C. Certification. Read the certification statement below, then sign and date this form. If you selected the ICR Joint Repayment Option (see "B", above), your spouse must also sign and date this form.

All of the information I provided on this form is true and complete to the best of my knowledge. If asked by an authorized official, I agree to provide proof of the information that I have provided on this form.

Borrower's Signature _____ Date _____

Spouse's Signature (if required) _____ Date _____

Section 5: Additional IBR Information – to be completed by BORROWERS WHO SELECT IBR

Complete this section only if you are selecting the IBR Plan.

To repay under the IBR Plan, you must have a **partial financial hardship**. You are considered to have a partial financial hardship if the annual amount due on all of your eligible loans, as calculated under a standard repayment plan with a 10-year repayment period, is more than 15% of the difference between your adjusted gross income (AGI) and 150% of the poverty guideline amount for your family size and state. (If you are married and file a joint federal tax return with your spouse, your AGI includes both your income and your spouse's income.) Eligible loans for the IBR Plan are Direct Subsidized Loans, Direct Unsubsidized Loans, Direct Consolidation Loans that did not repay parent PLUS loans, student Direct PLUS Loans, Federal Family Education Loan (FFEL) Stafford Loans, student FFEL PLUS Loans, and FFEL Consolidation Loans that did not repay parent PLUS loans. If you have both Direct Loans and FFEL loans, your total eligible loan debt will be considered when determining partial financial hardship. The following loans are **not** eligible for IBR: Direct PLUS Consolidation Loans, parent Direct PLUS Loans, parent FFEL PLUS Loans, Direct Consolidation Loans or FFEL Consolidation Loans that repaid parent PLUS loans, and loans on which you are in default.

To enroll in the IBR Plan, you must complete an ICR & IBR Plan Consent to Disclosure of Tax Information form. You may also be required to complete an ICR & IBR Plan Alternative Documentation of Income form. We have enclosed the required form(s). Please complete and return the enclosed form(s) along with this Repayment Plan Selection form. If you do not submit the required ICR & IBR form(s), you will be placed on the Standard Repayment Plan (unless you were previously on another Direct Loan repayment plan).

If you select the IBR Plan, you must continue to make payments on your loan(s) under your current repayment plan until we receive all the necessary information to determine your eligibility for the IBR Plan and your IBR payment amount. If you are unable to make your loan payments under your current repayment plan while we are determining your eligibility for IBR and your IBR payment amount, you may request a forbearance. During a forbearance you are not required to make any payments of principal or interest, but interest continues to accumulate on your loan. If you are beginning repayment of your Direct Loan for the first time, interest that you do not pay during the forbearance will be capitalized (added to your outstanding principal balance) at the end of the forbearance. Capitalization increases your loan's principal amount, and therefore the total amount of interest you will repay on your loan. If you are requesting a change from another Direct Loan repayment plan to the IBR Plan, you may receive a forbearance for up to 60 days during which unpaid interest will not be capitalized. During the forbearance, you will have to provide us with your income information that we need to calculate your payment amount under IBR. To request a forbearance, contact the Direct Loan Servicing Center at 1-800-848-0979, Monday through Friday 8:00 am to 8:30 pm (Eastern Time). Individuals who use a telecommunications device for the deaf (TDD) may call 1-800-848-0983.

A. Family Size. Enter your family size on the line below. Your family size is determined by counting you, your spouse, and your children, including children who will be born during the year you certify your family size, if your children receive more than half their support from you. Your family size also includes other individuals if, at the time you certify your family size, these other individuals (1) live with you and (2) receive more than half of their support from you and will continue to receive this support for the year you certify your family size. Support includes money, gifts, loans, housing, food, clothes, car, medical and dental care, and payment of college costs. **If you select IBR, you must notify us of your family size every year. The Department will contact you annually by mail to confirm and update family size information.**

Family Size: _____

If you have any questions regarding the IBR Plan, partial financial hardship, or your family size determination, please contact the Loan Consolidation Department (see Section 6 below).

B. Eligible Loans. Direct Subsidized Loans, Direct Unsubsidized Loans, Direct Consolidation Loans that did not repay parent PLUS loans, student Direct PLUS Loans, Federal Family Education Loan (FFEL) Stafford Loans, student FFEL PLUS Loans, and FFEL Consolidation Loans that did not repay parent PLUS loans are eligible for repayment under the IBR Plan. Direct PLUS Consolidation Loans, parent Direct PLUS Loans, parent FFEL PLUS Loans, Direct Consolidation Loans or FFEL Consolidation Loans that repaid parent PLUS loans, and loans on which you are in default are not eligible for IBR. Your IBR payment amount will be based on your total eligible loan debt.

C. IBR Joint Consolidation Loan Repayment. If you and your spouse have an eligible joint consolidation loan that you want to repay under the IBR Plan, place an "X" in the box below and have your spouse sign and date below in Section D. Both you and your spouse must have a partial financial hardship to repay an eligible joint consolidation loan under IBR (see description of partial financial hardship above).

I wish to repay my joint consolidation loan(s) with my spouse under the IBR Plan.

D. Certification. Read the certification statement below, then sign and date this form. If you want to repay a joint consolidation loan under the IBR Plan (see "C", above), your spouse must also sign and date this form.

All of the information I provided on this form is true and complete to the best of my knowledge. If asked by an authorized official, I agree to provide proof of the information that I have provided on this form.

Borrower's Signature _____

Date _____

Spouse's Signature (if required) _____

Date _____

Section 6: Where to Send the Completed Form

Return this form to:

U.S. Department of Education
Loan Consolidation Department
P.O. Box 242800
Louisville, KY 40224-2800

If you need help completing this form, or if you need to report a change in your address:

- Call us at **1-800-557-7392** or, if you use a telecommunications device for the deaf (TDD), at **1-800-557-7395**.
- E-mail us by going to **www.loanconsolidation.ed.gov** and clicking on **Contact Us**.
- Write to us at the mailing address provided above.

Section 7: Important Notices**PRIVACY ACT NOTICE**

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice 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 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 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 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 status, 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 it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0014. The time required to complete this information collection is estimated to average .33 hours (20 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, Washington, DC 20202-4537. **Do not send the completed form to this address.**

If you have questions about the status of your individual submission of this form, contact the Loan Consolidation Department (see Section 6).



Repayment Plan Choices

William D. Ford Federal Direct Loan Program
Federal Direct Stafford/Ford Loans, Federal Direct Unsubsidized Stafford/Ford Loans, Federal Direct PLUS Loans, Federal Direct Consolidation Loans

DECIDE ON A REPAYMENT PLAN

The William D. Ford Federal Direct Loan (Direct Loan) Program offers assorted repayment plans so you can choose the one that is right for you: Standard Repayment Plan, Graduated Repayment Plan, Extended Repayment Plan, Income Contingent Repayment (ICR) Plan, and Income-Based Repayment (IBR) Plan. For each plan: (1) You can prepay your loan at any time without penalty; (2) If your loan has a variable interest rate, your monthly payment amount may be adjusted annually; and (3) The "Repayment Period" excludes periods of deferment and forbearance, except periods of economic hardship deferment after October 1, 2007, for the ICR and IBR Plans. You can select the plan you want at <http://www.dl.ed.gov> or by completing and submitting a Repayment Plan Selection form.

You must choose the same repayment plan for all of your Direct Loans, unless you want to repay under the ICR Plan or the IBR Plan and you have loans that may be repaid under ICR or IBR and other loans that may not be repaid under ICR or IBR. (See the descriptions of the ICR and IBR plans below for the types of Direct Loans that may not be repaid under these repayment plans.) In that case, you may choose a different repayment plan for the loans that are not eligible for ICR or IBR.

If you do not select a repayment plan, you will be assigned the Standard Repayment Plan. If you have questions about your choices, please call the Consolidation Department at 1-800-557-7392 for assistance.

CHANGING REPAYMENT PLANS

There is no limit to when or how often you may change plans. You may change to another plan as long as the new plan has a repayment term longer than the amount of time you have already spent in repayment. The new repayment term is determined by subtracting the amount of time you have spent in repayment from the term allowed under the new plan. Exceptions are: (1) If you are required to repay under the ICR plan, you must make three consecutive on-time monthly payments of a payment amount based on your income before changing to another plan; and (2) If you choose to leave the IBR Plan, your account will be placed on the Standard Repayment Plan; and (3) You may change to the ICR Plan or the IBR Plan at any time.

STANDARD REPAYMENT PLAN

Non-Consolidation Loans

(Direct Subsidized Loans, Direct Unsubsidized Loans, & Direct PLUS Loans)

Minimum Monthly Payment \$50
Maximum Repayment Period 10 years

Under this plan, you will pay a fixed amount of at least \$50 each month for up to 10 years. Due to its short repayment period, this plan results in the lowest total interest paid under any of the repayment plans.

Consolidation Loans

Minimum Monthly Payment \$50
Maximum Repayment Period 10 - 30 years

Under this plan, you will pay a fixed amount of at least \$50 each month over a repayment period of 10 to 30 years, depending on total education indebtedness. This plan may result in lower total interest paid when compared to other plans.

GRADUATED REPAYMENT PLAN

Non-Consolidation Loans

(Direct Subsidized Loans, Direct Unsubsidized Loans, & Direct PLUS Loans)

Minimum Monthly Payment Monthly interest accrual
Maximum Repayment Period 10 years

Under this plan, you will pay a minimum payment amount equal to the amount of interest that accrues monthly for up to 10 years. 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. Generally, the amount you will repay over the term of your loan will be higher under the Graduated Repayment Plan than under the Standard Repayment Plan. This plan may be beneficial if your income is low now but is likely to steadily increase.

Consolidation Loans

Minimum Monthly Payment Monthly interest accrual
Maximum Repayment Period 10 - 30 years

Under this plan, you will pay a minimum payment amount equal to the amount of interest that accrues monthly over a repayment period of 10 to 30 years, depending on your total education indebtedness. 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. Generally, the amount you will repay over the term of your loan will be higher under the Graduated Repayment Plan than under the Standard Repayment Plan. This plan may be beneficial if your income is low now but is likely to steadily increase.

Total Education Indebtedness Amounts / Number of Monthly Payments under Standard and Graduated Repayment Plans for Consolidation Loans

If your Total Education Indebtedness is		Maximum Number of Monthly Payments
At Least	Less Than	
\$ 7,500	\$7,500	120 (10 years)
\$10,000	\$10,000	144 (12 years)
\$20,000	\$20,000	180 (15 years)
\$40,000	\$40,000	240 (20 years)
\$60,000	\$60,000	300 (25 years)
		360 (30 years)

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.

Fixed Monthly Payment Option (All loan types)

Minimum Monthly Payment \$50
Maximum Repayment Period 25 years

Under this plan, you will pay a fixed amount of at least \$50 each month over a repayment period not to exceed 25 years.

Graduated Monthly Payment Option (All loan types)

Minimum Monthly Payment Monthly interest accrual
Maximum Repayment Period 25 years

Under this plan, you will pay a minimum amount of at least the amount of interest that accrues monthly over a repayment period not to exceed 25 years. Your payments start out low and then increase every two years. This plan may be beneficial if your income is low now but is likely to steadily increase.

Under either fixed or graduated monthly payment option, the Extended Repayment Plan will give you a lower monthly payment on your non-consolidation loans than Standard or Graduated Repayment Plans. Because of the longer repayment period, you will pay more interest over the life of your loan.

If you have a consolidation loan and owe more than \$30,000 but less than \$40,000, the Extended Repayment Plan will provide you with a longer repayment period than the Standard or Graduated Repayment Plans, but the total amount of interest you pay over the life of the loan may be more than under those plans.

INCOME CONTINGENT REPAYMENT (ICR) PLAN

Not available for Direct PLUS Loans made to parent borrowers or Direct PLUS Consolidation Loans.

Minimum Monthly Payment
Maximum Repayment Period

\$0 or \$5.00
25 years

Under this plan, the payment amount is based upon your income. The monthly payment amount will be the lesser of the following two calculations:

1. the amount you would pay if you repaid your loan in 12 years, multiplied by an income percentage factor (ranging from approximately 55 percent to 200 percent) that varies with your annual income, or
2. 20 percent of your monthly discretionary income. Discretionary income is your federal Adjusted Gross Income (AGI) minus the poverty level for your family size.

If you are married, both your AGI and your spouse's AGI will be used to calculate your monthly repayment amount, even if you file your income taxes separately from your spouse.

If you and your spouse each have Direct Loans and want to repay your loans under the ICR Plan, you may choose to repay your loans jointly. The outstanding balances on each of your loans will be added together to determine your repayment amount.

If your calculated monthly payment is between \$0 and \$ 5.00, you will be required to make a \$5.00 monthly payment. If your income is less than or equal to the poverty level for your family size, your payment will be \$0. In the event that your payment amount is less than the amount of interest accruing on your loan, the interest will be added to your loan principal (capitalized) once a year until the principal balance is 10 percent higher than the original balance. After this occurs, interest will continue to accrue but will not be added to the principal balance.

Under this plan, it is possible you will not make payments large enough to pay off your loans in 25 years. If loans are not fully repaid after 25 years of repayment, any unpaid amount will be forgiven. The maximum 25-year repayment period may include prior periods of repayment under certain other repayment plans, and periods of economic hardship deferment after October 1, 2007. The forgiven amount may be considered taxable income.

Your repayment amount is adjusted annually. It may be higher when your income is higher and lower when your income is lower.

If you select the Income Contingent Repayment Plan, we will:

1. require you to submit documentation of current income (yours and your spouse's) in the first year of repayment. You may be required to submit documentation of current income (yours and your spouse's) in your second year of repayment as well.
2. require you to complete a form that authorizes the Internal Revenue Service (IRS) to provide income information (yours and your spouse's) to the U.S. Department of Education. You must sign this form and return it to us. The AGI from the IRS will be used to calculate your monthly repayment amount in years subsequent to the year(s) in which alternative documentation is required.

In special circumstances when your federal tax return does not reflect your present income (for example, due to loss of employment), you may submit documentation of your current income. Your monthly payment will be based on this documented income information.

NOTE: If you are repaying your loan(s) under the ICR or IBR Plan, your repayment period will be a maximum of 25 years. If loans are not fully repaid after 25 years of repayment, any unpaid amount will be forgiven. The maximum 25-year repayment period may include prior periods of repayment under certain other repayment plans, and certain periods of economic hardship deferment. The forgiven amount may be considered taxable income.

INCOME-BASED REPAYMENT (IBR) PLAN

Not available for Direct PLUS Loans made to parent borrowers (parent Direct PLUS Loans), Direct PLUS Consolidation Loans, or Direct Consolidation Loans that repaid parent Direct PLUS Loans or Federal Family Education Loan Program PLUS loans made to parent borrowers.

Minimum Monthly Payment
Maximum Repayment Period

\$0 or \$10.00
25 years

The Income-Based Repayment (IBR) Plan bases your monthly payment on your annual income and family size. You must be experiencing a Partial Financial Hardship to initially select this plan. A Partial Financial Hardship is a circumstance in which the annual amount due on all your eligible loans (see the accompanying Repayment Plan Selection form for a definition of "eligible loans") at the time you entered repayment, as calculated under a 10-year Standard Repayment Plan, exceeds 15 percent of the difference between your Adjusted Gross Income (AGI) and 150 percent of the poverty line income for your family size.

Under this plan, your required monthly payment will be no more than 15 percent of the amount by which your AGI exceeds 150 percent of the poverty line income for your family size and state, divided by 12. In addition:

1. If the calculated payment is less than \$5.00 your required monthly payment will be \$0.00.
2. If the calculated payment is equal to or greater than \$5.00, but less than \$10.00, your required monthly payment will be \$10.00.
3. If all of your loans are not Direct Loans, your monthly payment amount will be determined by multiplying the calculated monthly payment by the percentage of the total amount of your eligible loans that are Direct Loans.

If you are married and file your federal income taxes jointly with your spouse, both your AGI and your spouse's AGI will be used to calculate your monthly payment. If you and your spouse file taxes separately, only your AGI will be used to calculate your monthly payment. Under this plan, it is possible you will not make payments large enough to pay off your loans in 25 years. If loans are not fully repaid after 25 years of repayment, any unpaid amount will be forgiven. The maximum 25-year repayment period may include prior periods of repayment under certain other repayment plans, and certain periods of economic hardship deferment after October 1, 2007. The forgiven amount may be considered taxable income.

Your repayment amount may be adjusted annually. It may be higher or lower depending on changes in your income. If you select the Income-Based Repayment Plan, we will:

1. require you to submit documentation of current income (yours and your spouse's if you are married and file taxes jointly) in order to apply for the IBR plan.
2. require you to complete a form that authorizes the Internal Revenue Service (IRS) to provide income information (yours and your spouse's if you are married and files taxes jointly) to the U.S. Department of Education. You must sign this form and return it to us. The AGI from the IRS will be used to calculate your monthly repayment amount in years subsequent to the year(s) in which alternative documentation is required.

In special circumstances when your federal tax return does not reflect your present income (for example, due to loss of employment), you may submit documentation of your current income. Your monthly payment will be based on this documented income information.

If your payment does not cover all of the interest accumulating monthly on your Direct Subsidized Loans or Direct Subsidized Consolidation Loans, you will not be charged the remaining portion of the interest on those loans for a period not to exceed three consecutive years from the time you begin repayment under the IBR Plan.

If you no longer have partial financial hardship, your monthly payment amount will be adjusted. Your adjusted payment amount will not exceed the amount required to pay your loan in full under a 10-year Standard Repayment Plan based on the amount of your eligible loans that was outstanding at the time you began repayment under the IBR Plan (minimum of \$50.00). The repayment period based on this recalculated payment amount may be more than 10 years.

If you choose to leave the IBR Plan, your account will be placed on the Standard Repayment Plan. Your required monthly payment will be recalculated based on (1) the time remaining under the maximum 10-year repayment period for the amount of your loans that are outstanding at the time you leave the IBR Plan, or (2) if you are a Direct Consolidation Loan borrower, the time remaining under the applicable maximum repayment period for the amount of your Direct Consolidation Loan and your other student loans that are outstanding at the time you leave the IBR Plan.

Go to Page 3 for sample payment amounts per plan. ⇨

U.S. Department of Education Direct Loan Program

REPAYMENT PLAN CHOICES

Example Payment Amounts by Repayment Plan

Non-Consolidation Borrowers *																
Debt When Loan Enters Repayment	Standard		Extended Fixed		Extended Graduated		Graduated		Income Contingent ** Income = \$25,000			Income-Based ** Income = \$25,000				
	Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total	Married/ HoH***	Per Month	Total	Married/HoH ***	Total	
																Single
\$5,000	\$58	\$6,904	N/A	N/A	N/A	N/A	\$40	\$7,275	\$37	\$8,347	\$36	\$11,088	N/A	N/A	\$39	\$8,005
10,000	115	13,809	N/A	N/A	N/A	79	14,550	75	16,699	71	22,158	110	13,672	39	16,081	
25,000	288	34,524	N/A	N/A	N/A	198	36,375	186	41,748	178	55,440	110	45,014	39	60,754	
50,000	575	69,048	347	104,109	284	112,678	396	72,749	247	93,322	189	122,083	110	109,623	39	92,704
100,000	1,151	138,096	694	208,217	568	225,344	792	145,498	247	187,553	189	170,153	110	118,058	39	97,020

Notes: * Payments are calculated using a fixed interest rate of 6.8% for Direct Subsidized and Unsubsidized Loans disbursed on or after July 1, 2006.
 ** Assumes a 5 percent annual income growth (Census Bureau).
 *** HOH is Head of Household. Assumes a family size of two.

Consolidation Borrowers *																
Debt When Loan Enters Repayment	Standard		Extended Fixed		Extended Graduated		Graduated		Income Contingent ** Income = \$25,000			Income-Based ** Income = \$25,000				
	Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total	Married/ HoH***	Per Month	Total	Married/HoH ***	Total	
																Single
\$5,000	\$61	\$7,359	N/A	N/A	N/A	\$38	\$7,978	\$40	\$9,414	\$38	\$12,294	N/A	N/A	\$39	\$7,818	
10,000	97	17,461	N/A	N/A	N/A	69	19,165	80	18,828	77	24,587	110	17,638	39	22,414	
25,000	213	51,123	N/A	N/A	N/A	172	55,491	201	47,069	189	61,588	110	59,451	39	52,725	
50,000	394	118,264	394	118,264	344	126,834	344	126,834	247	106,630	189	137,766	110	91,388	39	78,816
100,000	751	270,452	788	236,528	688	253,660	688	286,305	247	187,553	189	170,153	110	117,343	39	97,020

Notes: * Payments are calculated using the maximum interest rate for consolidation loans, 8.25%.
 ** Assumes a 5 percent annual income growth (Census Bureau).
 *** HOH is Head of Household. Assumes a family size of two.

FORMULARIOS SÓLO PARA PRESTATARIOS QUE ESCOGEN EL PLAN DE PAGO SENSIBLE A LOS INGRESOS (ICRP) C-6F

1. Consentimiento a Divulgación de Información Contributiva

Tiene que cumplimentar este formulario si va a escoger el ICRP o IBR. Si está casado, su cónyuge también tiene que llenar y firmar el formulario en ciertas circunstancias.

Direct Loans

William D. Ford Federal Direct Loan Program

William D. Ford Federal Direct Loan Program Income Contingent Repayment Plan & Income-Based Repayment Plan Consent to Disclosure of Tax Information

OMB No. 1845-0017
Form Approved
Exp. Date 06/30/2012

I (We) authorize the Internal Revenue Service (IRS) to disclose certain tax return information (for the tax years listed below) which includes my (our) name(s), address(es), Social Security Number(s), filing status, tax year, and Adjusted Gross Income(s). This information will be disclosed to the U.S. Department of Education (ED) and the William D. Ford Federal Direct Loan (Direct Loan) Program contractors and subcontractors for the sole purpose of determining the appropriate income contingent repayment (ICR) amount, or determining eligibility for income-based repayment (IBR) and the appropriate IBR amount on the Direct Loan Program loan(s) that may be repaid under the ICR or IBR Plan. ED's Direct Loan Program contractors and subcontractors may change. You may obtain the names of the current Direct Loan Program contractors and subcontractors by writing to ED at the address shown at the bottom of this page.

Request for Tax Years: 2008, 2009, 2010, 2011, and 2012.

Read the instructions on the back of this form before completing the items below.

Items 1-3: If you are repaying or want to repay your loan(s) under the Income Contingent Repayment Plan or the Income-Based Repayment Plan, you **must** complete Items 1-3 below:

(1) Borrower's (Taxpayer's) Name Printed **as it appears on your tax returns**

(2) Borrower's (Taxpayer's) Social Security Number

(3) Borrower's (Taxpayer's) Signature
Signature is valid for 60 days – see instructions on the back of the form.

_____-_____-_____(MM-DD-YYYY)
Date of borrower's signature

Items 4-6: Your spouse must complete Items 4-6 if:

- You are repaying under the Income Contingent Repayment Plan and you are married, OR
- You are repaying under the Income-Based Repayment Plan and you and your spouse file a joint federal income tax return.

(4) Spouse's (Taxpayer's) Name Printed **as it appears on your tax returns**

(5) Spouse's (Taxpayer's) Social Security Number

(6) Spouse's (Taxpayer's) Signature
Signature is valid for 60 days – see instructions on the back of the form.

_____-_____-_____(MM-DD-YYYY)
Date of spouse's signature

Return this form to: U.S. Department of Education
Consolidation Department
P.O. Box 242800
Louisville, KY 40224-2800

**William D. Ford Federal Direct Loan Program
Income Contingent Repayment Plan & Income-Based Repayment Plan – Consent to Disclosure of Tax Information**

Borrower Instructions: Please complete this form using the following instructions. To be considered for the Income Contingent Repayment Plan or the Income-Based Repayment Plan, you must complete Items 1-3 for the Consent to Disclosure of Tax Information on the front of this form:

- Item 1. Print (or type) your name as it appears on your tax returns.
- Item 2. Print (or type) your Social Security Number.
- Item 3. Sign and date the form in blue or black ink only. Report the date as month-day-year (MM-DD-YYYY).

Items 4-6 must be completed only if:

- You are repaying under the Income Contingent Repayment Plan and you are married (even if you file separate federal income tax returns), OR
 - You are repaying under the Income-Based Repayment Plan and you and your spouse file a joint federal income tax return.
- (Do not complete Items 4-6 if you are repaying under the Income-Based Repayment Plan and you and your spouse file separate federal income tax returns.)

- Item 4. Print (or type) your spouse's name as it appears on tax returns.
- Item 5. Print (or type) your spouse's Social Security Number.
- Item 6. Have your spouse sign and date the form in blue or black ink only. Report the date as month-day-year (MM-DD-YYYY).

Make a copy of the completed form for your records. Send the original form to the U.S. Department of Education (ED) at the address shown on the front. **DO NOT SEND THIS FORM TO THE INTERNAL REVENUE SERVICE (IRS).** Once your application to participate in the Income Contingent Repayment Plan or the Income-Based Repayment Plan has been approved, ED will forward this form to the IRS. **Because the IRS will not accept this form if more than 60 days have passed since you and/or your spouse signed the form, you must return the completed form to ED promptly.**

Request to Revoke Tax Information Authorization: You and/or your spouse may revoke the Consent to Disclosure of Tax Information at any time. To revoke consent, send a copy of this completed form with the word **"REVOKE"** across the top directly to the revocation address given below. The revocation must be signed by the taxpayer(s) who signed the original Consent to Disclosure of Tax Information. If you and/or your spouse do not have a copy of the original form, a statement of revocation is acceptable. The statement must indicate that the authority to disclose tax information to the Direct Loan Program is revoked, and must be signed by the taxpayer(s) who signed the original authorization form.

NOTE: If you and/or your spouse revoke(s) the Consent to Disclosure of Tax Information, you and/or your spouse become(s) ineligible for income contingent or income-based repayment, and you and/or your spouse must contact the Direct Loan Servicing Center to select another repayment option. If you and/or your spouse fail(s) to contact the Direct Loan Servicing Center, ED will assign you and/or your spouse to the Standard Repayment Plan.

Revocation Address:
Direct Loan Servicing Center
P.O. Box 5609
Greenville, TX 75403-5609

PRIVACY ACT NOTICE

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice 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 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 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 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 status, 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 it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0017. The time required to complete this information collection is estimated to average 0.2 hours (12 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, Washington, DC 20202-4537. **Do not send the completed form to this address.**

If you have questions about the status of your individual submission of this form, contact the Consolidation Department at the following address:

U.S. Department of Education
Consolidation Department
P.O. Box 242800
Louisville, KY 40224-2800

FORMULARIOS SÓLO PARA PRESTATARIOS QUE ESCOGEN EL PLAN DE PAGO SENSIBLE A LOS INGRESOS (ICRP) 6F

2. Documentación Alternativa de Ingresos

Tiene que cumplimentar este formulario SI escoge el ICRP o IBR y:

- El primer año de pago de un préstamo directo suyo está en curso;
- El segundo año de pago de un préstamo directo suyo está en curso y ha recibido notificación de que se le requiere proveer documentación alternativa de ingresos; o
- Ha recibido notificación de que el Servicio de Rentas Internas federal (IRS, por sus siglas en inglés) no puede proveer al Departamento de Educación información sobre su ingreso bruto ajustado o el de su cónyuge.

Podría estar interesado también en utilizar este formulario si los ingresos reportados en su planilla de contribuciones más reciente no reflejan de manera razonable sus ingresos actuales. Esto puede suceder si, por ejemplo, ha perdido el empleo recientemente.

Asegúrese de firmar el formulario al final de la página. Si tiene un cónyuge, también debe proveer la información correspondiente a él o ella, en ciertas circunstancias.



William D. Ford Federal Direct Loan Program

Income Contingent Repayment Plan & Income-Based Repayment Plan Alternative Documentation of Income

William D. Ford Federal Direct Loan Program

Federal Direct Stafford/Ford Loans, Federal Direct Unsubsidized Stafford/Ford Loans,

Federal Direct Subsidized Consolidation Loans, Federal Direct Unsubsidized Consolidation Loans

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form shall be subject to penalties which may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

OMB No. 1845-0016
Form Approved
Exp. Date 06/30/2012

Section 1: Identifying Information

Before completing this form, carefully read the instructions in Section 5.

All borrowers must provide the Borrower Information below.

Borrower Information:

Borrower's Name (please print clearly):

Last Name First Name Middle Initial

Borrower's Social Security Number:

____-____-____

If you are married, you must also provide the Spouse Information below if (1) you are repaying under the ICR Plan, or (2) you are repaying under the IBR Plan and you and your spouse file a joint federal tax return.

Spouse Information:

Your Spouse's Name (please print clearly):

Last Name First Name Middle Initial

Your Spouse's Social Security Number:

____-____-____

Section 2: Borrower's Income Information – to be completed by ALL BORROWERS

All borrowers must complete this section.

You must list all taxable income you are currently receiving (i.e., income from employment, unemployment income, dividend income, interest income, tips, alimony). Include the amount of money received, how often you receive this money, and your employer (if any) or the source of your income if you are not employed. You must attach supporting documentation for all income reported in this section (e.g., pay stubs, letters from your employer stating your income, interest or bank statements, dividend statements, canceled checks, or, when these forms of documentation are unavailable, a signed statement explaining your income source(s) and giving the addresses of these sources). Copies are acceptable, but all supporting documentation must be no more than 90 days old. If you have more than two sources of income, provide the information requested in this section on a separate piece of paper and mail it with this form. Do not report untaxed income such as Supplemental Security Income, child support, or federal or state public assistance. If your income or the income of your spouse changes significantly after your submission of this form, you must notify the Direct Loan Servicing Center of this change (see contact information in Section 5).

Amount of Income	Frequency of Payment (Please check the appropriate box.)					Employer or Source of Income
	Weekly	Bi-weekly	Semi-monthly	Monthly	Yearly	
\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Check this box if you do not have any taxable income and receive only untaxed income such as Supplemental Security Income, child support, or federal or state public assistance.

Section 3: Spouse's Income Information – to be completed by SOME MARRIED BORROWERS

If you are married, you must provide your spouse's income information if:

1. You are repaying under the ICR Plan, or
2. You are repaying under the IBR Plan and you and your spouse file a joint federal tax return.

If you are required to complete this section, you must provide the same information and supporting documentation for your spouse's income that is required for your own income, as explained above in Section 2.

Amount of Income	Frequency of Payment (Please check the appropriate box.)					Employer or Source of Income
	Weekly	Bi-weekly	Semi-monthly	Monthly	Yearly	
\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Check this box if your spouse does not have any taxable income and receives only untaxed income such as Supplemental Security Income, child support, or federal or state public assistance.

Section 4: Certification and Signature

All borrowers must complete this section. If you are married, your spouse must sign and date below only if (1) you are repaying under the ICR Plan, or (2) you are repaying under the IBR Plan and you and your spouse file a joint federal tax return.

Certification: I certify that all of the information reported in Section 2 and, if applicable, Section 3 is true and complete to the best of my knowledge. I agree to provide to the U.S. Department of Education (the Department) on an annual basis (or as required by the Department) alternative documentation of my income for the purpose of determining my appropriate repayment amount under the ICR Plan or IBR Plan. I understand that (1) if I do not provide this information the Department will base my ICR or IBR amount on my AGI, as reported by the IRS, or, in some instances, I will not be allowed to repay my loan(s) under the ICR or IBR Plan; (2) the Department may request my income information from the IRS even if alternative documentation of my income is accepted; and (3) if I am married, my spouse's income information, documentation, and signature are also required if I am repaying under the ICR Plan, or if I am repaying under the IBR Plan and my spouse and I file a joint federal tax return.

Borrower's Signature

Date of Borrower's Signature

Spouse's Signature

Date of Spouse's Signature

Section 5: Instructions and Where to Send the Completed Form

INSTRUCTIONS:

YOU ARE REQUIRED to complete this form if you are repaying your Direct Loans under the Income Contingent Repayment (ICR) or the Income-Based Repayment (IBR) Plan and:

- You are in your first year of repayment;
- You are in your second year of repayment and have been notified that alternative documentation of your income is required; or
- You have been notified that the Internal Revenue Service (IRS) is unable to provide the U.S. Department of Education (the Department) with your Adjusted Gross Income (AGI) or that of your spouse (if applicable).

YOU MAY complete this form if:

- You are repaying your Direct Loans under the ICR Plan and your AGI (and your spouse's AGI, if you are married), as reported on your most recently filed federal tax return, does not reasonably reflect your current income (e.g., due to circumstances such as loss or change in employment by you or your spouse).
- You are repaying your Direct Loans under the IBR Plan and your AGI (and your spouse's AGI, if you and your spouse file a joint federal tax return), as reported on your most recently filed federal tax return, does not reasonably reflect your current income (e.g., due to circumstances such as loss or change in employment by you or your spouse).

In cases where alternative documentation of your income is used, the amount of your monthly payment under the ICR or IBR Plan is based on the current income information you and your spouse (if applicable) provide and is reevaluated annually. Your monthly payment may be adjusted more frequently than annually if you notify the Direct Loan Servicing Center that your AGI (or your spouse's AGI, if you file a joint federal tax return) has changed significantly since your most recent submission of this form and you provide supporting documentation showing this change. To submit alternative documentation of your income, you must attach the required documentation, complete and sign this form, and return it to the address below. If you are married, your spouse must also complete and sign the applicable sections of this form and submit the required documentation if (1) you are repaying your loans under the ICR Plan, or (2) you are repaying your loans under the IBR Plan and you and your spouse file a joint federal tax return. If you need assistance, please call 1-800-557-7392, or TDD 1-800-557-7395.

Return this form to:

U.S. Department of Education
Consolidation Department
P.O. Box 242800
Louisville, KY 40224-2800

If you need assistance in completing this form, call 1-800-557-7392. Individuals who use a telecommunications device for the deaf (TDD) may call 1-800-557-7395.

Section 6: Important Notices

PRIVACY ACT NOTICE

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice 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 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 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 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 status, 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 it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0016. The time required to complete this information collection is estimated to average 0.33 hours (20 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, Washington, DC 20202-4537. **Do not send the completed form to this address.**

If you have questions about the status of your individual submission of this form, contact the Consolidation Department at the following address:

U.S. Department of Education
Consolidation Department
P.O. Box 242800
Louisville, KY 40224-2800