

DIRECT LOAN CONSOLIDATION

Self-Help Packet

(February 2013)

DIRECT LOAN CONSOLIDATION

Consolidation

Consolidation is similar to refinancing a loan. You can consolidate all, just some, or even just one of your student loans. Before making the decision to consolidate, you should consider the pros and cons as discussed on the Student Loan Borrower Assistance web site (www.studentloanborrowerassistance.org) and the Department of Education web site (www.ed.gov).

Direct Loan Consolidation

Under the Direct Loan Consolidation program, you can consolidate most federal student loans. Loans that are not eligible for consolidation include state or private loans that are not federally guaranteed. You must have at least one outstanding FFEL or Direct Loan to obtain a Direct Consolidation Loan. This means, for example, that a Perkins Loan on its own cannot be consolidated into a Direct Loan. If the “qualifying” loan is a FFEL loan, you must also certify that you were unable to obtain FFEL Consolidation or unable to obtain a FFEL Consolidation Loan with acceptable income sensitive repayment terms. This should not be a problem because there are no more FFEL consolidation loans as of July 1, 2010.

Parent PLUS borrowers who also have other federal student loans and choose to consolidate all of their loans together will not be eligible for IBR. These borrowers may exclude the PLUS loans from the consolidation and pay them separately. They should also be able to repay through ICR.

How to Apply for a Direct Consolidation Loan

Before you start filling out the application, you should get a list of your federal loans from the Department of Education’s National Student Loan Data System. You can get this information online at www.nsls.ed.gov or by calling 1-800-4-FED-AID.

You can apply for a Direct Consolidation loan on-line at <https://loanconsolidation.ed.gov/>. You can also download the forms from this web address or use the contact information numbers below to request an application.

The current application forms and a sample application are provided in this packet. The forms you need to fill out and send in are:

1. Application and Promissory Note
2. "FYdUha YbhDUb FYei Yghcf FYdUha YbhDUb GYWMcb"
3. "5XhcbU@cU@ghb[G\Yhi

In addition to the forms above, make sure you read the following:

1. Dear Borrower Letter
2. Borrower's Rights and Responsibilities (attached to Application and Promissory Note)
3. Instructions for Application and Promissory note

Where to Mail the Completed Application

Once you have completed the application, you should make a copy for your records and send the original to: U.S. Department of Education, Loan Consolidation Center, P.O. Box 242800, Louisville, KY 40224-2800. You should consider sending by certified mail with a receipt.

What to Expect After Application

The Department says that it takes 60-90 days to process consolidation applications, but it could take longer. You can call the servicing phone numbers below to check on your application. Applying on-line can speed up the process. You can request forbearance while the application is pending, especially if you are in default and are worried about collection.

For More Information:

Direct Loan Consolidation Telephone Numbers:

- Toll free: 1-800-557-7392
- Hearing Impaired Borrowers with a TDD: 1-800-557-7395

Customer Service Representatives are available to answer borrower phone calls from:

- Monday through Friday 8:00 am E.S.T. to 8:30 pm E.S.T.
- Monday through Friday 5:00 am P.S.T. to 5:30 pm P.S.T.

READ THESE FORMS FIRST

1. Dear Borrower Letter
2. Borrower's Rights and Responsibilities (Attached to Application and Promissory Note)
3. Instructions for Application and Promissory Note

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 "deferral" 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 (SL)	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

FORMS YOU NEED TO FILL OUT

APPLICATION AND PROMISSORY NOTE

You must fill out this form regardless of which payment plan you are selecting.

Page 1:

This is where you provide basic information, including your name and address and social security number. Make sure that you write neatly in blue or black ink or type in the answers. Section B of page 1 requires you to give two references. These can be relatives or friends who do not live with you and who have known you for at least three years. They must live in the United States. You must at least provide a permanent address and phone number for your references.

Page 2:

Be sure to write your name and social security number at the top of this page. This is where you list all of your federal loans that you want to consolidate and any you do not want to consolidate. If you do not have this information, you should request it from the Department of Education on-line at www.nsls.ed.gov or by calling 1-800-4-FED-AID. Do the best you can to answer all questions. The “loan type” will be included in the information that you get from the Department of Education. For example, you should fill in this box by writing “FFEL Subsidized Stafford” or “FFEL Unsubsidized Stafford.” You can also get the current balance from the Department of Education. It is usually ok to leave the “account number” blank if you do not know this information, but you should do the best you can to get it.

If you have additional loans, you should use the “Additional Loan Listing Sheet” to list the additional loans.

Page 3:

Be sure and write your name and social security number at the top of this page. You must sign this form at the bottom after reading the “Promise to Pay” section.

Page 4:

This is information for you to read.

Pages 5-9:

This is important information about Borrower Rights and Responsibilities.

The following pages include a blank application form.



William D. Ford Federal Direct Loan Program

Federal Direct Consolidation Loan Application and Promissory Note

OMB No. 1845-0053
Form Approved
Exp. Date 02/28/2014

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

Before You Begin

Read the instructions for completing this Federal Direct Consolidation Loan Application and Promissory Note (Note). Print using blue or black ink or type. You must sign and date this form. If you cross out anything and write in new information, put your initials beside the change.

NOTE: PAGES 1, 2, and 3 OF THIS NOTE MUST BE SUBMITTED FOR YOUR LOAN REQUEST TO BE PROCESSED.

Section A: Borrower Information

1. Last Name	First Name	Middle Initial	2. Social Security Number
3. Permanent Address (if P.O. box or general delivery, see instructions)			4. Area Code/Telephone Number ()
_____ _____ _____			5. E-Mail Address (Optional)
City	State	Zip Code	
6. Former Name(s)	7. Date of Birth (mm-dd-yyyy)		8. Driver's License State and Number State -- Number
9. Employer's Name			
10. Employer's Address			
11. Work Area Code/Telephone Number ()	City	State	Zip Code

Section B: Reference Information

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

Name 1. _____	2. _____
Permanent Address _____	_____
City, State, Zip Code _____	_____
E-Mail Address (optional) _____	_____
Area Code/Telephone Number () _____	() _____
Relationship to Borrower _____	_____

Section C1: Education Loan Indebtedness – Loans You Want to Consolidate (continued on page 2)

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. If you need more space to list additional loans, use the Additional Loan Listing Sheet included with this Note. List each loan separately. Please print. **IN THIS SECTION, LIST ONLY LOANS THAT YOU WANT TO CONSOLIDATE.**

We will send you a notice before we consolidate your loans. This notice will (1) provide you with information about the loans and payoff amounts that we have verified, and (2) tell you the deadline by which you must notify us if you want to cancel the Direct Consolidation Loan, or if you do not want to consolidate one or more of the loans listed in the notice. The notice will include information about loans eligible for consolidation that you listed in this section. It will also include information about additional loans eligible for consolidation that you did not list in this section, if you have additional eligible loans with a holder of a loan that you listed in this section. **See the instructions for more information about the notice we will send.**

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

Borrower's Name (please print) _____, Social Security Number _____

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

13. Loan Code (See Instructions)	14. Loan Holder/Service 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 have the processing of your Direct Consolidation Loan delayed 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, we will begin processing your Direct Consolidation Loan as soon as we receive this 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. You will then lose the remaining portion of the grace period on these loans.

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 your maximum repayment period is calculated. Remember to 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 Note. List each loan separately. Please print. **IN THIS SECTION, LIST ONLY LOANS THAT YOU DO NOT WANT TO CONSOLIDATE.** We will send you a notice before we consolidate your loans. This notice will (1) provide you with information about the loans and payoff amounts that we have verified, and (2) tell you the deadline by which you must notify us if you want to cancel the Direct Consolidation Loan, or if you do not want to consolidate one or more of the loans listed in the notice. The notice will **not** include information about any loans you listed in this section, and any loans listed in this section will **not** be consolidated. See the instructions for more information about the notice we will send.

18. Loan Code (See Instructions)	19. Loan Holder/Service 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 Note and in any supplemental materials you receive with this Note. Then select a repayment plan for your Direct Consolidation Loan by completing the **Repayment Plan Selection** form that accompanies this Note.

- If you select the Income Contingent Repayment (ICR) Plan or the Income-Based Repayment (IBR) Plan, you must also complete additional forms and/or provide additional documentation as explained on the Repayment Plan Selection form. **Your selection of the ICR Plan or IBR Plan cannot be processed without the required additional forms or documentation.**
- You **must** select the ICR Plan or the IBR Plan for repayment of your Direct Consolidation Loan if (1) you want to consolidate a defaulted loan(s) and you have not made a satisfactory repayment arrangement with your current loan holder(s); or (2) 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 made under the Federal Family Education Loan (FFEL), Direct Loan, and Federal Perkins Loan (Perkins Loan) programs, 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 the loan holder. Collection costs may also be included. For a Direct Loan Program or FFEL Program loan that is in default, the amount of any collection costs that may be included in the payoff balances of the loans is limited to a maximum of 18.5% of the outstanding principal and interest. For any other defaulted federal education loans, all collection costs that are owed may be included in the payoff balances of the loans.
- C. Applying for a Direct Consolidation Loan does not obligate me to agree to take the Direct Consolidation Loan. The U.S. Department of Education (ED) will provide me with: (1) a notice containing information about the loans and payoff amounts that ED has verified with the holders of my loans or through ED's National Student Loan Data System (NSLDS) before the actual payoffs occur; and (2) the deadline by which I must notify ED if I want to cancel the Direct Consolidation Loan, or if I do not want to consolidate any of the loans that ED has verified. The notice that ED sends will include information about loans eligible for consolidation that I listed in Section C1 of this Note ("Education Loan Indebtedness - Loans You Want to Consolidate"). It may also include information about additional loans eligible for consolidation that I did not list in Section C1, if I have additional eligible loans with a holder of a loan listed in Section C1. If I do not inform ED otherwise by the deadline specified in the notice that ED sends to me, all of the loans listed in the notice will be consolidated.
- D. If the amount ED sends to my loan holders is more than the amount needed to pay off the balances of the selected loans, the holders will refund the excess amount to ED and this excess amount will be applied against the outstanding balance of my Direct Consolidation Loan. If the amount that ED sends to my holders is less than the amount needed to pay off the balances of the loans selected for consolidation, ED will include the remaining amount in my Direct Consolidation Loan.
- E. Unless I am: (1) consolidating a delinquent Federal Consolidation Loan that the lender has submitted to the guaranty agency for default aversion; (2) consolidating a defaulted Federal Consolidation Loan; (3) consolidating a Federal Consolidation Loan to use the Public Service Loan Forgiveness Program; or (4) consolidating a Federal Consolidation Loan to use the no accrual of interest benefit for active duty service members, 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 ICR Plan or the IBR Plan.
- G. If I consolidate my loans, I may no longer be eligible for certain deferments, subsidized deferment periods, certain types of loan discharges or loan forgiveness, or reduced interest rates that were available on the loans I am consolidating.
- H. Any payments made prior to the date of consolidation on the loans I am consolidating will not count toward (1) the 25 years of repayment required for loan forgiveness under the IBR Plan or the ICR Plan (see Item 10 of the Borrower's Rights and Responsibilities Statement in this Note), or (2) the 120 qualifying payments required for Public Service Loan Forgiveness (see Item 17 of the Borrower's Rights and Responsibilities Statement).
- I. If I am consolidating a Perkins Loan: (1) I will no longer be eligible for interest-free periods while I am enrolled in school at least half time, in the grace period on my loan, and during deferment periods; and (2) I will no longer be eligible for full or partial loan cancellation under the Perkins Loan Program based on years of service in one of the following occupations: teacher in a low-income elementary or secondary school; staff member in a eligible preschool program; special education teacher; member of the Armed Forces who qualifies for special pay; Peace Corps volunteer or volunteer under the Domestic Volunteer Service Act of 1973; law enforcement or corrections officer; attorney in an eligible defender organization; teacher of mathematics, science, foreign languages, bilingual education or any other high-need field; nurse or medical technician providing health care services; employee of a public or private nonprofit child or family service agency that services high-risk children from low-income families and their families; fire fighter; faculty member at a Tribal College or University; librarian; or speech language pathologist.
- J. If I am consolidating a Direct PLUS Loan or a Federal PLUS Loan that I obtained to help pay for my dependent child's undergraduate education, I will not be eligible to repay my Direct Consolidation Loan under the IBR Plan. However, I may repay my Direct Consolidation Loan under the ICR Plan.
- K. If I am consolidating any Direct Loan Program loans on which I received an up-front interest rebate, and I have not yet made the first 12 required on-time payments on those loans at the time the loans are consolidated, I must make the first 12 required monthly payments on my Direct Consolidation Loan on time to keep the interest rebate (see Item 9 of the Borrower's Rights and Responsibilities Statement).

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. All of the loans selected for consolidation have been used to finance my education or the education of my dependent child(ren).
- C. All of the loans selected for consolidation are in a grace period or in repayment ("in repayment" includes loans in deferment or forbearance).
- D. If I owe an overpayment on a Federal Perkins Loan, Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Academic Competitiveness Grant (ACG), National Science and Mathematics Access to Retain Talent (SMART) Grant, or Leveraging Educational Assistance Partnership Grant, I have made satisfactory arrangements with the holder to repay the amount owed.
- E. 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 ICR Plan or the IBR Plan.
- F. If I have been convicted of, or pled *nolo contendere* or guilty to, a crime involving fraud in obtaining federal student aid funds under 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 for consolidation and the payoff amounts of the loans listed in Section C1 of this Note and any of my other federal education loans that are held by a holder of a loan listed in Section C1. 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.
- F. I authorize my schools, ED, and their respective agents and contractors to contact me regarding my loan request or my loan, including repayment of my loan, at the current or any future number that I provide for my cellular telephone or other wireless device using automated dialing equipment or artificial or prerecorded voice or text messages.

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 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. Unless I make interest payments, interest that accrues on my loan during forbearance periods and on the unsubsidized portion of my loan during deferment periods may be added, as provided under the Act, to the principal balance of my loan. 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 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 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) _____

9/17/12

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 provided to me. The disclosure will identify the amount of my Direct Consolidation Loan, the associated loan identification number(s), and additional terms of the loan, such as the interest rate and repayment schedule. If I have questions about the information disclosed, I may contact my servicer. 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.

I understand that ED may use a servicer to handle billing and other communications related to my loan.

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.

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, except for interest ED does not charge me during a deferment period on the subsidized portion of my Direct Consolidation Loan. 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 (IBR) Plan. Under the IBR 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 the Act.

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. This will increase the principal balance, and the full amount of the loan, including the new principal balance and collection costs, will become immediately due and payable.

If I default, the default will be reported to national consumer reporting agencies 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. Following default, I may be required to repay the loan (including potential collection of amounts in excess of the principal and interest) under the Income Contingent Repayment (ICR) Plan or the IBR Plan in accordance with the Act.

Legal Notices

Any notice required to be given to me will be effective if sent by first class mail to the most recent address that ED has for me, by electronic means to an address I have provided, or by any other method of notification permitted or required by applicable statute or regulation. I will immediately notify ED of a change of contact information 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.

Information about my loan will be submitted to the National Student Loan Data System (NSLDS). Information in NSLDS is accessible to schools, lenders, and guarantors for specific purposes as authorized by ED.

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.

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, 20 U.S.C. 1070 *et seq.* (HEA).

Direct Loans are made by the U.S. Department of Education. We contract with servicers to service, answer questions about, and process payments on Direct Loans. We will provide you with the address and telephone number of the servicer for your loan.

2. Laws that apply to this Note. The terms and conditions of loans made under this Note are determined by the HEA and other applicable federal laws and regulations. These laws and regulations are referred to as "the Act" throughout this Borrower's Rights and Responsibilities Statement. 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 Direct Consolidation Loan may have up to two individual loan identification numbers. However, you will have only one Direct Consolidation Loan and will receive only one bill.

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

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

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

- Unsubsidized and Nonsubsidized Federal Stafford Loans
- Direct Unsubsidized Loans
- Unsubsidized Federal Consolidation Loans
- Direct Unsubsidized Consolidation Loans
- Federal PLUS Loans (for parents or for graduate and professional students)
- Direct PLUS Loans (for parents or for graduate and professional students)
- Direct PLUS Consolidation Loans
- Federal Perkins Loans
- National Direct Student Loans (NDSL)
- National Defense Student Loans (NDSL)
- Federal Supplemental Loans for Students (SLS)
- 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 and/or interest rate.

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

5. Loans that may be consolidated. *General.* Only the federal education loans listed in Items 3a. and 3b. of this Borrower's Rights and Responsibilities Statement may be consolidated into a Direct Consolidation Loan. You may only consolidate loans that are in a grace period or in 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 (ICR) Plan or the Income-Based Repayment (IBR) 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 ICR Plan or the IBR Plan. You may also consolidate a single Federal Consolidation Loan into a new Direct Consolidation Loan to use the Public Service Loan Forgiveness program described in Item 17 of this Borrower's Rights and Responsibilities Statement, or the no accrual of interest benefit for active duty service members described in Item 8.

6. Information you must report to us. Until your loan is repaid, you must notify your servicer if you:

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

7. Interest rate. The interest rate on your Direct Consolidation Loan will be the 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.

If you qualify under the Servicemembers Civil Relief Act, the interest rate on your loans obtained prior to military service may be limited to 6% during your military service. To receive this benefit, you must contact your servicer for information about the documentation you must provide to show that you qualify.

8. Payment of interest. Except as provided below for borrowers who serve in the military, interest accrues 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. You are responsible for paying all interest that accrues, except for interest that accrues 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 accrues 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 interest will then accrue 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 accrues during a 12-month deferment or forbearance period, compared to the amount you would repay if you do not pay the interest and it is capitalized.

	If you pay the interest as it accrues...	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 accrues 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>.

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

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 Automatic Withdrawal of Payments

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

Your servicer 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 that were first disbursed before July 1, 2012. The rebate is equal to a percentage of the loan amount, and is the same amount that would result if the interest rate on the loan were lowered by a specific percentage. To permanently keep an up-front interest rebate, a borrower must make each of the first 12 required monthly payments on time when the loan enters repayment. If you consolidate a Direct Loan on which you received an up-front interest rebate before you 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. "On time" means that we must receive each payment no later than 6 days after the due date. You will lose the rebate if you do not make all of your first 12 required monthly payments on your Direct Consolidation Loan 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. Unless you receive a deferment or forbearance on your loan (see Item 16), your first payment will be due within 60 days of the first disbursement of your Direct Consolidation Loan. Your servicer will notify you of the date your first payment is due.

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

Generally, you must repay all of your Direct Loans under the same repayment plan. You may choose one of the following repayment plans to repay any Direct Consolidation 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 (not to exceed the amount you are consolidating) as listed in Section C2 of your Note (see the chart below). Your payments must be at least \$50 a month (\$600 a year) and will be more, if necessary, to repay the loan within the required time period.
- **Graduated Repayment Plan** – Under 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 (not to exceed the amount you are consolidating) 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 (\$600 a year) 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 (ICR) 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 accrues monthly 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.

In addition to the repayment plans listed above, you may also choose the following repayment plan to repay a Direct Consolidation Loan if you are not consolidating a parent Direct PLUS Loan or a parent Federal PLUS Loan (see Note below):

- **Income-Based Repayment (IBR) Plan** – Under this plan, your required monthly payment amount will be based on your income. To initially qualify for this plan and to continue to make income-based payments, you must 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 your loan is not repaid in full after you have made the equivalent of 25 years of qualifying payments and at least 25 years have elapsed, you may qualify for forgiveness of any outstanding balance on your loans. You may have to pay income tax on any amount forgiven.

NOTE: A parent PLUS loan is a PLUS loan that you obtained to help pay for your dependent child's undergraduate education. Direct Consolidation Loans that repaid parent Direct PLUS Loans or parent Federal PLUS Loans may not be repaid under the IBR Plan. However, such loans may be repaid under the ICR 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 for payments made under the IBR Plan, we apply your payments in the following order: (1) late charges and collection costs, (2) outstanding interest, and (3) outstanding principal. For payments made under the IBR Plan, we apply your payments in the following order: (1) outstanding interest, (2) late charges and collection costs, and (3) outstanding principal.

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

11. Transfer of loan. We may transfer one or all of your loans to another servicer without your consent. If the address to which you must send payments or correspondence changes, you will be notified of the new servicer's name, address and telephone number, the effective date of the transfer, and the date when you must begin sending payments or directing communications to that servicer. Transfer of a loan to a different servicer does not affect your rights and responsibilities under that loan.

12. 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.

13. Demand for immediate repayment. The entire unpaid amount of your loan becomes due and payable (this is called "acceleration") if you:

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

14. Defaulting on your loan. Default (failing to repay your loan) is defined in detail under "Acceleration and Default" on page 4 of this Note. If you default:

- You will be required 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.
- You will be required to pay reasonable collection fees and costs, plus court costs and attorney fees.
- You will lose eligibility for other federal student aid and assistance under most federal benefit programs.
- You will lose eligibility for loan deferments.

- We will report your default to national consumer reporting agencies (see Item 15).

15. Consumer reporting agency notification. We will report information about your loan to each national consumer reporting agency on a regular basis. This information will include the disbursement dates, amount, and repayment status of your loan (for example, whether you are current or delinquent in making payments). Your loan will be identified as an education loan.

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

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

16. 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;
- While you are in a full-time course of study in a graduate fellowship program;
- While you are in an approved full-time rehabilitation program for individuals with disabilities;
- While you are unemployed (for a maximum of three years; you must be diligently seeking, but unable to find, full-time employment); or
- While you are experiencing an economic hardship (including Peace Corps service), as determined under the Act (for a maximum of three years).
- While you are serving on active duty during a war or other military operation or national emergency, or performing qualifying National Guard duty during a war or other military operation or national emergency, and if you were serving on or after October 1, 2007, for an additional 180-day period following the demobilization date for your qualifying service; or
- If you are a member of the National Guard or other reserve component of the U.S. Armed Forces (current or retired) and you are called or ordered to active duty while enrolled at an eligible school, or within 6 months of having been enrolled at least half time, you are eligible for a deferment during the 13 months following the conclusion of the active duty service, or until you return to enrolled student status on at least a half-time basis, whichever is earlier.

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

You may receive a deferment while you are enrolled in school on at least a half-time basis if: (1) you submit a deferment request form to your servicer along with documentation of your eligibility for the deferment; or (2) your servicer receives information from the school you are attending that indicates you are enrolled at least half time. If your servicer processes a deferment based on information received from your school, you will be notified of the deferment and will have the option of canceling the deferment and continuing to make payments on your loan.

For all other deferments, you (or, for a deferment based on active 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 your servicer, along with documentation of your eligibility for the deferment. In certain circumstances, you may not be required to provide documentation of your eligibility if your servicer confirms that you have been granted the same deferment for the same period of time on a FFEL Program loan. Your servicer can provide you with a deferment request form that explains the requirements for the type of deferment you are requesting. You may also obtain deferment request forms and information on deferment eligibility requirements from your servicer's web site.

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

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

Forbearance

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

We will give you a forbearance if:

- You are serving in a medical or dental internship or residency program, and you meet specific requirements;
- The total amount you owe each month for all of the student loans you received under Title IV of the Act is 20% or more of your total monthly gross income (for a maximum of three years);
- You are serving in a national service position for which you receive a national service education award under the National and Community Service Act of 1990 (AmeriCorps). In some cases, the interest that accrues on a qualified loan during the service period will be paid by the Corporation for National and Community Service;
- You 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
- You are a member of the National Guard who qualifies for a post-active duty student deferment but not for a military service deferment or other deferment, and you are engaged in active state duty for a period of more than 30 consecutive days.

To request a forbearance, contact your servicer. Your servicer 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 your servicer's web site. Under certain circumstances, we may also give you a forbearance without requiring you to submit a request or documentation. These circumstances include, but are not limited to, the following:

- Periods necessary for us to determine your eligibility for a loan discharge;
- A period of up to 60 days 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 are affected by a local or national emergency.

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

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

- Your servicer 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.
- You become totally and permanently disabled (as defined in the Act) and meet certain other requirements.

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: **(1)** teach full time for five consecutive years in certain elementary and/or secondary schools or educational service agencies that serve low-income families; **(2)** meet certain other qualifications; and **(3)** did not owe a Direct Loan or a FFEL Program loan as of October 1, 1998, or as of the date you obtain a loan after October 1, 1998.

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 full, on-time, scheduled monthly payments (after October 1, 2007) on those loans under certain repayment plans while you are employed full-time by certain public service organizations.

The Act may provide for certain loan forgiveness or repayment benefits on your loans in addition to the benefits described above. If other forgiveness or repayment options become available, your servicer will provide information about these benefits.

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 your servicer.

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 your servicer.

We do not guarantee the quality of the academic programs provided by schools that participate in federal student financial aid programs. You must repay your loan even if you do not complete 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.

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

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

END OF BORROWER'S RIGHTS AND RESPONSIBILITIES STATEMENT

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 the collection displays a valid OMB control number. Public reporting burden for this collection of information is estimated to average 1.0 hour (60 minutes) per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain a benefit in accordance with 34 CFR 685.201(c)(1). Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Education, 400 Maryland Ave., SW, Washington, DC 20210-4537 or e-mail ICDocketMgr@ed.gov and reference OMB Control Number 1845-0053. **Note: Please do not return the completed Federal Direct Consolidation Loan Application and Promissory Note to this address.**

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



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 or any accompanying documentation is subject to penalties that 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 02/28/2014

Borrower Name _____

Borrower 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 Federal Direct Consolidation Loan Instructions for Application and Promissory Note 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. **IN THIS SECTION, LIST ONLY LOANS THAT YOU WANT TO CONSOLIDATE.**

We will send you a notice before we consolidate your loans. This notice will (1) provide you with information about the loans and payoff amounts that we have verified, and (2) tell you the deadline by which you must notify us if you want to cancel the Direct Consolidation Loan, or if you do not want to consolidate one or more of the loans listed in the notice. The notice will include information about loans eligible for consolidation that you listed in this section. It will also include information about additional loans eligible for consolidation that you did not list in this section, if you have additional eligible loans with a holder of a loan that you listed in this section. **See the instructions for more information about the notice we will send.**

13. Loan Code (See Instructions)	14. Loan Holder/Service 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. **IN THIS SECTION, LIST ONLY LOANS THAT YOU DO NOT WANT TO CONSOLIDATE.**

We will send you a notice before we consolidate your loans. This notice will (1) provide you with information about the loans and payoff amounts that we have verified, and (2) tell you the deadline by which you must notify us if you want to cancel the Direct Consolidation Loan, or if you do not want to consolidate one or more of the loans listed in the notice. The notice will **not** include information about any loans you listed in this section, and any loans listed in this section will **not** be consolidated. **See the instructions for more information about the notice we will send.**

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

FORMS YOU NEED TO FILL OUT

REPAYMENT PLAN FORMS

You must fill out a repayment plan selection form. You should first review the Student Loan Borrower Assistance web site (www.studentloanborrowerassistance.org) and the Department of Education web site (<http://studentaid.ed.gov>) to make sure that you understand your repayment plan choices.

Repayment Plan Forms

The first form in this packet (Repayment Plan Request) is for borrowers requesting a repayment plan based on income. You must request one of these plans if you are consolidating in order to get out of default and you have not set up a plan to make three reasonable and affordable payments before consolidating.

You may request one of the specific plans in Section 2 or you can ask that your loan holder determine which of the three plans you are eligible for and place you on the plan with the lowest monthly payment amount.

You must fill out section three of this form if:

- You have a spouse who has eligible student loans and you file a joint federal income tax return with your spouse,
- You have a joint consolidation loan that you obtained with your spouse, or
- You and your spouse have Direct Loans and both of you want to repay under the ICR plan. It is a good idea to get more information about the pros and cons of joint repayment before making this selection.

You must sign this form at the bottom. Your spouse must also sign if required.

Tgr c{ o gpv'Rncp'Uggev'kqp'Hqto "
""

[qw'o wuv'wug'y ku'hqto 'kh'{ qw'y cpv'q'tgs wguv'c'r c{o gpv'r rcp'y cv'ku'pqv'dcugf "qp"{ qwt'kpeqo g0"
[qw'o c{ 'ej qqug'gkj gt'c'Ucpcf ctf. 'I tcf wcvf "qt'Gzvpf gf 'tgr c{o gpv'r rcp0'[qw'ecppqv'ej qqug"
qpg'qh'y gug'r rcpu'kh'{ qwt'rqcp'ku'kp'f ghw'w'cpf "{ qw'y cxg'pqv'ugv'wr "c'r rcp'v'q'o cng'y tgg'tgcuqpcdr"
cpf "chqtf cdr'c{o gpv'u'dghq'tg'eqpuqrf cv'pi 0'kp'y gug'ekewo urcpegu."{ qw'o wuv'kpuv'gcf 'wug'y g"
Tgr c{o gpv'Rncp'Tgs wguv'hqto 'f guetkdgf "cdq'xg'cpf 'tgs wguv'c'tgr c{o gpv'r rcp'dcugf "qp"{ qwt'kpeqo g0

REPAYMENT PLAN REQUEST



Income-Based (IBR) / Pay As You Earn / Income-Contingent (ICR) Repayment Plan Request
William D. Ford Federal Direct Loan (Direct Loan) Program / Federal Family Education Loan (FFEL) Program

OMB No. 1845-0102
 Form Approved
 Exp. Date 11-30-2015

Use this form to (1) request an available repayment plan based on your income, (2) provide the required information for the annual reevaluation of your payment amount under one of these plans, or (3) request that your loan holder recalculate your monthly payment amount.

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

IBR/PAYE/ICR

SECTION 1: BORROWER IDENTIFICATION

Please enter or correct the following information.

Check this box if any of your information has changed.

SSN [] [] [] - [] [] [] - [] [] [] []

Name _____

Address _____

City, State, Zip Code _____

Telephone – Primary () _____

Telephone – Alternate () _____

E-mail Address (Optional) _____

SECTION 2: REPAYMENT PLAN REQUEST

Before completing this form, carefully read the entire form, particularly Sections 7, 8, and 9. Type or print using dark ink. If you need help completing this form, contact your loan holder(s). Return the completed form and any required documentation to the address shown in Section 10. You may be able to complete your request online by visiting studentloans.gov. Information about repayment plans and calculators are available at studentaid.gov.

Other repayment plans, such as extended or graduated, may be available and may offer a lower monthly payment amount. In addition, payment under the IBR, Pay As You Earn, or ICR plans may result in your paying more interest over time and may result in federal income tax liability on any loan amount that is forgiven under these plans.

1. Please select the reason that you are completing this request by checking box a, b, or c, below.
 a. I am requesting a repayment plan based on my income – Check the plan(s) you are requesting below and then continue to item 2.

	Direct Loan Program Loans*	FFEL Program Loans*
IBR	<input type="checkbox"/>	<input type="checkbox"/>
Pay As You Earn	<input type="checkbox"/>	Not Available
ICR	<input type="checkbox"/>	Not Available
I request that my loan holder determine which of the above plans I am eligible for, and place me on the plan with the lowest monthly payment amount.	<input type="checkbox"/> Only IBR will be considered for FFEL Program loans	

* Not all loan types under the FFEL and Direct Loan Programs are eligible for these plans (see Section 8).

For Direct Loan borrowers, your request will apply to all of your loans that are eligible for the plan you choose. For FFEL borrowers, you can exclude eligible loans if you request IBR prior to July 1, 2013. If you are a FFEL borrower and request IBR on or after July 1, 2013, you must repay all loans eligible for IBR under that plan. For all borrowers, you will need to choose a different repayment plan for loans that are not eligible for a repayment plan based on income or they will be placed on the standard repayment plan.

- b. I am submitting annual documentation for the recalculation of my monthly payment amount under my current repayment plan – Continue to item 2.
 c. I am requesting that my loan holder recalculate my current monthly payment amount because my circumstances have changed – Continue to item 2.

2. Check this box if you owe eligible loans to more than one loan holder. **You must submit a separate request to each holder of the loans you want to repay under the IBR, Pay As You Earn, or ICR plan.**

You must promptly submit to your loan holder(s) this completed form and acceptable documentation of your Adjusted Gross Income (see Section 4), or, if applicable, alternative documentation of your current income (see Section 5).

SECTION 3: SPOUSAL INFORMATION

Complete this section if any of the following apply to you:

- You file a joint federal income tax return with your spouse and your spouse has eligible loans. Enter information about your spouse, below.
- You have a joint Direct or FFEL Consolidation Loan that you obtained with your spouse. Enter information about the co-borrower of the loan.
- You and your spouse have Direct Loans and both of you want to repay those loans under the ICR Plan. Enter information about your spouse, below.

3. Spouse's SSN [] [] [] - [] [] [] - [] [] [] []

4. Spouse's Name _____

5. Spouse's Date of Birth [] [] [] - [] [] [] - [] [] [] []

6. My spouse and I wish to repay our Direct Loans jointly under the ICR Plan.

If you file a joint federal income tax return with your spouse, your loan holder(s) will base your eligibility determination and monthly payment amount on your and your spouse's combined income regardless of whether your spouse has eligible federal student loans. However, if your spouse does not have eligible student loans, you do not need to complete this section.

If you complete this section, your spouse is also required to sign this form. By signing, your spouse is authorizing the loan holder(s) to access information about his or her federal student loans in the National Student Loan Data System (NSLDS). In addition, if the Department is not your loan holder and your FFEL loan holder(s) does not service at least one of your spouse's loans, your loan holder(s) will need detailed information about all of your spouse's loans to accurately evaluate your eligibility and payment amount. Your spouse should log into NSLDS at nslds.ed.gov to give your loan holder(s) access to his or her loan information. To obtain the organization code needed for authorization on NSLDS or for other options to provide the loan details needed on your spouse's loans, contact your loan holder(s).

SECTION 4: FAMILY SIZE AND FEDERAL TAX INFORMATION

7. Enter your family size (as defined in Section 8).

Note: If you do not enter your family size, your loan holder(s) will assume a family size of one. For purposes of these repayment plans, your family size may be different from the number of exemptions you claim on your federal tax return. By signing this form, you are certifying that the family size you enter above is correct.

8. Did you file a federal income tax return for either of the two most recently completed tax years?

- Yes – Continue to Item 9.
- No – Skip to Section 5.

9. Is your current income or your spouse's current income (if you completed Section 3 or file a joint federal income tax return) significantly different than the income used to determine the Adjusted Gross Income* (AGI) reported to the IRS on your most recently filed federal income tax return?

- Yes – Continue to Section 5.
- No – Provide your most recently filed federal income tax return or IRS tax return transcript. Skip to Section 6.

*You can find your Adjusted Gross Income on your most recently filed IRS Form 1040, 1040A, or 1040EZ.

SECTION 5: ALTERNATIVE DOCUMENTATION OF INCOME

To be completed if (1) you did not file a federal income tax return for the two most recently completed tax years, (2) your AGI from your most recently filed federal income tax return does not reasonably reflect your current income (due to circumstances such as the loss of or change in employment), or (3) your loan holder(s) informed you that alternative documentation of income is required.

10. Do you have taxable income? Check "No" if (1) you do not have any income, (2) receive only untaxed income (such as Supplemental Security Income, child support, or federal or state public assistance), or (3) are not required to file a federal income tax return based on the amount of your taxable income.

- Yes – Provide documentation of this income, as described below.
- No – By signing this form, you are certifying that you have no taxable income or are not required to file a federal income tax return based on the amount of your taxable income.

11. If you are married and completed Section 3 or file a joint federal income tax return with your spouse, does your spouse have taxable income? Check "No" if (1) your spouse does not have any income, (2) receives only untaxed income (such as Supplemental Security Income, child support, or federal or state public assistance), or (3) is not required to file a federal income tax return based on the amount of his/her taxable income.

- Yes – Provide documentation of your spouse's income, as described below.
- No – By signing this form, your spouse is certifying that he/she has no taxable income or is not required to file a federal tax return based on the amount of his/her taxable income.

You must provide documentation of all taxable income that you currently receive from all sources (for example, income from employment, unemployment income, dividend income, interest income, tips, alimony). If you are married and completed Section 3 or file a joint federal income tax return, you must also provide documentation of your spouse's taxable income. **Do not report untaxed income such as Supplemental Security Income, child support, or federal or state public assistance.**

You must provide **one piece** of supporting documentation for each source of income (your and your spouse's). For example, documentation includes pay stubs, a letter(s) from your employer(s) listing income, interest or bank statements, or dividend statements. If these forms of documentation are unavailable, attach a signed statement from you or your spouse explaining the income source(s) and giving the name and the address of the source(s).

Unless the frequency is clearly indicated on the documentation that you provide, write on your documentation how often you receive the income, for example, "twice per month" or "every other week". The date on any supporting documentation you provide must be no older than 90 days from the date you sign this form. Copies of original documentation are acceptable.

SECTION 6: BORROWER REQUEST, UNDERSTANDINGS, AGREEMENT, AUTHORIZATION, AND CERTIFICATION

- **I request** to use the plan I selected in Section 2 to repay my eligible Direct Loan or FFEL Program loans held by the holder(s) to which I submit this form. If I selected the option to allow my loan holder(s) to choose my plan, I request my loan holder(s) to place me in the plan with the lowest monthly payment amount. If more than one plan provides the same initial payment amount, I understand that my loan holder will choose the plan that is likely to keep my monthly payment amount lower in subsequent years.
- **I understand** that: **(1)** If I am entering repayment on my loan(s) for the first time and do not provide my loan holder(s) with this completed form and any other documentation required by my loan holder(s), or if I do not qualify for the repayment plan that I requested, I will be placed on the standard repayment plan (see Section 8). **(2)** If I am currently repaying my loan(s) under a different repayment plan and want to change to the repayment plan I selected in Section 2, my loan holder(s) may grant me a forbearance for up to 60 days to collect and process documentation supporting my request for the selected plan. I am not required to make loan payments during this period of forbearance, but interest will continue to accrue. Unpaid interest that accrues during this maximum 60-day forbearance period will not be capitalized (see Section 8). **(3)** If I am delinquent in making payments under my current repayment plan at the time I request one of the repayment plans listed in Section 2, my loan holder(s) may grant me a forbearance to cover any payments that are overdue, or that would be due, at the time I enter the repayment plan I requested. Unpaid interest that accrues during this forbearance period may be capitalized. **(4)** If I am requesting the ICR plan, my initial payment amount will be the amount of interest that accrues each month on my loan(s) until my loan holder receives the income documentation needed to calculate my ICR payment amount. If I cannot afford the initial interest payments, I may request forbearance by contacting my loan holder.
- **I authorize** the entity to which I submit this request (i.e., the school, the lender, the guaranty agency, the U.S. Department of Education, and their respective agents and contractors) to contact me regarding my request or my loan(s), including repayment of my loan(s), at the number that I provide on this form or any future number that I provide for my cellular telephone or other wireless device using automated telephone dialing equipment or artificial or prerecorded voice or text messages.
- **I certify** that all of the information I have provided on this form and in any accompanying documentation is true, complete, and correct to the best of my knowledge and belief.

Borrower's Signature _____ **Date** _____

Spouse's Signature (if required) _____ **Date** _____

Note: Your spouse's signature is required if you completed Section 3 and/or completed Item 11.

SECTION 7: INSTRUCTIONS FOR COMPLETING THE FORM

Type or print using dark ink. Enter dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: January 31, 2012 = 01-31-2012. Include your name and account number on any documentation that you are required to submit with this form. If you need help completing this form, contact your loan holder(s). If you want to apply for a repayment plan on loans that are held by different loan holders, you must submit a separate request to each loan holder.

Use this form to **(1)** request the IBR, Pay As You Earn, or ICR plan for repayment of your Direct Loans or the IBR plan for your FFEL program loan(s), **(2)** to submit annual documentation for the calculation of the payment amount under the IBR, Pay As You Earn, or ICR plan, or **(3)** request that your loan holder recalculate your current monthly payment amount because your circumstances have changed. To use the IBR or Pay As You Earn plan, you must meet the eligibility requirements for those plans described in Section 9. Repayment plan calculators are available at studentaid.gov. The calculators are only informational; your loan holder(s) will make the official determination of your eligibility and payment amount based on the information you provide on this form and other required documentation.

You must provide your loan holder(s) with income documentation that will be used to determine your eligibility for the IBR or Pay As You Earn plan and your payment amount for the IBR, Pay As You Earn, or ICR plan, as described in Section 9.

Return the completed form and any required documentation to the address shown in Section 10.

SECTION 8: DEFINITIONS

- **Capitalization** is the addition of unpaid interest to the principal balance of your loan. This will increase the principal balance and the total cost of your loan.
- The **William D. Ford Federal Direct Loan (Direct Loan) Program** includes Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans, and Direct Consolidation Loans.
- **Eligible loans for the IBR plan** are Direct Loan and FFEL Program loans other than: **(1)** a loan that is in default, **(2)** a Direct or Federal PLUS Loan made to a parent borrower, or **(3)** a Direct or Federal Consolidation Loan that repaid a Direct or Federal PLUS Loan made to a parent borrower. Federal Perkins Loans, HEAL loans or other health education loans, and private education loans are not eligible to be repaid under the IBR plan. To access information on all of your federal student loans, check the National Student Loan Data System at nslds.ed.gov.
- **Eligible loans for the ICR plan** are Direct Loan Program loans other than: **(1)** a loan that is in default, **(2)** a Direct PLUS Loan made to a parent borrower, or **(3)** a Direct PLUS Consolidation Loan (these are Direct Consolidation Loans made based on an application received prior to July 1, 2006 that repaid Direct or Federal PLUS Loans made to a parent borrower). FFEL Program Loans, Federal Perkins Loans, HEAL loans or other health education loans, and private education loans are not eligible to be repaid under the ICR plan. A Direct Consolidation Loan made based on an application received on or after July 1, 2006, including loans that repaid a Direct or Federal PLUS Loan made to a parent borrower, is eligible for the ICR plan. To access information on all of your federal student loans, check the National Student Loan Data System at nslds.ed.gov.
- **Eligible loans for the Pay As You Earn plan** are Direct Loan Program loans received by a new borrower other than: **(1)** a loan that is in default, **(2)** a Direct PLUS Loan made to a parent borrower, or **(3)** a Direct Consolidation Loan that repaid a Direct or Federal PLUS Loan made to a parent borrower. FFEL Program Loans, Federal Perkins Loans, HEAL loans or other health education loans, and private education loans are not eligible to be repaid under the Pay As You Earn plan. To access information on all of your federal student loans, check the National Student Loan Data System at nslds.ed.gov.
- **Family size** includes you, your spouse, and your children (including unborn children who will be born during the year for which you certify your family size), if the children will receive more than half their support from you. It includes other people only if they live with you now, they receive more than half their support from you now, and they will continue to receive this support from you for the year that you certify your family size. Support includes money, gifts, loans, housing, food, clothes, car, medical and dental care, and payment of college costs.
- The **Federal Family Education Loan (FFEL) Program** includes Federal Stafford Loans (both subsidized and unsubsidized), Federal PLUS Loans, Federal Consolidation Loans, and Federal Supplemental Loans for Students (SLS).
- The **holder** of your Direct Loans is the U.S. Department of Education (the Department). The holder(s) of your FFEL Program loan(s) may be a lender, secondary market, guaranty agency, or the Department. Your loan holder(s) may use a servicer to handle billing, payment, repayment options, and other communications on your loans. References to "your loan holder" on this form mean either your loan holder(s) or, if your loan holder(s) and servicer are different entities, your servicer.
- The **Income-Based Repayment (IBR) plan** is a repayment plan with monthly payments that are limited to 15 percent of your discretionary income divided by 12. Discretionary income for this plan is the difference between your adjusted gross income and 150 percent of the poverty guideline amount for your state of residence and family size. To initially qualify for IBR and to continue making income-based payments under this plan, you must have a partial financial hardship (see definition).
- The **Income-Contingent Repayment (ICR) plan** is a repayment plan with monthly payments that are the lesser of **(1)** what you would pay on a 12-year standard repayment plan multiplied by an income percentage factor or **(2)** 20 percent of your discretionary income divided by 12. Discretionary income for this plan is the difference between your adjusted gross income and the poverty guideline amount for your state of residence and family size.
- You are a **new borrower for the Pay As You Earn plan** if **(1)** you have no outstanding balance on a Direct Loan or FFEL Program loan as of October 1, 2007 or have no outstanding balance on a Direct Loan or FFEL Program loan when you obtain a new loan on or after October 1, 2007, and **(2)** you receive a disbursement of a Direct Subsidized Loan, Direct Unsubsidized Loan, or student Direct PLUS Loan on or after October 1, 2011, or you receive a Direct Consolidation Loan based on an application received on or after October 1, 2011. However, you are **not** considered a new borrower if the Direct Consolidation Loan you receive repays loans that would make you ineligible under part **(1)** of this definition.
- A **partial financial hardship** is an eligibility requirement for the IBR and Pay As You Earn plans.
 - For IBR, you have a partial financial hardship when the annual amount due on all of your eligible loans or, if you are married and file a joint federal income tax return, the annual amount due on all of your eligible loans and your spouse's eligible loans, exceeds 15 percent of the difference between your adjusted gross income (AGI), as shown on your most recently filed federal income tax return, and 150 percent of the annual poverty guideline amount for your family size and state of residence: Annual amount of payments due > 15% [AGI - (150% x applicable poverty guideline amount)].
 - For Pay As You Earn, you have a partial financial hardship when the annual amount due on all of your eligible loans or, if you are married and file a joint federal income tax return, the annual amount due on all of your eligible loans and your spouse's eligible loans, exceeds 10 percent of the difference between your adjusted gross income (AGI), as shown on your most recently filed federal income tax return, and 150 percent of the annual poverty guideline amount for your family size and state of residence: Annual amount of payments due > 10% [AGI - (150% x applicable poverty guideline amount)].

SECTION 8: DEFINITIONS (CONTINUED)

- For both plans, the annual amount of payments due is calculated based on the greater of (1) the total amount owed on eligible loans at the time those loans initially entered repayment, or (2) the total amount owed on eligible loans at the time you initially request the IBR or Pay As You Earn plan. The annual amount of payments due is calculated using a standard repayment plan with a 10-year repayment period, regardless as to loan type.
- If you are married and file a joint federal income tax return, your AGI includes your spouse's income.
- The **Pay As You Earn plan** is a repayment plan with monthly payments that are limited to 10 percent of your discretionary income divided by 12. Discretionary income for this plan is the difference between your adjusted gross income and 150 percent of the poverty guideline amount for your state of residence and family size. To initially qualify for the Pay As You Earn plan and to continue to make income-based payments under this plan, you must have a partial financial hardship (see definition) and be a new borrower (see definition).
- The **poverty guideline amount** is the figure for your state and family size from the poverty guidelines published annually by the U.S. Department of Health and Human Services (HHS). The HHS poverty guidelines are used for purposes such as determining eligibility for certain federal benefit programs. If you are not a resident of a state identified in the poverty guidelines, your poverty guideline amount is the amount used for the 48 contiguous states.
- The **standard repayment plan** has a fixed monthly amount over a repayment period of up to 10 years for loans other than Direct or Federal Consolidation Loans, or up to 30 years for Direct and Federal Consolidation Loans.

SECTION 9: ELIGIBILITY REQUIREMENTS

INFORMATION ABOUT THE PAY AS YOU EARN AND IBR PLANS:

- To initially qualify to repay your loan(s) under the IBR or Pay As You Earn plan and to continue to qualify to make payments based on your income, you must have a partial financial hardship (as defined in Section 8). If you are married and file a joint federal income tax return, your loan holder(s) will also take your spouse's income and eligible loans into account when determining whether you have a partial financial hardship.
- For the Pay As You Earn plan, you must be a **new borrower** as defined in Section 8. Although the Pay As You Earn plan is available only for Direct Loan Program loans, your loan holder(s) will take any FFEL Program loans that you have into account when determining whether you have a partial financial hardship except for: (1) a FFEL Program loan that is in default, (2) a Federal PLUS Loan made to a parent borrower, or (3) a Federal Consolidation Loan that repaid a Federal or Direct PLUS Loan made to a parent borrower.
- After entry into the IBR or Pay As You Earn plan, you must annually certify your family size and provide income documentation for determination of whether you continue to have a partial financial hardship. Your loan holder(s) will notify you of the deadline by which you are required to provide this documentation. Your monthly payment amount may be adjusted annually. The new payment amount may be higher or lower, depending on the income documentation and family size information you provide each year.
- You will never pay more per month than you would on the 10-year standard repayment plan, based upon the amount owed on your eligible loans at the time you initially entered the IBR or Pay As You Earn plan. If you do not provide updated income documentation annually, within 10 days of the deadline provided by your loan holder, after requested to do so by your loan holder, your payment amount will be the 10-year standard payment amount calculated at the time that you initially entered the IBR or Pay As You Earn plan and any outstanding interest will be capitalized (added to your principal balance). Under the IBR or Pay As You Earn plan, your monthly payment may be less than the monthly accruing interest. On subsidized loans, you are not required to pay any monthly accrued interest that exceeds your monthly payment amount for a maximum of three consecutive years from the date that you start repaying your loans under the IBR or Pay As You Earn plan. The three-year consecutive period limit does not include any period during which you receive an Economic Hardship Deferment. On unsubsidized loans, all accruing interest is your responsibility.
- If you are determined to no longer have a partial financial hardship or leave the IBR or Pay As You Earn plan, any unpaid interest will be capitalized (added to your principal balance). However, if you are in the Pay As You Earn plan, the amount that is capitalized is limited to 10 percent of the outstanding principal balance on your loans at the time that you entered the Pay As You Earn plan.
- If you leave the IBR plan, your payment amount will be the standard payment amount calculated based on the outstanding balance of your eligible loans at the time you leave the IBR plan and the repayment period remaining for your loans. If you wish to repay your loans under a different repayment plan, you must first make one payment under the standard repayment plan or make a reduced payment under a forbearance agreement while on the standard repayment plan with your loan holder(s).
- Under the IBR plan, if your loan(s) is not repaid in full after you have made the equivalent of 25 years of qualifying monthly payments and at least 25 years have elapsed, any remaining debt will be forgiven. If you receive an Economic Hardship Deferment, any months of Economic Hardship Deferment are considered the equivalent of qualifying payments. Months for which you receive any other type of deferment or months of forbearance are not counted as qualifying payments, and do not count toward the 25-year forgiveness period. Any amount forgiven under the IBR plan may be considered income by the Internal Revenue Service and subject to federal income tax. The Public Service Loan Forgiveness Program allows eligible borrowers to cancel the remaining balance of their Direct Loans after they have served full time at a public service organization for at least 10 years, while making 120 qualifying loan payments, including payments under the IBR plan. For more information, see studentaid.gov/publicservice.
- Under the Pay As You Earn plan, if your loan(s) is not repaid in full after you have made the equivalent of 20 years of qualifying monthly payments and at least 20 years have elapsed, any remaining debt will be forgiven. If you receive an Economic Hardship Deferment, any months of Economic Hardship Deferment are considered the equivalent of qualifying payments. Months for which you receive any other type of deferment or months of forbearance are not counted as qualifying payments, and do not count toward the 20-year forgiveness period. Any amount forgiven under the Pay As You Earn plan may be considered income by the Internal Revenue Service and subject to federal income tax. The Public Service Loan Forgiveness Program allows eligible borrowers to cancel the remaining balance of their Direct Loans after they have served full time at a public service organization for at least 10 years, while making 120 qualifying loan payments, including payments under the Pay As You Earn plan. For more information, see studentaid.gov/publicservice.

INFORMATION ABOUT THE ICR PLAN:

- All Direct Loan borrowers are eligible to repay their eligible loans on the ICR plan. You are not required to have a partial financial hardship to use the ICR plan. To repay eligible loans under the ICR plan, you must submit documentation of your income. If you are married and file a joint federal tax return, your loan holder will also take your spouse's income into account when calculating your monthly payment amount.
- If you are married, you and your spouse may choose to repay your loans jointly under the ICR plan. If you choose to repay jointly, your loan holder will use your combined income and Direct Loan debt to calculate a joint ICR payment amount, and will then prorate the joint payment amount to determine separate ICR monthly payment amounts for you and your spouse that are proportionate to each individual's share of the combined Direct Loan debt. You and your spouse may select this option under the ICR plan regardless of your federal tax return filing status.

SECTION 9: ELIGIBILITY REQUIREMENTS (CONTINUED)

- After entry into the ICR plan, you must annually certify your family size and provide income documentation so that your loan holder can adjust your payment amount to reflect more recent income information. Your new payment amount may be higher or lower, depending on the income documentation and family size information you provide each year. Your loan holder will notify you when you are required to provide this documentation.
- If you do not provide updated income documentation annually by the deadline provided by your loan holder(s), your payment amount will be calculated based on a 10-year standard repayment plan using the loan balance at the time you entered repayment under the ICR repayment plan.
- Under the ICR plan, your monthly payment may be less than the monthly accruing interest. The accruing interest that is not satisfied by your monthly payment will be capitalized annually. You will receive a notice telling you when the interest will be capitalized, and you will have the opportunity to pay that interest before it is capitalized. While you remain in ICR, the amount of interest that is capitalized will be limited to 10 percent of the outstanding principal balance on your loans at the time that you entered repayment.
- Under the ICR plan, if your loan(s) is not repaid in full after you have made the equivalent of 25 years of qualifying monthly payments and at least 25 years have elapsed, any remaining debt will be forgiven. If you receive an Economic Hardship Deferment, any months of Economic Hardship Deferment are considered the equivalent of qualifying payments. Months for which you receive any other type of deferment or months of forbearance are not counted as qualifying payments, and do not count toward the 25-year forgiveness period. Any amount forgiven under the ICR plan may be considered income by the Internal Revenue Service and subject to federal income tax. The Public Service Loan Forgiveness Program allows eligible borrowers to cancel the remaining balance of their Direct Loans after they have served full time at a public service organization for at least 10 years, while making 120 qualifying loan payments, including payments under the ICR plan. For more information, see studentaid.gov/publicservice.

IMPORTANT INFORMATION ABOUT ALTERNATIVE DOCUMENTATION OF INCOME

- **YOU ARE REQUIRED** to provide alternative documentation of your income if:
 - You did not file a federal tax return for either of the two most recently completed tax years; or
 - You have been notified by your loan holder(s) that alternative documentation of your income is required.
- **YOU MAY** provide alternative documentation of your income if your Adjusted Gross Income (AGI), as reported on your most recently filed federal tax return, *does not reasonably reflect your current income*, because, for example, of a loss of or change in employment by you or your spouse.
- **YOU ARE NOT REQUIRED** to provide alternative documentation of your income if you can provide a copy of your most recently filed federal tax return or an IRS tax return transcript from either of the two most recently completed tax years; and that documentation *reasonably reflects* your current income.

SECTION 10: WHERE TO SEND THE COMPLETED REPAYMENT PLAN REQUEST

Return the completed form and any required documentation to:

If you need help completing this form, call:

If no address is shown, return to your loan holder(s).

If no telephone number is shown, call your loan holder(s).

SECTION 11: 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 authorities for collecting the requested information from and about you are §421 *et seq.* and §451 *et seq.* of the Higher Education Act of 1965, as amended (20 U.S.C. 1071 *et seq.* and 20 U.S.C. 1087a *et seq.*) and the authorities for collecting and using your Social Security Number (SSN) are §§428B(f) and 484(a)(4) of the HEA (20 U.S.C. 1078-2(f) and 1091(a)(4)) and 31 U.S.C. 7701(b). Participating in the Federal Family Education Loan (FFEL) Program or 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 FFEL and/or Direct Loan Programs, 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) becomes delinquent or defaults. 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 statuses, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies.

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

Paperwork Reduction Notice. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to average 0.5 hours (30 minutes) per response, including the time for reviewing instructions, searching existing data resources, gathering and maintaining the data needed, and completing and reviewing the information collection. Individuals are obligated to respond to this collection to obtain a benefit in accordance with 34 CFR 682.215, 685.209, or 685.221. Send comments regarding the burden estimate(s) or any other aspect of this collection of information, including suggestions for reducing this burden to the U.S. Department of Education, 400 Maryland Avenue, SW, Washington, DC 20210-4537 or e-mail ICDocketMgr@ed.gov and reference OMB Control Number 1845-0102.

Note: Please do not return the completed form to this address. If you have questions regarding the status of your individual submission of this form, contact your loan holder(s) (see Section 10).

REPAYMENT PLAN SELECTION



REPAYMENT PLAN SELECTION

William D. Ford Federal Direct Loan Program

OMB No. 1845-0014
Form Approved
Exp. Date 11/30/2013

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

Instructions

To understand your repayment options, carefully read this entire form, including the important notices in Section 7, and the enclosed information that describes the available repayment plans. After reviewing this information, complete the applicable sections below to select a repayment plan or to change your current repayment plan. Please print clearly using blue or black ink. If you need help completing this form, contact your servicer through one of the methods provided in Section 6 of this form. Return the completed form to the address shown in Section 6.

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

Borrower's Last Name First Name Middle Initial Borrower's Social Security Number: [] [] [] [] - [] [] [] [] [] [] [] []

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

- Place an "X" in the box in the chart below under the repayment plan that you wish to select for the types of loans 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 want to repay under the Income Contingent Repayment (ICR) Plan or Income-Based Repayment (IBR) Plan and you have some loans that may not be repaid under those plans as indicated in the chart below.
In this case, you may select the ICR Plan or IBR Plan for the loans that are eligible for repayment under those plans, and may select a different repayment plan for the loans that may not be repaid under ICR or IBR.
In the chart below, the term "parent PLUS Loan" refers to a Direct PLUS Loan made under the William D. Ford Federal Direct Loan (Direct Loan) Program or a Federal PLUS Loan made under the Federal Family Education Loan (FFEL) Program that you borrowed to help pay for your dependent child's undergraduate education.
A "student PLUS Loan" is a Direct PLUS Loan or Federal PLUS Loan that you received to pay for your own graduate or professional education.
A Direct PLUS Consolidation Loan is a Direct Consolidation Loan made before July 1, 2006 that repaid parent PLUS loans. No Direct PLUS Consolidation Loans have been made since July 1, 2006.
To repay your loans under the IBR Plan, you must have a partial financial hardship (see Section 5).
If you are beginning repayment of your loans for the first time and you do not select a repayment plan, or if you select the ICR Plan or IBR Plan but do not submit required additional forms and documentation, you will be placed on the Standard Repayment Plan.
If you are requesting a change from another repayment plan to the ICR Plan or the IBR Plan and you do not submit required additional forms and documentation, you will remain on your current repayment plan.
If you are requesting a change from your current repayment plan to a different plan, your servicer may grant you a forbearance for up to 60 days, if necessary, in order to collect and process documentation supporting your request (such as documentation required to process a request to repay under the ICR Plan or the IBR Plan). Unpaid interest that accrues during this maximum 60-day forbearance period will not be capitalized. (Capitalization is the addition of unpaid interest to the principal balance of your loan. This increases the principal balance and the total cost of your loan.)
If you are delinquent in making payments under your current repayment plan at the time you request a change to a different plan, your servicer may grant you a forbearance to cover (1) any payments that are overdue at the time of your request, or (2) if you are requesting a change to the IBR Plan, any payments that would be overdue by the time your servicer determines whether you have a partial financial hardship (see Section 5), if it takes your servicer more than 60 days to make that determination. Unpaid interest that accrues during this forbearance period may be capitalized at the end of the forbearance period.

Table with columns: Loan Types, Standard, Graduated, Extended (Fixed Payments, Graduated Payments), Income Contingent, Income-Based. Rows include Direct Subsidized Loans, Direct Unsubsidized Loans, Student Direct PLUS Loans, Direct Consolidation Loans that did not repay any parent PLUS loans, Direct Consolidation Loans made on or after July 1, 2006 that repaid one or more parent PLUS loans, Parent Direct PLUS Loans, and Direct PLUS Consolidation Loans.

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

Complete this section only if you are married and are (1) selecting the ICR Plan (unless you are separated from your spouse), (2) selecting the IBR Plan and you and your spouse file a joint federal income tax return, and your spouse has loans that are eligible for repayment under the IBR Plan (see Section 5), or (3) selecting any repayment plan for a Direct Consolidation Loan held jointly by you and your spouse. If you are required to complete this section, your spouse must also sign this form.

Spouse's Last Name First Name Middle Initial Spouse's Social Security Number: [] [] [] [] - [] [] [] [] [] [] [] [] Spouse's Date of Birth (mm-dd-yyyy) [] [] [] [] - [] [] [] [] [] [] [] []

Section 4: Additional ICR Information - to be completed by BORROWERS WHO SELECT THE INCOME CONTINGENT REPAYMENT PLAN

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

Note: To repay under the ICR Plan, you must complete a consent form authorizing the Internal Revenue Service to disclose your adjusted gross income (AGI) and other tax return information, or you must provide other documentation of your AGI, such as a copy of your most recently filed federal income tax return, as specified by your servicer in documentation accompanying this form. In some cases, you may also be required to complete an ICR & IBR Plan Alternative Documentation of Income form. Your servicer will include the required additional forms with this Repayment Plan Selection form or will provide instructions for obtaining the forms. Complete and return the required form(s) or other required documentation along with this Repayment Plan Selection form.

Until your servicer receives the information needed to calculate your ICR Plan payment amount, your initial payment amount will be the full amount of interest that accumulates on your loan each month. If you are beginning repayment of your Direct Loan for the first time and 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. Interest that you do not pay during this forbearance period will be capitalized at the end of the forbearance. To request a forbearance, contact your servicer.

A. Family Size. Enter your family size on the line below. Your family size 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 changes, notify your servicer 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.

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; see Section 3) _____ Date _____

Section 5: Additional IBR Information – to be completed by BORROWERS WHO SELECT THE INCOME-BASED REPAYMENT PLAN

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

To initially qualify to repay your loans under the IBR Plan and to continue to make income-based payments, 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 or, if you are married and file a joint federal income tax return, the annual amount due on all of your eligible loans and your spouse's eligible loans, is more than 15% of the difference between your adjusted gross income (AGI), as shown on your most recently filed federal income tax return, and 150% of the poverty guideline amount for your family size and state of residence:

Annual amount of payments due > 15% [AGI – (150% x applicable poverty guideline amount)]

The annual amount of payments due is calculated based on the greater of (1) the total amount owed on eligible loans at the time those loans initially entered repayment or (2) the total amount owed on eligible loans at the time you or, if applicable, your spouse requested the IBR Plan. The annual amount of payments due is calculated using a Standard Repayment Plan with a 10-year repayment period. The amount owed on eligible loans includes the amount owed on your eligible loans and, if you are married and file a joint federal income tax return, the amount owed on your spouse's eligible loans. Eligible loans for the IBR Plan are listed in "B", below. If you are married and file a joint federal income tax return, your AGI includes both your income and your spouse's income. Your spouse must sign below if you file a joint federal income tax return and if your spouse also has loans that are eligible for repayment under the IBR Plan; by signing this form, your spouse is authorizing your servicer to access information about his or her federal student loans in the National Student Loan Data System (NSLDS).

An IBR Plan calculator is available at studentaid.ed.gov. The calculator evaluates your eligibility for the IBR Plan and estimates your initial IBR Plan payment amount. To use the calculator, you will need to enter your eligible loan debt, income, family size, and state of residence. The calculator is for informational purposes only; your servicer will make the official determination of your eligibility and payment amount based on the information you provide on this form and other required documentation.

To enroll in the IBR Plan, you must complete a consent form authorizing the Internal Revenue Service to disclose your AGI and other tax return information, or you must provide other documentation of your AGI, such as a copy of your most recently filed federal income tax return, as specified by your servicer in documentation accompanying this form. In some cases, you may also be required to complete an ICR & IBR Plan Alternative Documentation of Income form. Your servicer will include the required additional forms with this Repayment Plan Selection form or will provide instructions for obtaining the forms. Complete and return the required form(s) and/or other required documentation along with this Repayment Plan Selection form.

A. Family Size. Enter your family size on the line below. Your family size includes 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. Your servicer will contact you annually to confirm and update family size information.**

Family Size: _____ NOTE: If you do not provide your family size, your servicer will assume a family size of one.

If you have any questions regarding the IBR Plan, partial financial hardship, or your family size determination, please contact your servicer.

B. Eligible Loans for the IBR Plan.

- All **Direct Loan Program loans** are eligible except (1) a loan that is in default, (2) a Direct PLUS Loan made to a parent borrower, (3) a Direct Consolidation Loan that repaid a Federal PLUS Loan or Direct PLUS Loan made to a parent borrower, or (4) a Direct PLUS Consolidation Loan.

Loans made under the Direct Loan Program are Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans, and Direct Consolidation Loans

- All **FFEL Program loans** are eligible except (1) a loan that is in default, (2) a Federal PLUS Loan made to a parent borrower, or (3) a Federal Consolidation Loan that repaid a Direct PLUS Loan or Federal PLUS Loan made to a parent borrower.

Loans made under the FFEL Program are Federal Stafford Loans (subsidized and unsubsidized), Federal PLUS Loans, and Federal Consolidation Loans.

Federal Perkins Loans, HEAL loans or other health education loans, and private education loans are **not** eligible for the IBR plan. Your eligibility for the IBR Plan will be determined based on your total eligible loan debt and, if you are married and file a joint federal income tax return, your spouse's total eligible loan debt. To access information on your eligible loans, check NSLDS at www.nsls.ed.gov.

Check this box if (1) you have eligible FFEL Program loans in addition to your eligible Direct Loan Program loans, or (2) you are married and file a joint federal income tax return, and your spouse has eligible Direct Loan or FFEL Program loans. **NOTE: Including your spouse's eligible loans will result in a lower monthly IBR Plan payment amount.**

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

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. Your spouse must also sign and date this form if (1) you and your spouse file a joint federal income tax return and your spouse has loans that are eligible for IBR, or (2) you and your spouse want to repay a joint consolidation loan under the IBR Plan.

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 _____ Date _____

(Spouse's signature is required if (1) you file a joint federal income tax return and your spouse also has loans that are eligible for the IBR Plan, or (2) you and your spouse want to repay a joint consolidation loan under the IBR Plan.)

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, contact:

- 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.

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 20210-4537. **Do not send the completed form to this address.**

If you have questions about the status of your individual submission of this form, contact your servicer (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	120 (10 years)
\$ 7,500	\$10,000	144 (12 years)
\$10,000	\$20,000	180 (15 years)
\$20,000	\$40,000	240 (20 years)
\$40,000	\$60,000	300 (25 years)
\$60,000		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	Single		Married/ HoH***		Single		Married/HoH ***	
									Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total
\$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	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	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	Single		Married/ HoH***		Single		Married/HoH ***	
									Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total
\$5,000	\$61	\$7,359	N/A	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	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	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.