

Direct Loans

William D. Ford Federal Direct Loan Program

Endorser Addendum Federal Direct PLUS Loan Application and Master Promissory Note William D. Ford Federal Direct Loan Program

OMB No. 1845-0068
Form Approved
Exp. Date 11/30/2013

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

NOTE TO ENDORSER:

By signing this Endorser Addendum (Addendum), you agree to repay the loan under the terms and conditions of the Federal Direct PLUS (Direct PLUS) Loan Application and Master Promissory Note (MPN) signed by the borrower if the borrower does not repay the loan. The terms and conditions of the MPN are presented in Section E of this Addendum and in the Borrower's Rights and Responsibilities Statement.

SECTION A: ENDORSER INFORMATION – TO BE COMPLETED BY ENDORSER

1. Name (last, first, middle initial)	2. Social Security No.	3. Date of Birth (mm-dd-yyyy)
4. Permanent Address (see instructions)	5. Area Code/Telephone No.	6. Driver's License State and No.
	7. E-Mail Address (optional)	
8. U.S. Citizenship Status (check one) (1) <input type="checkbox"/> U.S. Citizen or National (2) <input type="checkbox"/> Permanent Resident/Other Eligible Non-Citizen If (2), Alien Registration No.	9. Employer's Name	
10. Employer's Address (street, city, state, zip code)	11. Work Area Code/Telephone Number	
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. Do not list the Direct PLUS Loan borrower or, for a parent borrower, the dependent undergraduate student as a reference.		
Name 1. _____ 2. _____		
Permanent Street Address _____		
City, State, Zip Code _____		
E-Mail Address (optional) _____		
Area Code/Telephone No. () _____ () _____		

SECTION B: BORROWER INFORMATION – TO BE COMPLETED BY THE U.S. DEPARTMENT OF EDUCATION

13. Borrower's Name (last, first, middle initial)	14. Borrower's Social Security No.	15. Borrower's Date of Birth (mm-dd-yyyy)
16. Borrower's Permanent Address (street, city, state, zip code)	17. Loan Identification No.	18. Direct PLUS Loan Amount
19. Borrower's Home Area Code/Telephone No.	20. Name and Address of School	

SECTION C: DEPENDENT UNDERGRADUATE STUDENT INFORMATION – COMPLETED ONLY IF THE BORROWER IS THE PARENT OF A DEPENDENT UNDERGRADUATE STUDENT

21. Student's Name (last, first, middle initial)	22. Student's Social Security No.
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SECTION D: ENDORSER'S PROMISE TO PAY – READ CAREFULLY BEFORE SIGNING BELOW

23. Under penalty of perjury, I certify that (1) the information contained in Section A of this Addendum is true and accurate, and (2) if the borrower is a parent borrower, I am not the student on whose behalf the borrower is receiving the Direct PLUS Loan.
24. I understand that this is an Addendum to a Direct PLUS Loan MPN. I will not sign the Addendum before reading the entire Addendum, even if I am told not to read it, or told that I am not required to read it.
25. I am entitled to an exact copy of this Addendum and the Borrower's Rights and Responsibilities Statement. My signature below certifies that I have read, understand, and agree to the terms and conditions of the MPN (as shown in Section E of this Addendum), this Addendum, and the Borrower's Rights and Responsibilities Statement.
26. I authorize the U.S. Department of Education (ED) to investigate my credit record and report information about my loan status to persons and organizations permitted by law to receive that information. I understand that if the borrower becomes delinquent in making payments or defaults on the loan made under the MPN, ED may report my name to consumer reporting agencies in connection with the delinquent or defaulted loan.
27. I authorize the schools, ED, and their respective agents and contractors to contact me regarding the loan for which I am serving as an endorser, including repayment of the 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.
28. If the borrower identified in Section B does not repay the loan that is disbursed under the MPN, I promise to repay the full amount of the loan to ED, including unpaid principal, accrued interest, and other charges and fees which may become due, as provided in the MPN and this Addendum. If I fail to make payments on the loan made under the MPN and this Addendum when due, I will also pay reasonable collection costs, including but not limited to attorney's fees, court costs, and other fees. I understand that ED may use the same collection efforts against me that may be used against the borrower. These methods may include, but are not limited to, suing me and garnishing my wages.
29. The maximum loan amount that may be disbursed to the borrower under this MPN is shown in Item 18 of Section B of this Addendum. The actual amount disbursed to the borrower may be less than the amount shown.

I UNDERSTAND THAT THIS IS A FEDERAL LOAN THAT I MUST REPAY IF THE BORROWER DOES NOT REPAY THE LOAN.

30. Endorser's Signature _____ 31. Today's Date (mm-dd-yyyy) _____

Endorser Addendum to Direct PLUS Loan MPN (continued)

SECTION E: MPN TERMS AND CONDITIONS

NOTE TO ENDORSER:

This is an Addendum to the Federal Direct PLUS (Direct PLUS) Loan Application and Master Promissory Note (MPN) signed by the borrower of the Direct PLUS Loan. The borrower of a Direct PLUS Loan may be a graduate or professional student, or the parent of a dependent undergraduate student. By signing this Addendum, you are agreeing to repay only the loan that is identified in Section B of this Addendum, if the borrower does not repay that loan. No additional loans may be made to the borrower under this MPN.

This section of the Addendum contains the terms and conditions of the MPN signed by the borrower. Important additional information is also contained in the Borrower's Rights and Responsibilities Statement. As an endorser, you are not entitled to all of the same benefits as a Direct PLUS Loan borrower. For complete information regarding your rights and responsibilities as an endorser, please read the Borrower's Rights and Responsibilities Statement.

DISCLOSURE OF LOAN TERMS

This MPN applies to Federal Direct PLUS (Direct PLUS) Loans. Under this MPN, the principal amount that I owe, and am required to repay, will be the sum of all disbursements that are made (unless I reduce or cancel any disbursements as explained below under Loan Cancellation), plus any unpaid interest that is capitalized and added to the principal amount.

At or before the time of the first disbursement of each loan, a disclosure statement will be sent to me identifying the amount of the loan and additional terms of the loan. Important additional information is also contained in the Borrower's Rights and Responsibilities Statement accompanying this MPN. The Borrower's Rights and Responsibilities Statement and any disclosure statement I receive in connection with any loan under this MPN are hereby incorporated into this MPN.

I may request additional loan funds to pay for my or the student's educational costs by contacting the school's financial aid office. The school will determine if I am eligible for any additional loan funds. I will be notified of any increase or other change in the amount of my loan.

I understand that each loan made under this MPN is separately enforceable based on a true and exact copy of this MPN. I understand that ED may use a servicer to handle billing and other communications related to my loan.

LOAN CANCELLATION

I may pay back all or part of a disbursement within the timeframes set by the Act, as explained in the Borrower's Rights and Responsibilities Statement and in a disclosure statement that I will receive. If I return the full loan amount within those timeframes, I will not incur any loan fee or interest charges. If I return part of a disbursement within those timeframes, the loan fee and interest charges will be reduced in proportion to the amount returned.

INTEREST

Unless ED notifies me in writing of a lower rate, the interest rate for any loan I receive under this MPN is 7.9%.

Interest accrues on the unpaid principal balance of each loan from the date of disbursement until the loan is paid in full. This includes interest that accrues during deferment, forbearance, or other periods. I

agree to pay all interest charges on my loan. I will be given the opportunity to pay the interest that accrues during a period of authorized deferment or forbearance. If I do not pay the interest, I understand that ED may capitalize the interest at the end of the deferment or forbearance, as provided under the Act.

LOAN FEE

A loan fee of 4% is charged for each Direct PLUS Loan as provided by the Act, and will be deducted proportionately from each disbursement of each of my loans. The loan fee will be shown on disclosure statements that will be issued to me. I understand the loan fee may be refundable only as permitted by the Act.

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 loans. If I default on my loans, I will pay reasonable collection costs, plus court costs and attorney fees.

REPAYMENT

I must repay the full amount of the loans made under this MPN, plus accrued interest. I will repay each loan in monthly installments during a repayment period that begins on the day of the final disbursement of that loan. 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 an Income-Based Repayment Plan, when 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 repayment plans is included in the Borrower's Rights and Responsibilities Statement.

ED will provide me with a repayment schedule that identifies my payment amounts and due dates. 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 loans or may grant me forbearance to eliminate a delinquency that remains even though I am making scheduled installment payments.

I may prepay all or any part of the unpaid balance on my loans at any time without penalty. If I do not specify which loans I am prepaying, ED will determine how to apply the prepayment in accordance with the Act. After I have repaid in full a loan made under this MPN, 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 a loan made under this MPN will become immediately due and payable (this is called "acceleration") if any one of the following events occurs: (1) I (or the student) do not enroll as at least a half-time student at the school that certified my loan eligibility; (2) I do not use the proceeds of the loan solely for my or the student's educational expenses; (3) I make a false

representation that results in my receiving a loan for which I am not eligible; or (4) I default on the loan.

The following events will constitute a default on my loan: (1) I do not pay the entire unpaid balance of the loan after ED has exercised its option under items (1), (2), and (3) in the preceding paragraph; (2) I do not make installment payments when due, provided my failure has persisted for at least 270 days; or (3) I do not 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, increasing 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 history. 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-based repayment plan or income contingent repayment 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 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 of this MPN, this does not waive any right of ED. No provision of this MPN may be modified or waived except in writing by ED. If any provision of this MPN is determined to be unenforceable, the remaining provisions will remain in force.

Information about my loans 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.

Endorser Addendum to Direct PLUS Loan MPN (continued)

SECTION F: INSTRUCTIONS FOR COMPLETING THE ENDORSER ADDENDUM

Print using a blue or black ink ballpoint pen or type to complete Sections A and D of this Addendum. Do not use pencil. Report all dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: June 24, 1982 = 06-24-1982.

SECTION A: ENDORSER 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 date of birth.

Item 4. 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 a post office box or general delivery, you must list **both** your street address and your mailing address.

Item 5. 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 6. Enter the two-letter state abbreviation for the state that issued your current driver's license, followed by your driver's license number. If you do not have a driver's license, enter N/A.

Item 7. 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 8. Place a check in the box that corresponds to your citizenship status. If you check box (2), enter your Alien Registration Number.

(1) "U.S. Citizen" includes citizens of the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands. "National" includes not only all U.S. citizens, but also citizens of American Samoa and Swain's Island.

(2) "Permanent Resident" means someone who can provide documentation of this status from the U.S. Citizenship and Immigration Services (USCIS). "Other Eligible Non-Citizen" includes individuals who can provide documentation from the USCIS that they are in the United States for a purpose that is not temporary, with the intention of becoming a citizen or permanent resident. This category includes refugees, persons granted asylum, Cuban-Haitian entrants, temporary residents under the Immigration Reform and Control Act of 1986, and others.

NOTE: If your citizenship status is not one of the categories described above, you are not eligible to be an endorser.

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 (street, city, state, zip code) or, if you are self-employed, the address of your business.

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.

Item 12. Enter the requested information for two adults with different U.S. addresses who do not live with you and who have known you for at least three years. Do not list the Direct PLUS Loan borrower or the student as references. If a reference does not have a telephone number or e-mail address, or does not wish to provide an e-mail address, enter N/A. If you provide an e-mail address for a reference, ED may use it to communicate with the reference.

SECTION B: BORROWER INFORMATION

This section will be completed by the U.S. Department of Education.

SECTION C: DEPENDENT UNDERGRADUATE STUDENT INFORMATION

This section will be completed by the U.S. Department of Education if the Direct PLUS Loan borrower is the parent of a dependent undergraduate student. If the Direct PLUS Loan borrower is a graduate or professional student, this section will be blank.

SECTION D: ENDORSER'S PROMISE TO REPAY

Items 23, 24, 25, 26, 27, 28 and 29. Read these items carefully.

Items 30 and 31. Sign your full legal name, in blue or black ink, and enter the date you signed this Addendum.

SECTION G: 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 §§428B(f) and 484(a)(4) of the HEA (20 U.S.C. 1078-2(f) and 1091(a)(4)) and 31 U.S.C. 7701(b). Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program 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.

(Privacy Act Notice continues on next page.)

Endorser Addendum to Direct PLUS Loan MPN *(continued)*

SECTION G: IMPORTANT NOTICES (CONTINUED)

(Privacy Act Notice – continued.)

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

FINANCIAL PRIVACY ACT NOTICE

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

PAPERWORK REDUCTION NOTICE

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0068. The time required to complete this information collection is estimated to average 0.5 hours (30 minutes) per response, including the time to review instructions, search existing data sources, gather and maintain the data needed, and complete and review the information. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving the form, please write to:** U.S. Department of Education, Washington, DC 20202-4537. **If you have any comments or concerns regarding the status of your individual submission of this form, write directly to:**

U.S. Department of Education
Common Origination and Disbursement School Relations Center
Attn: Applicant Services
PO Box 9002
Niagara Falls, NY 14302

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Direct PLUS Loan 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 loans you receive under the accompanying Federal Direct PLUS Loan (Direct PLUS Loan) Application and Master Promissory Note (MPN). **Please keep this Borrower's Rights and Responsibilities Statement for your records.** You may request another copy of this Borrower's Rights and Responsibilities Statement at any time by contacting your servicer.

Throughout this Borrower's Rights and Responsibilities Statement, the words "we," "us," and "our" refer to the U.S. Department of Education. The word "loan" refers to one or more loans made under the Direct PLUS Loan MPN.

Note to Endorser: An endorser is someone who agrees to repay a Direct PLUS Loan if the borrower does not repay the loan. If you are the endorser of a Direct PLUS Loan, you are not entitled to all of the same benefits as a Direct PLUS Loan borrower, and not all of the terms and conditions of a Direct PLUS Loan apply to you. However, you should read the entire Borrower's Rights and Responsibilities Statement. We have highlighted important information that applies to you as an endorser.

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 your servicer after the school notifies us that the first disbursement of your loan has been made.

2. Laws that apply to this MPN. The terms and conditions of loans made under this MPN 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 MPN 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 PLUS Loans. Direct PLUS Loans are loans made to graduate or professional students or to parents of dependent undergraduate students to help pay for the cost of education beyond high school. To be eligible for a Direct PLUS Loan:

- You must be a graduate or professional student or the biological or adoptive parent of the dependent undergraduate student for whom you are borrowing. If you are the spouse of the dependent undergraduate student's parent, you may borrow a Direct PLUS Loan if your income and assets were reported on the Free Application for Federal Student Aid (FAFSA), or would be reported if a FAFSA were filed.
- You, and if you are a parent borrower your child, must be a U.S. citizen or national, a permanent resident of the United States, or an otherwise eligible non-citizen.
- You, and if you are a parent borrower your child, must not be in default on a federal education loan or owe an overpayment on a federal education grant, and must not have been convicted of, or pled *nolo contendere* (no contest) or guilty to, a crime involving fraud in obtaining funds under the Act.
- You must not have an adverse credit history (unless you meet certain other requirements – see below).
- You, or if you are a parent borrower your child, must be enrolled at least half time at a school that participates in the Direct PLUS Loan Program.

We will check your credit history each time you request a Direct PLUS Loan. If you have an adverse credit history, you may not borrow a Direct PLUS Loan unless you (1) document to our satisfaction that there are extenuating circumstances related to the adverse credit history, or (2) obtain an endorser who does not have an adverse credit history. An endorser is someone who agrees to repay the Direct PLUS Loan if you do not do so. If you are a parent borrower, the endorser of a Direct PLUS Loan may not be the student for whom you are borrowing the loan.

If you are a graduate or professional student, you must complete a Free Application for Federal Student Aid (FAFSA) and your school must determine your eligibility for the maximum annual Direct Subsidized Loan and Direct Unsubsidized Loan amounts before you apply for a Direct PLUS Loan.

If you have questions about your eligibility for a Direct PLUS Loan, contact the financial aid office at the school you or, if you are a parent borrower, the student attend or are planning to attend.

4. About the MPN. You may receive more than one loan under this MPN over a period of up to 10 years to pay for your educational costs (if you are a graduate or professional student borrower) or for the educational costs of the student identified in Section C of the MPN (if you are a parent borrower), as long as the school is authorized to use the multi-year feature of the MPN and chooses to do so.

If the school is not authorized to use the multi-year feature of the MPN or chooses not to do so, or if you do not want to receive more than one loan under this MPN, you must sign a new MPN for each loan that you receive. If you do not want to receive more than one loan under this MPN, you must notify the school or your servicer in writing.

If we determine that you have an adverse credit history and you obtain an endorser (see Item 3, "Direct PLUS Loans"), you may receive only one loan under this MPN. If you later want to receive another Direct PLUS Loan, you must sign a new MPN. If you receive a loan under this MPN without an endorser, but are later determined to have an adverse credit history and obtain an endorser for a future Direct PLUS Loan, you will have to sign a new MPN for that loan.

5. Direct PLUS Loans and eligibility for other financial aid. If you borrow a Direct PLUS Loan, this may affect your eligibility for other financial aid. Therefore, we suggest that you contact the school's financial aid office to determine eligibility for grants, work-study funds, or other forms of federal, state and private student aid that do not have to be repaid before you apply for a Direct PLUS Loan.

6. Use of your loan money. You may use the loan money you receive only to pay for your authorized educational expenses or, if you are a parent borrower, for the student's authorized educational expenses for attendance at the school that determined you were eligible to receive the loan. Authorized expenses include the following:

- Tuition
- Room
- Board
- Institutional fees
- Books
- Supplies
- Equipment
- Dependent child care expenses
- Transportation
- Commuting expenses
- Rental or purchase of a personal computer
- Loan fees
- Other documented, authorized costs

7. Information you must report to us after you receive your loan. You must notify your servicer and/or the financial aid office at the school about certain changes.

Until you or (if you are a parent borrower) the student graduate or otherwise leave school, you must notify the school's financial aid office if:

- You change your address or telephone number;
- You change your name (for example, maiden name to married name);
- You or (if you are a parent borrower) the student --
 - Do not enroll at least half time for the loan period certified by the school, or
 - Do not enroll at the school that determined you were eligible to receive the loan;

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- You or (if you are a parent borrower) the student stop attending school or drop below half-time enrollment;
- You or (if you are a parent borrower) the student transfer from one school to another school; or
- You or (if you are a parent borrower) the student graduate.

You must also notify your servicer if any of the above events occur at any time after you receive your loan. In addition, you must notify your servicer if you:

- 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).

Note to Endorser: You must notify your servicer if you change your address, telephone number, name, or employer, or if your employer's address or telephone number changes.

8. Amount you may borrow. For each academic year, you may borrow up to – but not more than – the amount of your estimated cost of attendance (if you are a graduate or professional student borrower) or the student's estimated cost of attendance (if you are a parent borrower), minus the amount of any other financial aid received for that academic year. The school determines the cost of attendance using federal guidelines. It is important not to borrow more than you can afford to repay, even if you are eligible to borrow more.

9. Interest rate. The interest rate on a Direct PLUS Loan is a fixed rate of 7.9%. 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.

Note to Endorser: You are eligible for the reduced interest rate described above based on the borrower's military service or your own military service, but only for a Direct PLUS Loan for which you signed an Endorser Addendum prior to the earlier of the beginning date of the borrower's military service or the beginning date of your military service.

10. Payment of interest. Except as provided below for borrowers who serve in the military, interest accrues on each Direct PLUS Loan that you receive from the date the loan is first disbursed until it is repaid in full, including during periods of deferment or forbearance. If you do not pay the interest as it accrues (for example, during an in-school deferment), we will add it to the unpaid principal amount of your loan. This is called "capitalization." Capitalization increases the unpaid principal balance of your loan, and interest then accrues on the increased principal amount. We capitalize unpaid interest when you

resume repayment after periods of deferment or forbearance. We may also capitalize unpaid interest that has accrued since the first disbursement of your loan when you enter repayment for the first time.

Under the no accrual of interest benefit for active duty service members, we do not charge interest on Direct Loan Program Loans first disbursed on or after October 1, 2008 during periods of qualifying active duty military service (for up to 60 months).

The chart that follows shows the difference in the total amount you would repay on a \$15,000 Direct PLUS Loan if you pay the interest as it is charged during a 12-month deferment or forbearance period, compared to the amount you would repay if you do not pay the interest and it is capitalized. In this example, you would pay \$15 less per month and \$1,718 less altogether if you pay the interest as it is charged during a 12-month deferment or forbearance period.

	<i>If you pay the interest as it is charged...</i>	<i>If you do not pay the interest and it is capitalized...</i>
Loan Amount	\$15,000	\$15,000
Capitalized Interest for 12 Months (at the rate of 7.9%)	\$0	\$1,185
Principal to be Repaid	\$15,000	\$16,185
Monthly Payment (Standard Repayment Plan)	\$181	\$196
Number of Payments	120	120
Total Amount Repaid	\$21,744	\$23,462

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>.

11. Loan fee. We charge a loan fee of 4% of the principal amount of each loan you receive. This fee will be subtracted proportionately from each disbursement of your loan. The loan fee will be shown on a disclosure statement that we send to you.

12. 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. The two repayment incentive programs described below may be available to you. Your servicer can provide you with more information on other repayment incentive programs that may be available.

(1) 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 the information on your servicer's web site, or by calling your servicer. Your servicer's web site address and toll-free telephone number are provided on all correspondence that your servicer sends you.

(2) Up-Front Interest Rebate

You may receive an up-front interest rebate on your Direct PLUS Loan. The rebate is equal to a percentage of the loan amount that you borrow. This is the same amount that would result if the interest rate on your loan were lowered by a specific percentage, but you receive the rebate up front. The correspondence that you receive about your loan will tell you if you received an up-front interest rebate.

To keep an up-front interest rebate that you receive on your loan, you must make all of your first 12 required monthly payments on time when your loan enters repayment. "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 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.

13. Disbursement (how your loan money will be paid out). Generally, the school will disburse (pay out) your loan money in more than one installment, usually at the beginning of each academic term (for example, at the beginning of each semester or quarter). If the school does not use academic terms or does not have academic terms that meet certain requirements, it will generally disburse your loan in at least two installments, one at the beginning of the period of study for which you are receiving the loan, and one at the midpoint of that period of study.

The school may disburse some or all of your loan money by crediting it to your account at the school (if you are a graduate or professional student borrower) or to the student's account at the school (if you are a parent borrower), or may give it to you directly by check or other means. Your servicer will notify you in writing each time the school disburses part of your loan money.

If you are a graduate or professional student and have not previously received a Direct PLUS Loan or a Federal PLUS Loan under the Federal Family Education Loan (FFEL) Program, you must receive entrance counseling before your school can make the first disbursement of your loan.

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If the school credits your loan money to your or the student's account and the amount credited is more than the amount of the tuition and fees, room and board, and other authorized charges, the excess amount is called a credit balance.

Unless you authorize the school to hold the credit balance for you, the school must pay you the credit balance within the following timeframes:

- If the credit balance occurs after the first day of class of a payment period (the school can tell you this date), the school must pay you the credit balance no later than 14 days after the date the balance occurs.
- If the credit balance occurs on or before the first day of class of a payment period, the school must pay you the credit balance no later than 14 days after the first day of class of the payment period.

If you are a parent borrower, you may authorize the school to pay the credit balance to the student.

14. Canceling your loan. Before your loan money is disbursed, you may cancel all or part of your loan at any time by notifying the school. After your loan money is disbursed, there are two ways to cancel all or part of your loan:

- If the school obtains your written confirmation of the types and amounts of Title IV loans that you want to receive for an award year before crediting loan money to your or the student's account at the school, you may tell the school that you want to cancel all or part of that loan within 14 days after the date the school notifies you of your right to cancel all or part of the loan, or by the first day of the school's payment period, whichever is later (the school can tell you the first day of the payment period). If the school does not obtain your written confirmation of the types and amounts of loans you want to receive before crediting the loan money to your or the student's account, you may cancel all or part of that loan by informing the school within 30 days of the date the school notifies you of your right to cancel all or part of the loan. In either case, the school will return the cancelled loan amount to us.

If you ask the school to cancel all or part of your loan outside the timeframes described above, the school may process your cancellation request, but it is not required to do so.

- Within 120 days of the date the school disburses your loan money (by crediting the loan money to your or the student's account at the school, by paying it directly to you, or both), you may return all or part of your loan to us. Contact your servicer for guidance on how and where to return your loan money.

You do not have to pay interest or the loan fee on the part of your loan that is cancelled or returned within the timeframes described above, and if you received an up-front interest rebate, the rebate does not apply. Your loan will be adjusted to

eliminate any interest, loan fee, and rebate amount that applies to the amount of the loan that is cancelled or returned.

15. Repaying your loan. The repayment period for each Direct PLUS Loan made under this MPN begins on the date of the final disbursement for that loan. This means that the repayment period for each loan you receive under this MPN will begin on a different date. Unless you receive a deferment or forbearance (see Item 21), your first payment on each loan will be due within 60 days of the final disbursement of that 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.

Unless otherwise restricted by loan type, you must repay all of your Direct Loans under the same repayment plan. You may choose one of the following repayment plans to repay your Direct PLUS Loan:

- **Standard Repayment Plan** – Under this plan, you will make fixed monthly payments and repay your loan in full within 10 years (not including periods of deferment or forbearance) from the date the loan entered repayment. 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, you will usually make lower payments at first, and your payments will gradually increase over time. You will repay your loan in full within 10 years (not including periods of deferment or forbearance) from the date the loan entered repayment. No single payment will be more than three times greater than any other payment.
- **Extended Repayment Plan** – Under this plan, you will repay your loan in full over a period not to exceed 25 years (not including periods of deferment or forbearance) from the date the loan entered repayment. You may choose to make fixed monthly payments or graduated monthly payments that start out lower and gradually increase over time. 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. You are eligible for this repayment 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 after October 7, 1998, and (2) you have an outstanding balance on Direct Loan Program loans that exceeds \$30,000.

The chart at the end of this Borrower's Rights and Responsibilities Statement ("Repaying Your Loans") allows you to estimate the monthly and total amounts you would repay under the Standard, Graduated, and Extended Repayment Plans for various initial loan amounts.

The following additional repayment plans are available to graduate and professional student

Direct PLUS Loan borrowers (parent Direct PLUS Loan borrowers may not repay their loans under these plans):

- **Income Contingent Repayment (ICR) Plan** – Under this plan, your monthly payment amount will be based on your annual income (and that of your spouse if you are married), your family size, and the total amount of your Direct Loans. Until we obtain the information needed to calculate your monthly payment amount, your payment will equal the amount of interest that has accrued on your loan unless you request 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. An ICR Plan calculator is available at www.direct.ed.gov. The calculator estimates your initial ICR Plan payment amount and the total amount you would repay under the ICR Plan. The calculator is for informational purposes only. Your servicer will make the official determination of your payment amount.
- **Income-Based Repayment (IBR) Plan** – Under this plan, your required monthly payment amount will be based on your income during any period when you have a partial financial hardship. Your monthly payment amount may be adjusted annually. The maximum repayment period under this plan may exceed 10 years. If your loan 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, you may qualify for cancellation of any outstanding balance on your loans. To initially qualify for this plan and to continue to make income-based payments, you must have a partial financial hardship. An IBR Plan calculator is available at www.direct.ed.gov. The calculator evaluates your eligibility for the IBR Plan and estimates your initial IBR Plan payment amount. The calculator is for informational purposes only. Your servicer will make the official determination of your eligibility and payment amount.

If you are a graduate or professional student, these repayment plans will be explained in more detail during your exit counseling session.

Under each plan, the number or amount of payments may need to be adjusted to reflect capitalized interest and/or new loans made to you.

If you can show to our satisfaction that the terms and conditions of the above 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 place you on the Standard Repayment Plan.

You may change repayment plans at any time after you have begun repaying your loan. However, you may not change to a different

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repayment plan that has a maximum repayment period of less than the number of years your loan has already been in repayment, except that you may change to the ICR Plan or the IBR Plan at any time. If you wish to leave the IBR Plan, you must repay under the Standard Repayment Plan. There is no penalty if you make loan payments before they are due, or pay more than the amount due each month.

Note to Endorser: If you are making payments on the borrower's Direct PLUS Loan, you may request a change of repayment plans by contacting your servicer.

Except for payments made under the IBR Plan, we apply your payments and prepayments 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 a 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.

16. Transfer of loan. ED may transfer one or all of your loans to another servicer without your consent. If the address to which you must send payments or direct communications 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.

17. 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.

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

- Receive loan money, but you or the student for whom you obtained the loan do not enroll at least half time at the school that determined you were eligible to receive the loan;
- Use your loan money to pay for anything other than expenses related to your or the student's education at the school that determined you were eligible to receive the loan;
- Make a false statement that causes you to receive a loan that you are not eligible to receive; or
- Default on your loan.

19. Defaulting on your loan. Default (failing to repay your loan) is defined in detail in the Terms and Conditions section of your MPN. If you default:

- We will require you to immediately repay the entire unpaid amount of your loan.
- We may sue you, take all or part of your federal tax refund or other federal payments, and/or garnish your wages so that your employer is required to send us part of your salary to pay off your loan.
- We will require you to pay reasonable collection fees and costs, plus court costs and attorney fees.
- You will lose eligibility for other federal student aid and assistance under most federal benefit programs.
- You will lose eligibility for loan deferments.

Note to Endorser: If the borrower defaults on the loan, and you do not make payments on the loan, you may also be subject to the actions described above.

- We will also report your default to national consumer reporting agencies (see Item 20, "Consumer reporting agency notification").

20. Consumer reporting agency notification.

We will report information about your loan to national consumer reporting agencies 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 also report this 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 agency with a prompt response.

Note to Endorser: If the borrower of a Direct PLUS Loan becomes delinquent in making payments or defaults on the loan, we may also report your name to consumer reporting agencies in connection with the delinquent or defaulted loan.

21. 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;

- During the 6-month period after you cease to be enrolled at least half time;
- While the student for whom you obtained a Direct PLUS Loan is enrolled at least half time at an eligible school;
- During the 6-month period after the student for whom you obtained a loan ceases to be enrolled at least half time;
- 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);
- 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 you are enrolled at least half time at an eligible school or within 6 months of having been enrolled at least half time, during the 13 months following the conclusion of your active duty service, or until you return to enrolled student status on at least a half-time basis, whichever is earlier.

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

You may receive a deferment while you are enrolled in school on at least a half-time basis (and, if you are a graduate or professional student, during the 6-month period after you cease to be enrolled at least half time) 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

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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 time period on a FFEL Program loan. Your servicer can provide you with a deferment request form that explains the eligibility and documentation requirements for the type of deferment you are requesting. You may also obtain deferment request forms and information on deferment eligibility requirements from your servicer's web site.

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

You are responsible for paying the interest on a Direct PLUS Loan during a period of deferment.

Note to Endorser: You are not eligible to receive a deferment.

Forbearance

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

We will give you a forbearance if:

- You are serving in a medical or dental internship or residency program, and you meet specific requirements;
- The total amount you owe each month for all of the student loans you received under Title IV of the Act 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 award under the National and Community Service Trust Act of 1993. In some cases, the interest that accrues on a qualified loan during the service period will be paid by the Corporation for National and Community Service;
- You qualify for partial repayment of your loans under the Student Loan Repayment Program, as administered by the Department of Defense; or
- You are called to active duty in the U.S. Armed Forces.

To request a forbearance, contact your servicer. Your servicer can provide you with a forbearance request form that explains the eligibility and documentation 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 in order for us to collect and process documentation related to your request for a deferment,

forbearance, change in repayment plan, or consolidation loan (we do not capitalize the interest that is charged during this period);

- Periods when you are involved in a military mobilization, or a local or national emergency; or
- Periods necessary to align repayment of Direct PLUS Loans that do not qualify for a 6-month post-enrollment deferment with other Direct PLUS Loans that qualify for this deferment, or with Direct Subsidized Loans and Direct Unsubsidized Loans that have a grace period. Contact your servicer for more information.

You are responsible for paying the interest on a Direct PLUS Loan during a period of forbearance.

Note to Endorser: Although you are not eligible to receive a deferment, you may receive a forbearance.

22. Discharge (having your loan forgiven). We will discharge (forgive) your loan if:

- You die, or the student for whom you borrowed a Direct PLUS Loan dies. Your servicer must receive acceptable documentation of your or the student's death.
- Your loan is discharged in bankruptcy. However, federal student loans are not automatically discharged if you file for bankruptcy. In order to have your loan discharged in bankruptcy, you must prove to the bankruptcy court 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 loan if:

- You (or the student) could not complete a program of study because the school closed;
- Your loan eligibility was falsely certified by the school;
- A loan in your name was falsely certified as a result of a crime of identity theft; or
- The school did not pay a refund of your loan money that it was required to pay under federal regulations.

A public service loan forgiveness program is also available. Under this program, the remaining balance due on your eligible Direct Loan Program loans may be cancelled after you have made 120 payments on those loans (after October 1, 2007) under certain repayment plans while you are employed in certain public service jobs.

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 loan discharge or forgiveness 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 or (if you are a parent borrower) the student do not complete the education paid for with the loan, are unable to obtain employment in the field of study for which the school provided training, or are dissatisfied with, or do not receive, the education paid for with the loan.

Note to Endorser: If we discharge the full amount of the borrower's loan for any of the conditions described above, you are no longer obligated to make any payments on the loan. However, if a loan is reinstated after a discharge, you will again be obligated to make payments on the loan if the borrower does not make payments.

23. Loan consolidation. A Direct Consolidation Loan Program is available that allows you to consolidate one or more of your eligible federal education loans into a new loan with a single monthly payment, and may allow you to extend the period of time that you have to repay your loans. This may make it easier for you to repay your loans. However, you will pay more interest if you extend your repayment period through consolidation, since you will be making payments for a longer period of time. Contact your servicer for more information about loan consolidation.

Note to Endorser: You are not eligible to apply for a Direct Consolidation Loan to repay a Direct PLUS Loan for which you are the endorser.

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

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

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Repaying Your Loans¹

Initial Debt When You Enter Repayment	Standard		Graduated		Extended ³	
	Per Month	Total	Per Month ²	Total	Per Month	Total
\$2,500	50	3,042	25	3,746	Not Available	Not Available
\$5,000	60	7,248	42	7,694	Not Available	Not Available
\$7,500	91	10,872	63	11,543	Not Available	Not Available
\$10,000	121	14,496	84	15,388	Not Available	Not Available
\$15,000	181	21,744	127	23,083	Not Available	Not Available
\$20,000	242	28,992	169	30,778	Not Available	Not Available
\$25,000	302	36,240	211	38,472	Not Available	Not Available
\$30,000	362	43,488	253	46,166	Not Available	Not Available
\$35,000	423	50,736	295	53,859	268	80,346
\$40,000	483	57,984	338	61,554	306	91,824
\$45,000	544	65,232	380	69,248	344	103,302
\$50,000	604	72,480	422	76,942	383	114,781
\$55,000	664	79,708	464	84,636	421	126,259
\$60,000	725	86,976	507	92,330	459	137,737
\$65,000	785	94,224	549	100,023	497	149,215
\$70,000	846	101,472	591	107,718	536	160,693
\$75,000	906	108,720	633	115,413	574	172,171
\$80,000	966	115,968	675	123,107	612	183,649
\$90,000	1,087	130,464	760	138,496	689	206,605
\$100,000	1,208	144,960	844	153,882	765	229,561
\$110,000	1,329	159,456	929	169,270	842	252,517
\$120,000	1,450	173,952	1,013	184,661	918	275,473
\$130,000	1,570	188,448	1,097	200,047	995	298,429
\$140,000	1,691	202,944	1,182	215,435	1,071	321,385
\$150,000	1,812	217,440	1,266	230,824	1,148	344,342

¹ These are **estimated** payments calculated using the interest rate for Direct PLUS Loan borrowers, 7.9%.

² This is your **estimated** beginning payment, which may increase.

³ You may choose the Extended Repayment 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 after October 7, 1998, and (2) you have an outstanding balance on Direct Loan Program loans that exceeds \$30,000. Under the Extended Repayment Plan, you may choose to make fixed or graduated monthly payments. This example shows fixed monthly payments.