

Pioneer Credit Recovery Inc.

Po Box 99, Arcade, NY 14009
Toll Free 1-888-287-0571

564/67

RE:

AS PREVIOUSLY NOTIFIED PIONEER CREDIT RECOVERY, INC. HAS BEEN ASSIGNED TO COLLECT THE ABOVE MENTIONED ACCOUNT.

BY SIGNING THIS LETTER AND RETURNING IT TO PIONEER CREDIT RECOVERY, INC., YOU ARE CONFIRMING YOUR ACCEPTANCE INTO THE LOAN REHABILITATION PROGRAM AND AGREEING WITH THE U.S DEPARTMENT OF EDUCATION (ED) TO REPAY YOUR DEFAULTED GUARANTEED STUDENT LOAN(S) AND/OR FEDERALLY INSURED STUDENT LOAN(S) NOW HELD BY ED. COMPLIANCE WITH THIS AGREEMENT IS A PREREQUISITE TO THE SALE OF YOUR LOAN(S) TO AN ELIGIBLE LENDER. (PERKINS LOANS ARE ELIGIBLE FOR REHABILITATION, BUT ARE NOT CURRENTLY SOLD TO ANY THIRD PARTY.)

PLEASE CHECK THE APPROPRIATE PARAGRAPH:

- () I UNDERSTAND THAT MY INITIAL PAYMENT IN THE AMOUNT OF \$ 150.00 IS DUE ON 10/18/06 \$ 150.00 BEGINNING 11/17/06, WITH EACH PAYMENT DUE ON THE SAME DAY EACH MONTH THEREAFTER UNTIL A MINIMUM OF NINE (9) CONSECUTIVE MONTHLY PAYMENTS ARE MADE.
- () I AM CURRENTLY MAKING CONSECUTIVE MONTHLY PAYMENTS. I UNDERSTAND THAT THESE PAYMENTS, IF CONSECUTIVE, WILL BE INCLUDED IN THE CALCULATION OF THE REQUIRED NINE CONSECUTIVE MONTHLY PAYMENTS. I WILL CONTINUE TO MEET MY ESTABLISHED MONTHLY PAYMENT DUE DATE.

I ALSO UNDERSTAND AND AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

1. I UNDERSTAND THAT THIS AGREEMENT IS NULL AND VOID IF ANY PAYMENT IS MORE THAN TWENTY (20) DAYS DELINQUENT, OR IF A CHECK IS RETURNED DUE TO INSUFFICIENT FUNDS, AND THAT IF EITHER OF THE AFOREMENTIONED OCCURS I WOULD NEED TO MAKE A NEW PAYMENT AGREEMENT AND BEGIN MAKING NINE (9) CONSECUTIVE PAYMENTS AT THAT TIME.

2. I UNDERSTAND THAT THE AMOUNT OF MY NINE (9) CONSECUTIVE QUALIFYING MONTHLY PAYMENTS ARE LOWER THAN THE AMOUNT OF THE PAYMENTS THAT I WOULD BE REQUIRED TO MAKE OVER THE REMAINING TERM OF MY REHABILITATED LOAN(S). SINCE THE BALANCE OF MY LOAN(S) IS EXPECTED TO EXCEED \$7,500 AT THE TIME OF REHABILITATION, I HAVE REQUESTED TO CONSOLIDATE MY LOAN(S) IMMEDIATELY AFTER REHABILITATION TO TAKE ADVANTAGE OF THE EXTENSION OF REPAYMENT AMORTIZATION TERMS AND/OR GRADUATED REPAYMENT PLANS OFFERED BY THE LOAN CONSOLIDATION PROGRAM. I ALSO UNDERSTAND THAT IT WILL BE NECESSARY TO SUBMIT A LOAN CONSOLIDATION APPLICATION AND COMPLETE THE FUNDING PROCESS IN ORDER TO TAKE ADVANTAGE OF THESE EXTENDED REPAYMENT OPTIONS.

3. I CANNOT CHANGE THE MONTHLY PAYMENT AMOUNT WITHOUT A NEW WRITTEN AGREEMENT.

4. I MUST CONTINUE TO MAKE REGULAR MONTHLY PAYMENTS TO ED BEYOND THE NINE (9)

PLEASE FIND IMPORTANT INFORMATION ON THE NEXT PAGE

MONTH PERIOD UNTIL I AM NOTIFIED IN WRITING BY ED OR MY LENDER THAT THE SALE HAS BEEN COMPLETED AND THAT I AM TO BEGIN MAKING PAYMENTS DIRECTLY TO THE LENDER.

5. THE SALE AMOUNT OF MY LOAN WILL BE THE PRINCIPAL AND INTEREST BALANCES AT THE TIME OF SALE TO AN ELIGIBLE LENDER. ED AGREES TO WAIVE RECOVERY OF ANY COLLECTION COST ED INCURS AS A RESULT OF THE SALE OF THIS LOAN, UNLESS THE LOAN IS ASSIGNED TO ED IN THE FUTURE AS A RESULT OF DEFAULT. ED WILL ADD THE AMOUNT OF ANY COST WAIVED UNDER THIS AGREEMENT TO THE AMOUNT OWED ON THE LOAN WHEN RE-ASSIGNED TO ED.

6. AFTER THE SALE OF MY LOAN, ANY PAYMENTS MADE TO ED WILL BE FORWARDED TO THE NEW LENDER FOR CREDIT TO MY ACCOUNT. ANY INVOLUNTARY PAYMENT (TREASURY OFFSETS) OR POST-DATED CHECKS WILL BE REPUNDED TO ME AT THE ADDRESS ON MY BILLING STATEMENT.

7. IF FOR ANY REASON I DO NOT COMPLETE THE LOAN CONSOLIDATION PROCESS AFTER REHABILITATION, THE LENDER WILL ESTABLISH A NEW DUE DATE AND WILL CALCULATE A NEW MONTHLY PAYMENT AMOUNT BASED UPON THE BALANCES SOLD TO THEM. I WILL HAVE UP TO NINE (9) YEARS TO REPAY THE LOAN. THIS MAY SUBSTANTIALLY INCREASE MY MONTHLY PAYMENT AMOUNT.

I HAVE READ THE ABOVE AND AGREE TO THE TERMS AND CONDITIONS OF THE LOAN REHABILITATION PROGRAM AND THIS REPAYMENT AGREEMENT.

DATE: _____

SIGNATURE: _____

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PLEASE RETURN THIS REPAYMENT AGREEMENT TO:

PIONEER CREDIT RECOVERY, INC.
PO BOX 228
ARCADE, NY 14009

DO NOT SEND PAYMENTS TO THIS ADDRESS.

IF YOU HAVE ANY QUESTIONS CALL OUR TOLL FREE NUMBER: 877-907-1866

THIS IS AN ATTEMPT, BY A DEBT COLLECTOR, TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

"COLORADO RESIDENTS- FOR INFORMATION ABOUT THE COLORADO FAIR DEBT COLLECTION PRACTICES ACT, SEE WWW.AGO.STATE.CO.US/CADC/CADCMAIN.CFM."

"MAINE RESIDENTS MAY CONTACT US MONDAY THROUGH THURSDAY FROM 8AM E.S.T TO 9PM E.S.T, FRIDAY FROM 8AM E.S.T TO 5PM E.S.T AND SATURDAY FROM 8AM E.S.T TO 12PM E.S.T AT OUR TOLL-FREE NUMBER LISTED IN THE ABOVE LETTER."

"MASSACHUSETTS RESIDENTS MAY CONTACT OUR OFFICE MONDAY THROUGH THURSDAY FROM 8AM E.S.T TO 9PM E.S.T, FRIDAY FROM 8AM E.S.T TO 5PM E.S.T AND SATURDAY FROM 8AM E.S.T TO 12PM E.S.T AT OUR TOLL-FREE NUMBER LISTED IN THE ABOVE LETTER."

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