

FINANCIAL AID GUIDE



Academic Year 2012 - 2013

OFFICE OF FINANCIAL AID

West Virginia School of Osteopathic Medicine
400 North Lee Street
Lewisburg West Virginia 24901



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INTRODUCTORY COMMENTS

Dear Student:

The purpose of this Financial Aid Guide is to describe the financial assistance services available through the West Virginia School of Osteopathic Medicine Financial Aid Office.

This is meant to be used as a tool not an unabridged reference guide. While this guide is accurate to the best of our knowledge, given the complexity and the many changes of student financial aid programs, the Financial Aid Office (FAO) cannot be held responsible for any errors contained within this document.

Your education is one of the most important investments you will ever make. The costs of medical education are indeed high; therefore, careful planning and fiscal management are essential to meet your future obligations. Our goal is to help you become an informed borrower and to provide a comprehensive system of financial assistance services. Our intent is to provide not only dollar support but financial counseling and debt management planning services as well.

As the WVSOM Financial Aid Philosophy statement suggests, we "expect that students will make every effort to finance their education," however, the FAO will try to assist you with financing. Since scholarship and grant moneys are extremely limited, most students must secure outside educational loans to finance their education. You should remember that **a loan is not a gift or grant - it must be repaid.**

Educational debt management is essential. We cannot encourage you enough to learn some basic budgeting techniques, to learn to cut costs and possibly to learn to live with less. We encourage you to seek ways to creatively finance your education. We hope that you will find this guide useful.

We are here to assist you so please do not hesitate to contact us by telephone, email or visit us in person with any questions or problems.

Sincerely,

Sharon L. Howard
Director of Financial Aid

Deborah L. Montgomery
Associate Director of Financial Aid

FINANCIAL AID OFFICE MISSION STATEMENT

The Financial Aid Office attempts to remove financial barriers to student enrollment and retention at the West Virginia School of Osteopathic Medicine. We exist to assist qualified students to obtain appropriate resources to complete an education at this institution.

We strive to provide accessible financial aid services which are sensitive to individual student needs. We also attempt to provide timely and accurate service through the simplest procedures consistent with governmental and institutional regulations. Furthermore, we attempt to provide a cooperative, equitable, flexible and innovative approach.

We strive to extend our knowledge through research on financial aid issues and problems to maintain an excellent system of student financial assistance services.

FINANCIAL AID PHILOSOPHY

The West Virginia School of Osteopathic Medicine (WVSOM) expects that students will make every effort to finance their education. However, we anticipate that some students will need extra help to complete their program without undue hardship. To this end, WVSOM participates in a variety of programs: federal, state, institutional and privately funded.

The West Virginia School of Osteopathic Medicine operates under a positive program of non-discrimination to insure equal opportunity to all students and applicants regardless of sex, age, race, religion, creed, color, national origin or sexual orientation. The Rehabilitation Act of 1973 (Section 504) is adhered to and may be referred to in the WVSOM catalog.

Financial aid packages, that are a combination of financial assistance programs, are constructed on an individual basis determined by the financial needs and eligibility of each student. A federally approved needs analysis system, the Free Application for Federal Student Aid (FAFSA) must be filed by all applicants.

BASIC FACTS CONCERNING THE WVSOM FINANCIAL AID OFFICE

1. In agreement with the Federal government, one institutional representative has been delegated the responsibility for the administration and coordination of all financial aid programs. This person is the Director of Financial Aid who reports directly to the Assistant Vice President for Student Development.
2. The Director of Financial Aid is advised by a Financial Aid Committee made up of three elected faculty members with at least one basic science and one clinical science member, and a student member appointed by the President of the Student Government Association. Faculty committee members are elected for two-year terms staggered so that no more than two members are elected in any one year. The student member will vote only on policy matters in order to protect the student and prevent any unnecessary student pressure. Meetings of the committee may be convened by the Director of Financial Aid or at the request of one of the committee members. The Director of Financial Aid is an ex-officio member, without a vote.

This committee's function is to review and approve the student budget justification document and recommend any major policy changes in the awarding of financial aid to WVSOM students.

BASIC PRINCIPLES AND PROCEDURES

We expect you to understand some basic principles and procedures that will affect your financial aid at WVSOM. These principles and policies are as follows:

1. The primary obligation for financing a medical education lies with the student.
2. With the possible exception of Federal Work Study, no financial aid is awarded for non-enrolled periods.
3. The amount of federal financial aid provided will be determined by an analysis made of data included on the Free Application for Federal Student Aid (FAFSA) report. In order for the student to qualify for certain financial aid programs, parents must complete their portion of the FAFSA application regardless of the age of the entering student. Application does not mean the student will receive funds. It only assures consideration.
4. Financial assistance provided through WVSOM will be based upon the following:
 - Education related costs for the student.
 - Personal living costs for the student based on a standardized single student budget.
 - Total family contribution based on the FAFSA analysis.
5. Financial aid packages cannot exceed the student's educational budget. These budget figures can be found in this guide and will be used by the Financial Aid Office (FAO) to calculate the maximum dollars that can be awarded.
6. Decisions regarding the amounts of loans or scholarships given through the school will be made by the Financial Aid Office which follows the policies and procedures that have been approved by the Financial Aid Committee.
7. A medical student who is married to another medical student at WVSOM will be given a budget based on individual circumstances.
8. If a student receives a financial aid award from an outside source after receiving aid from WVSOM, the student must immediately notify the FAO and be prepared to have a portion of the WVSOM aid retracted. **Under no circumstance may a student receive an over-award in any year.**
9. Appeals or grievances may be filed with the Assistant Vice President for Student Development.

GETTING STARTED

1. All students who wish to be considered for financial aid through WVSOM must complete a FAFSA application. No student will be considered for aid until the FAFSA report has been received by the Financial Aid Office. A FAFSA must be filed annually when seeking financial aid. The FAFSA is available online at www.fafsa.ed.gov after January 1. Results must be received by WVSOM by the April 1 deadline. No file will be considered complete until receipt of the FAFSA results.
2. Each student must complete electronically a West Virginia School of Osteopathic Medicine Financial Aid Application (see below) and submit it to the FAO.
3. Each student can access a financial aid award letter detailing all financial assistance awards through Banner Self-Service.
4. Students receiving Health Professions Scholarship Program (HPSP) scholarships, National Health Service Corps (NHSC) scholarships or other sources requiring the institution to bill the agency for payment must submit a copy of their award notice to the Financial Aid Office at WVSOM.

FINANCIAL AID APPLICATION - 2012-2013

Visit My WVSOM on the school's web site to complete the appropriate financial aid application (password required).

WHAT IS FAFSA?

The Free Application for Federal Student Aid (FAFSA) is a program sponsored by the **Department of Education**. This agency establishes policies, standards and procedures for the service in compliance with federal regulations.

The FAFSA provides institutions with consistent data analyzed within the rules and guidelines established by the federal government. It also simplifies the financial application procedures and reduces the enormous amount of clerical work involved in the calculation of the data included on the application. The FAFSA may be accessed at www.fafsa.ed.gov.

The FAFSA does not award financial aid. Each school, within its own policies and procedures and according to its own resources, determines the amounts and types of assistance it will award.

WHO SHOULD COMPLETE A FAFSA?

All students applying for financial aid must complete this application. The form can be processed without parental information if you are an independent student and are applying for the Federal Direct Subsidized Stafford Loan, Federal Direct Unsubsidized Stafford Loan, Federal Direct Graduate/Professional PLUS Loan, Federal Perkins, West Virginia Medical Student Loan Program or alternative loan only. If you wish to apply for the Primary Care Loan (PCL) then **parental information is required**. The PCL program, which requires parental information, does not consider your age or the amount of time lived independently from your parents as reasons for exemption.

WHAT IS VERIFICATION?

Students selected by the Department of Education (DOE) shall be verified in compliance with the requirements of Federal law. Any student receiving a Primary Care Loan (PCL) will be verified. Students who do not file an income tax return will be requested to provide a Non-Filing Tax form and/or verification.

Students selected for verification shall be notified by e-mail from the WVSOM Financial Aid Office.

The following forms shall be used to complete the verification:

- a. Approved need analysis form (FAFSA) with unchanged information (02 IRS Request Flag) from the IRS Data Retrieval Process
- b. Standard verification form for an independent student from the Department of Education
- c. If IRS Data is changed from the IRS Data Retrieval Process:
Official IRS tax transcript from the preceding year
- d. Other documentation as deemed necessary by the Financial Aid Office which may include, but not be limited to: Copy of W-2 form for each source of employment; signed statement of AGI and tax paid if the individual is self-employed or filed a tax return with a foreign government and/or signed Copy of Income Tax Return

if getting IRS Transcript is not possible, along with documentation of reason for

allowing the applicant to do so

As mandated in Program Integrity Final Rule (October 29, 2010) minimum data elements and acceptable documentation for each data element will be defined by DOE on an annual basis. For 2012-13 the following items shall be verified:

- a. Household size
- b. Number of household members enrolled in college
- c. Child support paid (amount paid, the child support recipient, and name of child (children) for whom support was paid)
- d. Supplemental Nutrition Assistance Program, commonly known as Food Stamps (statement from applicable agency that shows that the applicant received Food Stamps).

If no tax return was filed:

- e. Income earned from work

If tax return was filed:

- f. Adjusted gross income
- g. Federal income taxes paid
- h. Untaxed IRA distributions
- i. Untaxed pensions
- j. Education credits
- k. IRA deductions
- l. Tax exempt interest income

Students chosen for verification are required to submit all required documentation prior to the beginning of the academic year. Failure to present the proper documentation will delay the disbursement of Federal student aid. Any student who has been granted an extension from the IRS must provide proof of this extension along with any supporting documents prior to the release of financial aid. Once the tax return has been filed, it is the student's responsibility to update their FAFSA via the IRS Data Retrieval Process to complete the verification process.

All conflicting information will be resolved by requesting additional forms or information from the student.

FINANCIAL AID OFFICE (FAO) RESPONSIBILITIES

The FAO has the following responsibilities:

1. Develop yearly student expense budgets that serve as the allowable figure in making financial aid awards. Budgets for the 2011-2012 year are included in this handbook. Budgets for the 2012-2013 academic year will be released in March, 2012 on the WVSOM Financial Aid web page.
2. Use the school approved budget along with the determination of the financial contribution from the family or spouse to calculate the student's eligibility.
3. Develop policy guidelines for approval by the Financial Aid Committee. These policies govern the way in which aid is administered.
4. Inform students about required forms that must be completed and returned yearly to qualify for assistance.
5. Inform students of financial assistance awards.
6. Processes short term loan applications. Students may borrow up to \$1000. These loans must also be repaid within 90 days and interest accrues at a 6% annual rate.
7. Process loan requests as efficiently as possible after receipt by FAO.
8. Follow up with the Department of Education to determine the status of loans.
9. Explain why a student is ineligible for a particular assistance program.
10. Assist students in evaluating their financial aid needs.
11. Counsel students about ways of cutting costs, building a budget and exploring other aid issues.
12. Provide entrance and exit interviews for all financial aid loan programs.
13. Provide information on financial planning and educational loan indebtedness.

STUDENT'S RESPONSIBILITIES IN APPLYING FOR FINANCIAL AID

1. Should be knowledgeable about sources of financial assistance and the process for applying for these programs.
2. Be aware of deadlines and make every effort to meet them.
3. Fill out accurately and completely the applications for FAFSA, scholarships/loans and service programs. Carelessness can create problems that are both costly and very time consuming so caution is advised.
4. **Maintain a file with copies of all aid applications, scholarship agreements, promissory notes and income tax information.**
5. Provide the financial aid office with the following documentation if requested:
 - Income tax return (1040) for prior year for self, spouse and possibly parents.
 - Social security award documentation.
 - Award notification from outside assistance sources.
 - Acceptance letters for the military HPSP program or the National Health Service Corp (NHSC) program.
6. Provide the FAO with a completed FAFSA report and a WVSOM Financial Aid Application.
7. Be aware that grant/scholarship assistance is **extremely** limited. Most students must depend on federal loan programs obtained through the Department of Education.
8. Provide updated income information if changes have occurred since completion of the FAFSA application.
9. Obtain and complete all necessary Master Promissory Notes and Entrance Counseling through www.studentloans.gov.
10. Renew all aid applications annually as necessary.
11. Report additional resources which may modify financial circumstances. Failure to report additional assistance may jeopardize continuation of assistance or require repayment of all or part of your awards.
12. Participate in exit interviews if you received any assistance from financial aid loan programs.
13. Maintain satisfactory academic progress to continue receiving financial aid. The Satisfactory Academic Progress Policy for financial aid is available in this guidebook.

WEST VIRGINIA SCHOOL OF OSTEOPATHIC MEDICINE FINANCIAL AID SATISFACTORY ACADEMIC PROGRESS POLICY

Federal regulations (CFR 668 – Student Assistance General Provisions, Sections 668.32(f), 668.16(e), and 668.34) require that all students receiving financial assistance from Federal Title IV funds maintain satisfactory academic progress (SAP) according to both qualitative and quantitative measures. The West Virginia Medical Student Loan Program also requires that a student be making satisfactory academic progress.

The academic requirements for the D.O. (Doctor of Osteopathic Medicine) degree include the satisfactory completion of the curriculum designated by the institution and approved by the American Osteopathic Association Commission on Osteopathic College Accreditation. The student's entire academic history, including transfer credits, must be considered when determining SAP status.

The progress of each student working toward a D.O. degree is monitored carefully and evaluated by the Student Promotions Committee on an individual or yearly basis. Any deviation from the normal progression should be reported to the Financial Aid Office by the Registrar or the Vice President for Academic Affairs and Dean.

Qualitative (Grade Point Average)

Students are expected to make continuous and successful progress toward the requirements for graduation (Institutional Policy E-27) throughout the curriculum. Evaluation of course work is indicated by letter grade, numerical grade, and/or pass/fail. Students must maintain a grade point average of 70.0 or higher, after any required remediation, to maintain financial aid eligibility.

Quantitative (Time Frame)

The nominal time frame for completion of the required course work for the D.O. degree is four academic years. A student, due to academic or personal difficulties, fellowships or COMLEX preparation, may require additional time to complete the curriculum. Students may borrow federal funds for a maximum of six years to complete the course work.

A student may be granted a leave of absence per Institutional Policy E-26. The period of time which a student has been approved for a leave of absence shall be excluded from the maximum time frame in which they will be expected to complete the D.O. degree. The student will return from the leave of absence with the same progress status with which he/she left.

Students who are permitted by the Vice President for Academic Affairs and Dean to remediate or complete the COMLEX prep track, and who maintain adequate performance to finish their degree within the designated number of years (6) or who are given a time frame extension by the Vice President for Academic Affairs and Dean, are meeting the school's standards for satisfactory academic progress as long as they are meeting the terms set forth by the Dean.

Students who fail to make satisfactory academic progress for federal financial aid may make a written appeal to the Director of Financial Aid. Financial aid probation status may be assigned by the Director upon demonstration of mitigating circumstances which must be documented to the satisfaction of the director along with a written letter of appeal from the student (professional judgment). Appeals will be reviewed within ten (10) working days of receipt. Examples of mitigating circumstances and appropriate documentation include, but are not necessarily limited to:

- Serious illness of student--statement from physician that illness interfered with student's ability to meet SAP along with written letter of appeal from student.
- Serious illness of immediate family member--statement from a physician along with written letter of appeal from student.
- Death of an immediate/close family member--statement from a minister, nearest relative, or an unbiased concerned adult along with written letter of appeal from student.
- Disruptive internal family problems—legal/court documentation from lawyer, statement from parents, minister, or an unbiased concerned adult along with written letter of appeal from student.

The student must also submit, as part of the appeal, information regarding what has changed in the student's situation that would allow the student to demonstrate SAP at the next evaluation.

A student who has successfully appealed shall be placed on financial aid probation and have eligibility for federal financial aid for one payment period. The financial aid office must notify the student in writing of the probation. The student must follow the academic plan given to them by the Vice President for Academic Affairs and Dean. At the conclusion of this period, the student must have achieved compliance with the SAP. A student who does not achieve compliance with the SAP by the conclusion of the probation period is suspended from financial aid eligibility. A student may be reinstated for financial aid eligibility once they have met the standards of the SAP.

The Director of Financial Aid shall have the primary responsibility for enforcement of this policy. Any appeals to this policy should be made in writing to the Vice President for Finance within five (5) working days from the date of the occurrence. The Vice President for Finance will follow the steps set forth in the Student Handbook for Student Complaints Not Covered by a Specific Policy.

Approved 3/14/2012 by the WVSOM Financial Aid Committee

BUDGET ESTABLISHMENT

Expenses listed on the following pages are estimates of costs used for the 2012-2013 student expense budgets. Please be aware tuition and fees are subject to change without notice and other budgetary costs may vary as well. Budgets for the 2012-2013 academic year will be published in March, 2012 on the WVSOM Financial Aid web page.

The following procedures may be used to determine your budget for medical school:

- Establish your current budget. Itemize your expenses under one of the five major areas listed.
- Determine all possible resources. This includes your own income, your spouse's income, or other assistance from family or friends. We encourage you to explore possible loans from family or friends at reasonable interest rates.
- Determine your unmet need. Compare your current budget against your possible resources. Also look for ways to cut costs to reduce potential educational debt upon graduation.

HELPFUL BUDGETING TIPS

When establishing a budget, you should consider the following:

- Complete a cash flow worksheet.
- Separate expenses into fixed and variable categories.
- Determine which expenses can be reduced and by how much.
- Determine if spending habits need to be changed.
- If expenses exceed resources, revise your budget.
- Anticipate emergencies.

HELPFUL HINTS TO MAINTAIN YOUR BUDGET

- When possible avoid twelve month lease agreements or insist on a subletting clause in your lease.
- Share an apartment/house.
- Limit eating out.
- Make sure you have the most efficient cell phone plan based on your individual usage.
- Lower transportation costs.
- Limit purchases, such as buying luxury items. Also, you may buy used books. In addition, purchase only necessary clothing.
- Monitor your budget monthly. Control and fiscal restraint are absolutely mandatory.

WEST VIRGINIA SCHOOL OF OSTEOPATHIC MEDICINE				
FINANCIAL AID BUDGET 2011-2012				
FIRST YEAR				
TUITION AND FEES				
	In-State Residents			\$19,950.00
	Out-of-State Residents			\$49,950.00
BOOKS AND SUPPLIES				
	Technology Fee		\$200.00	
	Books		\$3,952.00	
	Internet Access		\$250.00	
	Lab Coat		\$48.00	
	Scrubs		\$100.00	
	Medical Equipment		\$1,600.00	
				\$6,150.00
RENT				
	Rent	10 months @ \$650.00	\$6,500.00	
	Domicile Insurance	\$110 per year	\$110.00	
				\$6,610.00
UTILITIES				
	Electricity	10 months @ \$150	\$1,500.00	
	Heat	10 months @ \$120	\$1,200.00	
	Telephone	10 months @ \$75	\$750.00	
	Water/Sewer/Cable/Trash	10 months @ \$90	\$900.00	
				\$4,350.00
FOOD				
	Groceries	10 months @ \$275	\$2,750.00	
	Restaurants	10 months @ \$75	\$750.00	
				\$3,500.00
TRANSPORTATION				
	Gasoline and Oil	10 months @ \$183	\$1,830.00	
	Insurance	10 months @ \$97	\$970.00	
	Maintenance/Repairs	10 months @ \$52	\$520.00	
				\$3,320.00
MEDICAL AND DENTAL				
	Health Insurance Allowance		\$2,500.00	
	Insurance Deductible		\$500.00	
	Optometry Visit		\$200.00	
	Dental Visit		\$300.00	
				\$3,500.00
PERSONAL EXPENSES				
	Clothing	10 months @ \$90	\$900.00	
	Recreation	10 months @ \$50	\$500.00	
	Other (includes emergencies)	10 months @ \$75	\$750.00	
				\$2,150.00
	TOTAL OF LIVING EXPENSES			\$23,430.00
	TOTAL FINANCIAL AID BUDGET			
		In-State		\$49,530.00
		Out-of-State		\$79,530.00
BUDGETS ARE SUBJECT TO CHANGE WITHOUT PRIOR NOTICE.				
Loan fees are calculated on an individual student basis as necessary.				
Financial Aid programs may not completely meet the individual student's financial need.				
3/15/2011				

WEST VIRGINIA SCHOOL OF OSTEOPATHIC MEDICINE				
FINANCIAL AID BUDGET 2011-2012				
SECOND YEAR				
TUITION AND FEES				
	In-State Residents			\$19,950.00
	Out-of-State Residents			\$49,950.00
BOOKS AND SUPPLIES				
	Books		\$2,759.00	
	Internet Access		\$250.00	
	Lab Coat		\$48.00	
	Scrubs		\$50.00	
	COMLEX Level 1		\$520.00	
	Drug Screening/Background Check		\$90.00	
				\$3,717.00
RENT				
	Rent	10 months @ \$650.00	\$6,500.00	
	Domicile Insurance	\$110 per year	\$110.00	
				\$6,610.00
UTILITIES				
	Electricity	10 months @ \$150	\$1,500.00	
	Heat	10 months @ \$120	\$1,200.00	
	Telephone	10 months @ \$75	\$750.00	
	Water/Sewer/Cable/Trash	10 months @ \$90	\$900.00	
				\$4,350.00
FOOD				
	Groceries	10 months @ \$275	\$2,750.00	
	Restaurants	10 months @ \$75	\$750.00	
				\$3,500.00
TRANSPORTATION				
	Gasoline and Oil	10 months @ \$183	\$1,830.00	
	Insurance	10 months @ \$97	\$970.00	
	Maintenance/Repairs	10 months @ \$52	\$520.00	
				\$3,320.00
MEDICAL AND DENTAL				
	Health Insurance Allowance		\$2,500.00	
	Insurance Deductible		\$500.00	
	Optometry Visit		\$200.00	
	Dental Visit		\$300.00	
				\$3,500.00
PERSONAL EXPENSES				
	Clothing	10 months @ \$90	\$900.00	
	Recreation	10 months @ \$50	\$500.00	
	Other (includes emergencies)	10 months @ \$75	\$750.00	
				\$2,150.00
	TOTAL OF LIVING EXPENSES			\$23,430.00
	TOTAL FINANCIAL AID BUDGET			
		In-State		\$47,097.00
		Out-of-State		\$77,097.00
BUDGETS ARE SUBJECT TO CHANGE WITHOUT PRIOR NOTICE.				
Loan fees are calculated on an individual student basis as necessary.				
Financial Aid programs may not completely meet the individual student's financial need.				
3/15/2011				

WEST VIRGINIA SCHOOL OF OSTEOPATHIC MEDICINE				
FINANCIAL AID BUDGET 2011-2012				
THIRD YEAR				
TUITION AND FEES				
	In-State Residents			\$19,950.00
	Out-of-State Residents			\$49,950.00
BOOKS AND SUPPLIES				
	Books		\$1,892.00	
	Internet Access		\$400.00	
	Lab Coat x 2		\$96.00	
				\$2,388.00
RENT				
	Rent	12 months @ \$650.00	\$7,800.00	
	Domicile Insurance	\$110 per year	\$110.00	
				\$7,910.00
UTILITIES				
	Electricity	12 months @ \$150	\$1,800.00	
	Heat	12 months @ \$120	\$1,440.00	
	Telephone	12 months @ \$75	\$900.00	
	Water/Sewer/Cable/Trash	12 months @ \$90	\$1,080.00	
				\$5,220.00
FOOD				
	Groceries	12 months @ \$175	\$2,100.00	
	Restaurants	12 months @ \$188	\$2,256.00	
				\$4,356.00
TRANSPORTATION				
	Gasoline and Oil	12 months @ \$274	\$3,288.00	
	Insurance	12 months @ \$97	\$1,164.00	
	Maintenance/Repairs	12 months @ \$52	\$624.00	
				\$5,076.00
MEDICAL AND DENTAL				
	Health Insurance Allowance		\$2,500.00	
	Insurance Deductible		\$500.00	
	Optometry Visit		\$200.00	
	Dental Visit		\$300.00	
				\$3,500.00
PERSONAL EXPENSES				
	Clothing	12 months @ \$90	\$1,080.00	
	Recreation	12 months @ \$50	\$600.00	
	Other (includes emergencies)	12 months @ \$75	\$900.00	
				\$2,580.00
	TOTAL OF LIVING EXPENSES			\$28,642.00
	TOTAL FINANCIAL AID BUDGET			
		In-State		\$50,980.00
		Out-of-State		\$80,980.00
BUDGETS ARE SUBJECT TO CHANGE WITHOUT PRIOR NOTICE.				
Loan fees are calculated on an individual student basis as necessary.				
Financial Aid programs may not completely meet the individual student's financial need.				
3/15/2011				

WEST VIRGINIA SCHOOL OF OSTEOPATHIC MEDICINE				
FINANCIAL AID BUDGET 2011-2012				
FOURTH YEAR				
TUITION AND FEES				
	In-State Residents			\$19,950.00
	Out-of-State Residents			\$49,950.00
BOOKS AND SUPPLIES				
	Books		\$1,892.00	
	Internet Access		\$400.00	
	COMLEX - Level 2 CE		\$520.00	
	COMLEX - Level 2 PE/travel		\$1,150.00	
			\$400.00	
	Graduation Fee		\$50.00	
	Cap and Gown		\$170.00	
				\$4,582.00
RENT				
	Rent	11 months @ \$650.00	\$7,150.00	
	Domicile Insurance	\$110 per year	\$110.00	
				\$7,260.00
UTILITIES				
	Electricity	11 months @ \$150	\$1,650.00	
	Heat	11 months @ \$120	\$1,320.00	
	Telephone	11 months @ \$75	\$825.00	
	Water/Sewer/Cable/Trash	11 months @ \$90	\$990.00	
				\$4,785.00
FOOD				
	Groceries	11 months @ \$175	\$1,925.00	
	Restaurants	11 months @ \$188	\$2,068.00	
				\$3,993.00
TRANSPORTATION				
	Gasoline and Oil	11 months @ \$274	\$3,014.00	
	Insurance	11 months @ \$97	\$1,067.00	
	Maintenance/Repairs	11 months @ \$52	\$572.00	
				\$4,653.00
MEDICAL AND DENTAL				
	Health Insurance Allowance		\$2,500.00	
	Insurance Deductible		\$500.00	
	Optometry Visit		\$200.00	
	Dental Visit		\$300.00	
				\$3,500.00
PERSONAL EXPENSES				
	Clothing	11 months @ \$90	\$990.00	
	Recreation	11 months @ \$50	\$550.00	
	Other (includes emergencies)	11 months @ \$75	\$825.00	
				\$2,365.00
	TOTAL OF LIVING EXPENSES			\$26,556.00
	TOTAL FINANCIAL AID BUDGET			
		In-State		\$51,088.00
		Out-of-State		\$81,088.00
BUDGETS ARE SUBJECT TO CHANGE WITHOUT PRIOR NOTICE.				
Loan fees are calculated on an individual student basis as necessary.				
Financial Aid programs may not completely meet the individual student's financial need.				
3/15/2011				

GOOD CREDIT

Practice Good Credit Habits

Even if you don't need loans to pay for college, sooner or later you will probably need to borrow money. Your borrowing and repayment history is tracked by the financial industry to create your credit score, which helps lenders gauge whether you are a good credit risk. The better your credit score, the easier it will be for you to borrow money and the better terms you will be offered. A good credit score can save you thousands of dollars over your lifetime. Here are some ways to build and maintain a good credit score (typically a score of 700 or higher) and avoid financial headaches:

- **Always pay your bills and loan installments on time.** To avoid late fees, note the due dates for bills and installments as soon as you receive them. Keep a copy of all bills and loan payments you make.
- **Don't bounce checks.** Bouncing a check means writing a check for more money than you have available in your account. Aside from hurting your credit score, banks usually charge you a fee for every bounced check. The fees are automatically charged to your account, which can cause subsequent checks to bounce, leading to more fees, more bounced checks, etc. Bounced checks can lead to real money problems and even get you into legal trouble. The good news is that with a little caution and diligence, you can prevent bounced checks altogether by being aware of the amount of money in your bank account and spending only what you can afford.
- **Avoid credit cards.** In college, you'll get tons of credit card offers. Your best move? Shred them. Don't sign up for a credit card just to get something for free. As attractive as easy credit might seem, credit card interest can put you in a very deep financial hole that can take years to dig out of. If you feel you need a credit card or you want to start building your credit history, apply for one credit card with the lowest interest rate available then charge only what you can afford to repay. Also, pay the balance in full to avoid interest charges.
- **Don't ignore credit problems, get help ASAP.** In spite of your best intentions, you may get in over your head. Credit problems include missed payments, bounced checks, and credit card debt; these problems lead to a lower credit score and a more difficult time when borrowing money in the future. Sometimes, people mistakenly believe that if they ignore their credit problems, these problems will go away. Instead, their credit problems will only get worse. If it happens to you, don't waste time feeling foolish and ashamed, because you will be in good company. So get help immediately, nip credit problems in the bud and save yourself lots of stress. Your college financial aid office may be a valuable free resource to help you get back on track.

You may check your credit report for free at www.annualcreditreport.com.

PAYMENT OF TUITION AND FEES

Tuition payments must be made in the Business Office by the due date. Failure to pay on time will result in a late fee of \$30.

UNPAID TUITION & FEES BILLS

Students with unpaid tuition & fees bills will not be officially registered for that semester. All grades will be withheld until payment has been received. In addition, students on rotation may be removed from their rotation assignment. Furthermore, students will not receive their diplomas, and all letters of recommendation and transcripts will be withheld until all payments have been made.

TUITION REFUND

Tuition and fee refunds are made in accordance with the institution's refund policy. This policy is detailed in Institutional Policy F-6.

WITHDRAWAL

In the event that withdrawal from WVSOM is necessary, any refunds of tuition and fees will be made according to the Institutional Policy F-6.

NOTE: It is necessary to proceed with the formal withdrawal procedures as specified in the WVSOM Student Handbook.

RETURN OF TITLE IV FUNDS POLICY

The Code of Federal Regulations, Title 34, Section 668.22 and 668.164 provides guidance on the Return of Title IV Funds when a student withdraws from an institution. Any student who withdraws from, is dismissed from, takes a leave of absence in excess of 180 days from or drops out of the West Virginia School of Osteopathic Medicine will have a Refund of Tuition and Fees calculated according to Institutional Policy F-6.

A Return of Title IV Funds calculation will be computed for any student receiving federal financial aid for the period. This calculation is applicable only when Title IV funds are applied to the student's tuition and fees. This policy is based on the percentage of the enrollment period completed and the amount of Title IV aid disbursed. This is a separate calculation from the Refund of Tuition and Fees (Institutional Policy F-6).

The official withdrawal date is determined by the Registrar's Office. The percentage of time completed in the enrollment period is calculated by dividing the number of days completed by the total number of days in the enrollment period. After 60 percent of the semester is completed, there is no return of Title IV funds.

The amount of earned aid is calculated by multiplying the amount of disbursed Title IV funds by the percentage of time completed. The amount to be returned to the appropriate federal program(s) is determined by taking the total amount of disbursed aid and subtracting from it the amount of earned aid. The institution's share of the amount to be returned is calculated by multiplying institutional charges by the percentage of time not enrolled. The student's share is calculated by subtracting the amount the school must return from the total amount to be returned. Loans are repaid by the student according to the terms and conditions of the promissory note.

If the Return of Title IV funds calculation indicates a return to the appropriate federal program(s) from the school greater than the Tuition and Fees Refund calculation, the school will return the greater amount. If the calculation shows a return of less than the refund calculation, the school will return the difference to the student. WVSOM must return the amount of Title IV funds for which it is responsible no later than 45 days after the date of the determination of the date of the student's last date of attendance.

Refunds are allocated in the following order:

- Unsubsidized Federal Stafford Loans
- Subsidized Federal Stafford Loans
- Federal Perkins Loans
- Graduate PLUS Loans

Circumstances such as being a graduate teaching assistant, receiving a tuition/fee waiver recipient, or payment by credit card may require special consideration when applying this policy. All circumstances will be evaluated on an individual basis.

The Department of Education provides an on-line product to calculate the Return of Title IV funds. WVSOM will use this software in its calculations.

Sample calculations are available in the Financial Aid Office. The student must pay the appropriate payments to the federal loan program within the terms of the promissory note or they will become ineligible for further federal financial aid.

Approved on March 14, 2012 by the WVSOM Financial Aid Committee to be effective July 1, 2012

WHO IS ELIGIBLE?

Eligibility for federal student aid is based on financial need and on several other factors. The Financial Aid Office at WVSOM will determine your eligibility using the following.

You must:

1. Be a U.S. citizen or eligible noncitizen;
2. Enrolled, or accepted for enrollment, in an eligible program at an eligible institution;
3. Have a high school diploma or its recognized equivalent;
4. Possess a valid Social Security Number (with the exception of students from the Republic of the Marshall Islands, Federated States of Micronesia, or the Republic of Palau);
5. Maintain satisfactory academic progress according to WVSOM's published standards (see Satisfactory Academic Progress Policy);
6. Be enrolled at least half time to be eligible for the Direct Loan programs;
7. Must not be incarcerated in a Federal or State penal institution;
8. Satisfied the Selective Service registration requirements (may do so through the FAFSA process);
9. Must not be convicted of the sale or possession of illegal drugs while receiving Federal student aid;
10. Must complete the Free Application for Federal Student Aid (FAFSA) annually;
11. Must complete a WVSOM Application for Financial Aid annually;
12. Must not be in default, and certify that he or she is not in default, on a loan made under any title IV, HEA loan program;
13. Does not have property subject to a judgment lien for a debt owed to the United States;
14. Is not liable for a grant or Federal Perkins loan overpayment;
15. Files a Statement of Educational Purpose in accordance with the instructions of the Secretary (on the FAFSA);
16. Has not obtained loan amounts that exceed annual or aggregate loan limits made under any title IV, HEA loan program;

17. Must complete the verification process if required to do so;
18. Must sign certifying statements on the FAFSA including agreeing to use Federal student aid funds only for educational purposes; and
19. Must have no adverse credit if expecting to receive funds from the Federal Direct Graduate Plus loan.

NOTE: You may not receive your financial aid refund until you have paid your tuition and fees.

STUDENT APPLICATION PROCESS

In January of each year, the WVSOM Financial Aid Office provides to each student, information regarding the necessary actions to take to apply for financial aid. The following steps must be taken to insure the timely completion of the financial aid process.

- Complete the Free Application for Federal Student Aid (FAFSA) on line at www.fafsa.gov. WVSOM's school code is 011245. Returning students should complete the FAFSA prior to March 1 and accepted students should complete the form as soon as possible after acceptance.
- Complete the WVSOM Financial Aid Application on line. This completed application informs the financial aid staff of the requested loan types and amounts. You must fill in the amount requested box for each loan. If you are unsure, simply type "CONSULT" in each box and we will contact you before processing.
- Review the results of the FAFSA when received from the Department of Education. Correct inaccurate information on line as soon as possible.
- Complete the appropriate Master Promissory Note(s) for the loans requested.
- West Virginia residents may apply for the West Virginia Medical Student Loan by printing, completing and returning the WVMSLP application to the Financial Aid Office. This application may be found on the financial aid web page.
- Students who do not complete income tax returns for the previous fiscal year should print the Tax: Non-Filing Form, complete and return it to the Financial Aid Office. This form is available on the WVSOM Financial Aid web page.
- Students selected for verification must supply the Verification Form (provided by the Financial Aid Office) and all requested supporting documentation to the Financial Aid Office.
- An Information Release Form must be completed by any student who wants to allow financial aid staff to speak with others concerning their financial aid status. This form is available on the WVSOM Financial Aid web page and must be printed, completed and returned to the Financial Aid Office.
- Students with dependent care expenses or special circumstances expenses should follow through with the appropriate forms and documentation.
- Notify the FAO of any outside scholarships, grants or loans.
- Review the financial aid budget appropriate to the class enrolled and determine the amount needed for the academic year.
- Correspond with the Financial Aid Office regarding the requested loan amounts as instructed.
- Accept financial aid award on the Banner Self Service system when instructed to do so by the Financial Aid Office.

AWARDING CRITERION

- Eligibility for student loans is based upon the individual loan criteria.
- Campus-based aid (Federal FWS, PCL and Federal Perkins) is based upon need and availability of funds.
- Generally, Federal Perkins and PCL are divided equally among eligible students who meet the appropriate deadlines and eligibility criteria.
- Tuition and Fee waivers are awarded according to the Tuition/Fee Waiver Policy.

LOAN DISBURSEMENT PROCEDURES

Most loans are disbursed in two equal portions--once each semester. All federal loan proceeds are received electronically and posted to the student's account. An automatic deduction of tuition is taken and remaining loan funds distributed to the student via check or e-refund.

TYPES OF FINANCIAL AID

The four major sources of financial aid are as follows:

- Loans
- Scholarships
- Federal Work Study
- Service Commitment Programs

Loans

Loan programs come from a variety of sources; state, federal and even personal. Most of these loan programs have some form of interest and require the signing of a promissory note indicating the date which repayment is due. Loan programs have variable interest rates and repayment terms. **You should only borrow what is absolutely necessary to cover your educational expenses. Unnecessary borrowing may cause undue hardship during repayment.**

Scholarships

Scholarship programs are awarded by various organizations, including, on an extremely limited basis, WVSOM. Most are awarded on the basis of both financial need and academic standing. Some scholarship programs even carry specific eligibility terms as designated by the donor. A scholarship requires no repayment, although the donor may specify qualifications which the recipient must meet. Go to the WVSOM Financial Aid web page (www.wvsom.edu) for scholarship search engines.

Federal Work Study

Although we do not encourage students to work during the academic year, a limited number of opportunities for student employment exist at the institution. However, additional opportunities exist during the summer months for which first year students may be considered. These employment opportunities range from tutoring to office work to research.

- Federal Work Study - federal government monies available to fund student employment. Monies are awarded based on need calculated through the FAFSA application.

Service Commitment Programs

A variety of service commitment programs exist to assist students to finance their educations. Some of these programs include state or county medical society programs, National Health Service Corps (NHSC), Armed Forces Health Professions Scholarship Programs (HPSP) and Graduate Teaching Assistantships (GTA).

WILLIAM D. FORD FEDERAL DIRECT SUBSIDIZED LOAN

(This program will not be available for graduate/professional students beginning July 1, 2012)

GENERAL INFORMATION:

The current annual loan maximum for graduate and professional students is \$8500 with an aggregate maximum of \$65,500 (see Federal Stafford Annual Loan Limits insert). The federal government subsidizes the interest while the borrower is enrolled (i.e., the borrower is not charged interest until repayment begins). For loans disbursed after July 1, 2006, the interest rate will be 6.8% for all graduate and professional students. Borrowers may be charged up to a 1% origination fee and a 1% default fee. Repayment begins 6 months (grace period) after graduation. During the 10 year repayment period, interest accrues on the total outstanding balance. An economic hardship deferment or forbearance may be requested for internship/residency training. The borrower is responsible for completing the necessary forms from the lender each year to ensure that they stay in a non-payment status.

PROCESS:

- The student must complete the FAFSA application on-line
- The student must complete the WVSOM Financial Aid Application on-line
- The student must meet all General Eligibility Requirements for financial aid programs
- The student must complete the Master Promissory Note on-line

The student's need will be determined using the following information:

- FAFSA results
- Student Budget
- Expected Family Contribution (EFC)
- Other known financial resources
- Student's requested amount

After eligibility has been determined by the Director or Associate Director of Financial Aid, the school will certify the loan application electronically. Once the lender has approved the loan, the proceeds will be forwarded to WVSOM electronically on the appointed dates.

Disbursements are handled according to the Procedures for Financial Aid Disbursement.

WILLIAM D. FORD FEDERAL DIRECT UNSUBSIDIZED LOAN

The Federal Direct Unsubsidized Stafford Loan is a non-need based loan program and may be used to replace the student's expected family contribution. The current annual loan maximum for graduate and professional students is \$47,167 minus Federal Direct Subsidized Stafford Loan (until July 1, 2012) (12 month academic year) with an aggregate maximum of \$224,000 (see Federal Stafford Annual Loan Limits insert). For loans disbursed after July 1, 2006, the interest rate will be 6.8% for all graduate and professional students. Borrowers may be charged up to a 1% origination fee. Repayment begins 6 months (grace period) after graduation. Although students are responsible for paying their own interest, both interest and principal payments on the Federal Direct Unsubsidized Stafford Loan may be deferred until completion of education. Borrowers may request a forbearance for internship/residency training based on promissory note terms. The borrower is responsible for completing the necessary forms through the Department of Education each year to ensure that they stay in a non-payment status. During these periods, interest accrues and may capitalize on the principal amount of the loan. The amount borrowed under the Federal Direct Unsubsidized Stafford loan program, when combined with other aid, may not exceed the standard student budget.

PROCESS:

- The student must complete the FAFSA application on-line
- The student must complete the WVSOM Financial Aid Application on-line
- The student must meet all General Eligibility Requirements for financial aid programs
- The student must complete their Master Promissory Note on-line (new borrowers only)

The student's need will be determined using the following information:

- FAFSA results
- Student Budget
- Expected Family Contribution (EFC)
- Other known financial resources
- Student's requested amount

After eligibility has been determined by the Director or Associate Director of Financial Aid, the school will certify the loan application electronically. Once the loan has been approved, the proceeds will be forwarded to WVSOM electronically on the selected dates.

Disbursements are handled according to the Financial Aid Disbursement Procedures.

GRADUATE AND PROFESSIONAL STUDENT DIRECT PLUS LOAN

The interest rate on a Federal Direct Graduate PLUS Loan is 7.9% and interest begins to accrue at disbursement. There is a 4% fee on the GP loan which is deducted from the loan proceeds. No adverse credit is essential to secure a GP loan. Deferments are available for in-school periods and for six (6) months after ceasing to be at least a half-time student. Graduates may be eligible for forbearance during their internship and residency. There is no annual loan limit or aggregate loan limit. Students may borrow the difference between their cost of education minus any other financial aid received.

PROCESS:

- The student must complete the FAFSA application on line
- The student must complete the WVSOM Financial Aid Application on line
- The student must meet all General Eligibility Requirements for financial aid programs
- The student must have established eligibility for the maximum annual amounts of Federal Direct Subsidized (prior to July 1, 2012) and Federal Direct Unsubsidized Stafford Loans for the aid period
- The student must complete the Master Promissory Note (MPN) on line with the Department of Education

The student's need will be determined using the following information:

- FAFSA results
- Student Budget
- Expected Family Contribution (EFC)
- Other known financial resources
- Student's requested amount

After eligibility has been determined by the Director of Associate Director of Financial Aid, the school will certify the loan application electronically. Once DOE has approved the loan, the proceeds will be forwarded to WVSOM electronically on the selected dates.

Disbursements are handled according to the Financial Aid Disbursement Procedures.

FEDERAL PERKINS LOAN

A Federal Perkins Loan is a low-interest (5 percent) loan with no upfront fees for students with exceptional financial need. Federal Perkins Loan funds are administered by WVSOM after electronic notification from the Department of Education regarding any new funding and the level of expenditures is received. The funding information is shared with the WVSOM Business Office and, in response, will advise the amount available for lending.

Graduate students can borrow up to \$8,000 per year (the total which can be borrowed as a graduate student is \$60,000 which includes amounts borrowed as an undergraduate). The amount awarded depends on when you apply, financial need, and the funding level at WVSOM. Students must meet all eligibility requirements as outlined for the Federal Perkins Loan program. Average awards range from \$500 to \$1,500 per year as funding permits with equal disbursements each semester. Exceptions may include: extreme hardship; unusual circumstances; increase or decrease in expected funding; and other documented reasons determined by professional judgment.

Federal Perkins Loans remain in deferment while the student is enrolled at least half time. There is a nine month grace period after which repayment begins. The Federal Perkins Loan is a loan and not a grant and must be repaid in full.

Once awards are made, the Financial Aid Office will notify the Business Office of the amounts granted for the appropriate semester. Students will receive an e-mail notification from ECSI instructing them to sign their Federal Perkins Master Promissory Note (MPN) on line. The MPN is used as a multi-year note with students not having to sign each year.

Federal Perkins Loans are posted to the student's individual account in the BANNER computer system for disbursement with other aid.

PRIMARY CARE LOAN (PCL)

The Primary Care Loan program provides long-term, low interest rate loans to full-time, financially needy students to pursue a degree in allopathic or osteopathic medicine. Loans to third and fourth year students may be increased to repay outstanding balances on other loans taken out while in attendance at WVSOM.

Medical students receiving a Primary Care Loan must agree to:

- enter and complete residency training in primary care within four years after graduation and
- practice in primary care for the life of the loan

Eligibility includes the following:

- **Be a citizen, national, or a lawful permanent resident of the United States** or the District of Columbia, the Commonwealths of Puerto Rico or the Marianas Islands, the Virgin Islands, Guam, the American Samoa, the Trust Territory of the Pacific Islands, the Republic of Palau, the Republic of the Marshall Islands and the Federated State of Micronesia.
- **Be enrolled as a full-time student** at an accredited, participating school in a degree program leading to a doctor of medicine or doctor of osteopathy
- **Demonstrate financial need** and provide financial information about parents (independent students do not have to provide parental financial information, but must be at least 24 years of age and must provide documentation showing their independence for a minimum of 3 years).
- **Not be in default on any federal loan** and owe no federal grant refund
- **Be in good academic standing**
- **Register with Selective Service** if required by law

The Primary Care Loan (PCL) program interest rate is 5 percent and begins to accrue following a one year grace period after ceasing to be a full-time student. The loan also offers deferment of principal and interest.

The financial aid office at WVSOM will determine how much can be borrowed based on student eligibility, the amount of PCL funds available at the school and other criteria. The maximum award for first- and second- year students is cost of attendance (including tuition, educational expenses, and reasonable living expenses). Amounts beyond this may be awarded to third- and fourth-year students.

Primary Care Requirements

New recipients of the Primary Care Loan must enter into a residency training program in family medicine, internal medicine, pediatrics, combined medicine/pediatrics, preventive medicine, or

osteopathic general practice; must complete the residency program within 4 years of graduation; and must practice primary care for either 10 years (including the years spent in residency training) or through the date on which the loan is repaid in full, whichever occurs first. Recipients of loans made prior to March 23, 2010 are required to practice in primary health care until the loan is paid in full.

Primary Care: Acceptable Specialties

Clinical Preventive Medicine
Occupational Medicine
Public Health
Public Policy Fellowship
Senior Residencies in one of the above
Faculty administrators / policy makers certified in one of the primary health care disciplines
Geriatrics
Adolescent Medicine
Adolescent Pediatrics
Sports Medicine

Non-Primary Care: Unacceptable Specialties

Cardiology
Gastroenterology
Obstetrics/Gynecology
Surgery
Dermatology
Radiology
Rehabilitation Medicine
Psychiatry
Emergency Medicine

The primary health care service obligation may be waived if studies are terminated before graduating and the student does not later resume studies or may be suspended for the period not enrolled because studies have been terminated before graduating; the obligation is resumed upon return to medical school to complete required studies.

Should the service obligation fail to be fulfilled, the outstanding loan balance will be computed annually at an interest rate of 2 percent greater than the rate if compliant. For recipients of loans made prior to March 23, 2010 who fail to fulfill the service obligation, the outstanding loan balance will be computed annually at an interest rate of 18 percent from the date of noncompliance. A firm commitment to the practice of primary health care is required prior to accepting the Primary Care Loan.

Repayment

Repayment begins following a 12-month grace period after ceasing to be a full-time student. Interest at 5 percent is computed on the unpaid principal balance and begins to accrue upon expiration of the grace period unless there is an eligible deferment. Loans are repayable over a period of not less than 10 years nor more than 25 years, at the discretion of the institution.

Repayment of the Primary Care Loan may be deferred for

- up to 4 years in an eligible primary health care residency program;
- up to 3 years as a volunteer under the Peace Corps Act practicing in an eligible primary health care activity;

- up to 3 years as a member of a uniformed service. To be eligible for deferment, sustained full-time active duty practice in an eligible primary health care activity in the Army, Navy, Air Force, Marine Corps, Coast Guard, National Oceanic and Atmospheric Administration Corps or the U.S. Public Health Service Commissioned Corps is required.

The Primary Care Loan is not eligible for consolidation because of the service obligation. In the unfortunate event of the borrower's death or total disability, the obligation to repay the loan will be canceled upon receipt of the required documentation.

INSTITUTIONAL POLICY: F-07

CATEGORY: Finance

SUBJECT: Tuition and Fee Waivers

EFFECTIVE DATE: December 15, 2007

LAST REVISION DATE: June 30, 2009

F 07-1. Authority

1.1 WV Code §18B-1-6 and §18B-10-6

1.2 WV CSR §133-4

F 07-2. Awarding Tuition and Fee Waivers

2.1 Total Waivers Authorized

2.1.1 The total available number of tuition and fee waivers authorized each year is based upon the calculation specified under West Virginia State Code 18B-10-6. It states WVSOM “may not have in effect at any time graduate and professional school fee waivers totaling more in value than five percent of the tuition and required fees assessed for all full-time equivalent graduate and professional students registered during the corresponding fall semester, spring semester and summer term of the immediately preceding academic year”.

2.1.2 The actual number of waivers allotted each year will be determined by the WVSOM Board of Governors upon recommendation of the President.

2.2 Waiver for Health Sciences and Technology Academy (HSTA) Participant

2.2.1 No more than one (1) waiver per year will be awarded to a Health Sciences and Technology Academy (HSTA) participant who enrolls at WVSOM.

2.2.2 This waiver will remain in effect for four (4) years with continued enrollment in good standing.

2.2.3 No more than four (4) total waivers will be available for HSTA students at any given time.

2.2.4 Should there be more than one HSTA student accepted per year, the HSTA student with the highest overall grade point average will be awarded the waiver. In the event of equal grade point averages, the student with the highest total MCAT score will be awarded.

2.2.5 Should the HSTA student fail any course, system, rotation or COMLEX exam (Level 1) waivers for the ensuing years will be forfeited.

F 07-3. Criteria for Awarding Waivers

Selection of the waiver recipients shall be limited to West Virginia residents enrolled in their third or fourth year and based upon the highest grade point averages. Any student who has failed a course, system, rotation, or COMLEX (Level 1) at the time of awarding shall not be eligible for the waiver. Both system based learning (SBL) students and problem based learning (PBL) students are eligible for the waivers.

F 07-4. Limitation of Tuition and Fee Waivers to One Year Per Recipient

If a student receives a waiver as a third year student, he/she will not be eligible as a fourth year student. The selection will then move to the West Virginian with the next highest grade point average. If a student has already had his/her tuition and fees paid by another third party agency; selection will then move to the West Virginian with the next highest grade point average. Variations from these procedures must be approved by the Financial Aid Committee, the Director of Financial Aid and the Assistant Vice President for Student Development.

FEDERAL WORK STUDY (FWS)

The West Virginia School of Osteopathic Medicine participates in the Federal Work Study (FWS) program through the Department of Education. The law states two general purposes for the Federal Work Study program. The first and original purpose is to stimulate and promote the part-time employment of students who are enrolled as undergraduate, graduate or professional students and who need employment to pursue courses of study at eligible institutions. The second purpose is to encourage students receiving Federal student financial assistance to participate in community service activities that will benefit the nation and engender in the students a sense of social responsibility and commitment to the community.

The Department of Education's Student Financial Assistance Programs (SFAP), in the Office of Postsecondary Education, and participating institutions share responsibility for administering the Federal Work Study program.

STUDENTS

- Students may apply for Federal Work Study by completing the WVSOM Work Study Program Request Form on the WVSOM Financial Aid web page under "My WVSOM". Separate forms are available for the Summer Work Study Program and the Academic Year Work Study Program.
- Students must complete the Free Application for Federal Student Aid (FAFSA) form and demonstrate financial need to be considered for work study.
- Students may work up to 37.5 hours per week during the summer and 15 hours per week during the academic year.
- Pay is \$10.00 per hour beginning January 1, 2012.
- Student must be meeting the Financial Aid Satisfactory Academic Progress Policy requirements.
- Student must be registered with the Selective Service agency if required.
- Student must be a citizen, permanent resident, or non-citizen recognized by the government as being in the U.S. for other than temporary purposes.
- Approved position descriptions will be made available to eligible students on a first come, first serve basis.
- Once placed in an available position, the student will receive a notification in writing along with Timesheet Requirements, Student Work Affidavit and payroll information (samples included)

FACULTY AND STAFF

- WVSOM faculty and staff will be provided information via e-mail regarding the Federal Work Study Program twice each year – once for summer employment and once for academic year employment.
- Requests and justifications must be submitted to the Office of Student Development by the deadline indicated.

- A review of all position requests will be conducted through a process similar to that used when any new position is requested.
- A list of approved positions will be made available to eligible students on a first come, first served basis. Faculty and staff will be given the opportunity to interview and select the desired student.
- E-mail notifications will be sent to faculty and staff confirming their selection and specifics regarding the student's employment.

FINANCIAL AID OFFICE

- The Financial Aid Office will review the approved position descriptions with eligible students and provide them guidance on the selection process.
- Once the student is selected for a position, the FAO will provide the student written information regarding their employment.
- Timesheets are to be handled as follows:
 - The student is to turn the timesheet in themselves to the FAO unless pre-approved by the Director of Financial Aid or the Assistant Vice President for Student Development to submit it via another means.
 - Each form received will be stamped "received" immediately upon receipt with the date, time and initials of the person receiving it.
 - The payroll office will no longer accept timesheets unless the Financial Aid Office has shown the date they received the form and approved it.
 - Forms are to reflect actual hours worked. If there is any question regarding the accuracy of the timesheets, the matter will be thoroughly researched. In such a situation the FAO will contact not only the supervisor of the work study student but the director, division chair, or associate dean listed as the direct supervisor. If the situation is still not clarified, the FAO will notify the Assistant Vice President for Student Development.
 - Submission of inaccurate or falsified timesheets is a violation of Institutional Policies ST-01 (Judicial Hearing Board), ST-13 (Student Professionalism) and ST-11 (Honor Code).

WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION

MEDICAL STUDENT LOAN PROGRAM

ELIGIBILITY:

In order to be eligible for this loan, an applicant must meet the following minimum requirements:

- a) United States citizen or legal immigrant status while actively pursuing United States citizenship.
- b) Full-time enrollment in an approved state medical school in a program leading to the degree of Doctor of Medicine (M.D.) or Doctor of Osteopathy (D.O.) provided that the individual has not yet received one of these degrees.
- c) Financial need as determined by the institution's financial aid office.
- d) Must not be in default on any previous student loan.
- e) Must be in good academic standing in keeping with the institutional policy for awarding Title IV financial aid funds.

APPLICATION AND SELECTION:

A student must apply for the loan utilizing the institution's standard application process.

Any student applying for a loan must use his or her social security number when submitting an application. The social security number will be used to verify a student's identity, track applications, authorize loans, verify enrollment and good student status, and track fund disbursement and loan repayment. A student who fails to provide a social security number will be ineligible for a loan.

The participating institution shall select the recipients of the loans. The number of loans will be determined by the availability of funds in the program at each school in any given academic year.

Awards will be processed without regard to age, gender, race, disability, national origin, veteran's status or religion.

A student may apply for a loan for each of the number of years required to complete the course of study, but the participating institution is not obligated to approve the request for such academic year or years.

A student whose loan request is approved shall receive an award notification in advance of the release of loan funds. The notification shall provide the following: budgeted cost of education, expected family contribution (where applicable), financial need, other resources available to meet educational expenses, an indication of unmet financial need, aid awarded reflecting academic periods in which aid will be disbursed and statement that any and all such loans shall be subject to the terms and conditions specified in a master promissory note.

LOAN AMOUNTS:

The maximum annual amount for an individual loan shall not exceed \$10,000.

LOAN REPAYMENT:

A borrower shall be allowed a maximum of ten (10) years to repay the loan (principal and accumulated interest). Periods of authorized deferment (approved additional medical training, including internships, residencies and fellowships, or required military service, not to exceed five (5) years) are not included as part of the ten (10) year repayment period. The minimum monthly payment shall be no less than fifty dollars (\$50) per month. A higher monthly payment will be established should the minimum monthly payment be insufficient to pay the loan balance within the ten (10) year repayment period.

The rate of interest charged shall be the prevailing rate for graduate subsidized Federal Stafford Loans in effect at the beginning of the repayment period and such rate shall be in force for the duration of the repayment period. Interest shall not accrue during the grace period or authorized periods of

deferment as described in the promissory note.

The first payment shall not be due and payable until one (1) year following the date that the borrower ceases to be a full-time student at a school of medicine eligible to participate in the Medical Student Loan Program. Payments are not due for periods of authorized deferment.

There shall be no penalty for early repayment of the loan.

In the event of a borrower's death or permanent and total disability, the unpaid loan balance (principal and accumulated interest) shall be cancelled.

FORBEARANCE:

A borrower may request from the participating institutional financial aid officer or designated representative a forbearance resulting from a documented disability, unemployment or other economic hardship. The approval will allow for a temporary cessation of payments, an extension of time for making payments or a temporary acceptance of smaller payments than previously scheduled for a period not to exceed twelve (12) months per hardship. Interest shall continue to accrue on the loan during the forbearance period with payment the responsibility of the borrower.

MASTER PROMISSORY NOTE:

The Medical Student Loan Program Master Promissory Note shall be an open ended note. The master promissory note will expire ten (10) years from date of signature.

LOAN FORGIVENESS:

A borrower may receive cancellation of the outstanding principal and accumulated interest on the loan in return for the actual performance of full-time service in West Virginia as a physician (M.D. or D.O.) in an approved designated medically underserved area or in an approved designated medical specialty in which there is a shortage of physicians.

A borrower shall receive cancellation of the outstanding principal for sums not to exceed ten thousand dollars (\$10,000) plus accumulated interest during each twelve (12) consecutive calendar months of full-time practice in West Virginia commencing on or after July 1, 2008. No forgiveness shall be granted for less than twelve (12) consecutive calendar months of full-time practice.

Further details on loan forgiveness are provided on the master promissory note.

EXIT INTERVIEW:

An exit interview shall be required by the medical school at the time the borrower graduates or otherwise terminates enrollment. At that time, the borrower's rights and responsibilities under the loan fund shall be discussed. Borrowers shall be obligated during the period the loan is active to maintain a current address record with the institution.

DISBURSEMENT OF FUNDS:

Loan funds in this program will be disbursed by the respective school. Typically, funds will be disbursed in two (2) installments, one-half of the annual loan at the beginning of each semester.

PROGRAM IS SUBJECT TO CHANGE BY THE WEST VIRGINIA LEGISLATURE

Revised 6/10

INSTITUTIONAL SCHOLARSHIP AID PROGRAMS

Eva Teter Scholarship

Amount: Variable up to \$1,000

Eligibility: Normally one recipient who demonstrates financial need is selected at the discretion of the WVSOM Scholarship Committee.

Russell C. McCaughan Scholarship

Amount: \$400

Eligibility: Recipient is a second year osteopathic medical student who has shown outstanding capabilities and strong motivation in osteopathic philosophy during their freshman year. Selection is based upon financial need, academic performance, participation in extra curricular activities and future promise as an osteopathic physician.

Family Practice Scholarship

Amount: up to \$1,000

Eligibility: Recipient must be a West Virginia resident who is completing year one of his/her medical education at WVSOM and who plans to practice family medicine upon completion of education. Selection is based on applications which are reviewed by the Financial Aid Scholarship Committee. Deadline for application is March 15.

Fredric W. Smith Memorial Scholarship

Amount: up to \$1,000

Eligibility: Recipient must be a West Virginia resident who is completing year one of his/her education and who plans to practice family medicine in West Virginia upon completion of education. Recipient must be in the upper two-thirds of his/her class academically. They also must exhibit community involvement and leadership. Deadline for application is March 15.

Dr. Roland P. Sharp President's Award

Amount: \$1,000

Eligibility: Recipient is a first year student who is selected based the student's scholarship, osteopathic professional interest, leadership, and citizenship characteristics. Selection is made by secret ballot by all first year medical students, the WVSOM faculty and the WVSOM president.

WVSOM Tuition & Fee Waiver Scholarships

Amount: Covers all tuition and fees.

Eligibility: Reserved for a limited number of third and fourth year West Virginia residents who meet established grade criteria.

NOTE: See copy of Tuition and Fee Waiver Policy in this Handbook.

ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP PROGRAMS

WVSOM students may participate in the Health Professions Scholarship Program (HPSP). HPSP recipients receive full payment of their tuition and fees which are direct billed to the military through the WVSOM Business Office. The HPSP scholarship also covers the cost of required books and equipment. Each student is responsible for purchasing these items and requesting reimbursement from the military.

A stipend of \$2,088 per month is paid to each recipient. This stipend is reported in box 1 of a recipient's W-2 statement (not a 1099-misc statement) and is then reported on their Federal income tax return. The Defense Finance and Accounting Services (DFAS) has confirmed this information.

The student should report this information as a military allowance on worksheet B of the FAFSA which would pull the amount from the adjusted gross income; however, a spot check of files revealed only half with the military allowance reported correctly. Regardless of whether they report the stipend on worksheet B of the FAFSA or not, there is no significant change in their expected family contribution (EFC).

WVSOM will not count the HPSP stipend as a form of financial aid since most times it is calculated in with the adjusted gross income. WVSOM will allow students to borrow the remaining need after the EFC, tuition and books and supplies are deducted from the budget. The Unsubsidized Federal Direct Stafford Loan may also be used to offset the EFC.

The same guidelines will be used for the National Health Service Corps scholarship recipients.

GRADUATE TEACHING ASSISTANTSHIPS

WVSOM graduate teaching assistantships are not primarily considered financial assistance, although a number of fellowships are offered annually. Tuition payments and monthly stipends are available to the fellows. This program offers opportunities in the areas of research, practice management, teaching and clinical skills. Typically program participation delays the date of graduation one year. Application is made through the appropriate department and selections are typically made during year two.

NOTE: Financial need is not a primary consideration for this award.

PRIVATE SCHOLARSHIPS/LOAN SOURCES

While there are many private scholarships and loan sources available, it is impossible for us to research and catalog all of them.

There is a Scholarship Search available through the Internet. The following web address will gain you access to this option: www.fastweb.com

FOR WVSOM STUDENTS: When entering your personal information, it will ask for the name of the college -- leave it blank; it will ask for you major -- put in Osteopathic Medicine.

Interesting Feature of fastWeb Program: Student/Faculty/Staff who initiate a scholarship search will automatically create an electronic mailbox for themselves. As "new" scholarship opportunities arise that match your eligibility, the information will be forwarded into your electronic mailbox automatically!

In the following section, we have also listed a few of the sources that our students have been successful in obtaining funds from:

Information in this section is not guaranteed to be accurate.
Any updated information would be appreciated by the Financial Aid Office.

Addison H. Gibson Foundation

- Amount: up to \$18,000
- Restrictions: Family home in Western Pennsylvania,
- 2nd, 3rd or 4th year student, financial need
- Repayment: Not specified
- Deadline: None specified
- Applications: Contact: 412-261-1611 or <http://www.gibson-fnd.org>

Alabama Osteopathic Medical Association

- Amount: \$5000
- Restrictions: Applicants must be residents of the State of Alabama and must agree to practice in the State of Alabama for a period of one year following the completion of their training.
- Deadline: None specified
- www.aloma.org

Health Sciences Scholarship Program

- Amount: \$20,000
- Restrictions: 4th year medical student at a WV School of Medicine or Osteopathy who is entering a primary care internship or residency in WV. Preference is given to WV residents.
- Repayment: Student must sign a contract to practice in an underserved area of the state for a minimum of 2 years upon completion of training. The penalty for not fulfilling the service obligation is repayment of the scholarship with interest.
- Deadline: October 15
- Applications: Write to:
Laura Boone, Director
WVHEPC
1018 Kanawha Blvd., East, Suite 700
Charleston, WV 25301
(304) 558-0530 ● (304) 558-0532 FAX
lboone@hepc.wvnet.edu

National Medical Fellowships, Inc.

- Amount: Up to \$10,000
- Restrictions: Minority students in the first or second year of medical school. Black, Hispanic, Indian, Mainland Puerto Ricans.
- Repayment: None
- Deadline: August 31
- www.nmfonline.org

Student Osteopathic Medical Association

- Amount: Not specified
- Restrictions: Scholarships based on academic performance and need. Also, must be a SOMA member.
- Repayment: None specified
- Deadline: varies
- www.studentdo.com

Ty Cobb Educational Fund

- Amount: Award based on merit and financial need
- Restrictions: Residents of the State of Georgia who have been in college for at least one year; and medical, dental, law and veterinary students
- Deadline: June 15
- www.tycobbfoundation.com

Undergraduate American Academy of Osteopathy (UAAO)

- Amount: None specified
- Restriction: Must be a member of the Academy.
- Repayment: None specified
- Applications: Contact local UAAO Chapter

Westmoreland Coal Company Fund For Medical Scholarships

- Amount: Full tuition and fees to the extent allowed by available funds. Expenses normally experienced by students in their schools will be provided to the extent allowed by available

funds.

- Restrictions: West Virginia resident with preference given to Boone County residents. Commitment to practice medicine in Boone County, WV for a period of one half of the time during which the scholarship award is received.
- Repayment: Not specified.
- Deadline: January 15
- Applications: Write to:
The Greater Kanawha Valley Foundation
1600 Huntington Square
900 Lee Street, East
Charleston, WV 25331
304-346-3620
www.tgkvf.org

West Allegheny Physicians' Association (WAPA) Scholarship

- Purpose: To provide scholarship assistance to one or more students who are residents of Southwest Pennsylvania, who express a desire to return to a Southwest Pennsylvania rural and/or underserved area to practice medicine.
- Qualifications: Must provide evidence of permanent residence in one of the following Southwest Pennsylvania counties - Allegheny, Armstrong, Beaver, Bedford, Blair, Fayette, Greene, Indiana, Lawrence, Somerset, Washington and Westmoreland. Must have been accepted as a freshman or transfer student at the West Virginia School of Osteopathic Medicine.
- Management: WVSOM's Admissions Committee shall select Pennsylvania students based on the same parameters as other applicants. An accepted or matriculated student applying for a Southwest Pennsylvania scholarship must complete a WVSOM Financial Aid application. The WVSOM Scholarship committee shall determine the number and amount of scholarships based on funds available and make recommendations for recipients. Scholarship funds awarded shall be paid directly to WVSOM and credited to the students account. Scholarship funds for an individual may be renewed. A scholarship recipient who accepts a renewal of the scholarship shall sign a release of transcript form allowing their transcript to be sent to the Pittsburgh Foundation if requested. Scholarship recipients shall agree to a minimum of one (1) primary care clinical rotation in Southwest Pennsylvania. Should a scholarship recipient withdraw from WVSOM monies remaining will be returned to The Pittsburgh Foundation based on the school's refund policy.
- Applications: Please contact the WVSOM Financial Aid Office.

SHORT TERM LOAN

The institution, through the West Virginia School of Osteopathic Medicine Foundation, Inc., has limited funds available for short term loans. These loans are available for up to \$1000 at 6% interest for a term of 90 days to those students who have demonstrated need for short term moneys to tide them over in a crisis.

- A reminder is sent to all students whose loans are overdue and an additional interest at the rate of 4% is assessed.
- Students will not be allowed to graduate if short term loans are not repaid prior to graduation.

For an application, click: <http://www.wvsom.edu/OMS/fa-shortterm-loan>

Direct Loans

William D. Ford Federal Direct Loan Program

Federal Direct Stafford/Ford Loan Federal Direct Unsubsidized Stafford/Ford Loan Master Promissory Note William D. Ford Federal Direct Loan Program

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

OMB No. 1845-0007
Form Approved
Exp. Date 05/31/2011

SECTION A: BORROWER INFORMATION

READ THE INSTRUCTIONS IN SECTION F BEFORE COMPLETING THIS SECTION

1. Driver's License State and No.	2. Social Security No.
3. E-mail Address (optional)	
4. Name and Address	5. Date of Birth
	6. Area Code/Telephone No.

7. References: List two persons with different U.S. addresses who have known you for at least three years. The first reference should be a parent or legal guardian.

Name	1. _____	2. _____
Permanent Street Address	_____	_____
City, State, Zip Code	_____	_____
Area Code/Telephone No.	() _____	() _____
Relationship to Borrower	_____	_____

SECTION B: SCHOOL INFORMATION – TO BE COMPLETED BY THE SCHOOL

8. School Name and Address	9. School Code/Branch	10. Identification No.
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SECTION C: BORROWER REQUEST, CERTIFICATIONS, AUTHORIZATIONS, AND UNDERSTANDINGS – READ CAREFULLY BEFORE SIGNING BELOW

11. This is a Master Promissory Note (MPN) for one or more Federal Direct Stafford/Ford (Direct Subsidized) Loans and/or Federal Direct Unsubsidized Stafford/Ford (Direct Unsubsidized) Loans. I request a total amount of Direct Subsidized Loans and/or Direct Unsubsidized Loans under this MPN not to exceed the allowable maximums under the Act ("the Act" is defined in Section E under Governing Law). My school will notify me of the loan type and loan amount that I am eligible to receive. I may cancel a loan or request a lower amount by contacting my school. Additional information about my right to cancel a loan or request a lower amount is included in the Borrower's Rights and Responsibilities Statement and in the disclosure statements that will be provided to me.
12. Under penalty of perjury, I certify that:
- A. The information I have provided on this MPN and as updated by me from time to time is true, complete, and correct to the best of my knowledge and belief and is made in good faith.
 - B. I will use the proceeds of loans made under this MPN for authorized educational expenses that I incur and I will immediately repay any loan proceeds that cannot be attributed to educational expenses for attendance on at least a half-time basis at the school that certified my loan eligibility.
 - C. If I owe an overpayment on a Federal Perkins Loan, Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Academic Competitiveness Grant (ACG), National Science or Mathematics Access to Retain Talent (SMART) Grant, or Leveraging Educational Assistance Partnership Grant, I have made satisfactory arrangements to repay the amount owed.
 - D. If I am in default on any loan received under the Federal Perkins Loan Program (including National Direct Student Loans), the William D. Ford Federal Direct Loan (Direct Loan) Program, or the Federal Family Education Loan (FFEL) Program, I have made satisfactory repayment arrangements with the holder to repay the amount owed.
 - E. If I have been convicted of, or pled *nolo contendere* (no contest) or guilty to, a crime involving fraud in obtaining funds under title IV of the Higher Education Act of 1965 (HEA), as amended, I have completed the repayment of the funds to the U.S. Department of Education (ED) or to the loan holder in the case of a Title IV federal student loan.
13. For each Direct Subsidized Loan and Direct Unsubsidized Loan I receive under this MPN, I make the following authorizations:
- A. I authorize my school to certify my eligibility for the loan.
 - B. I authorize my school to credit my loan proceeds to my student account at the school.
 - C. I authorize my school to pay to ED any refund that may be due up to the full amount of the loan.
 - D. 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.
 - E. Unless I notify ED differently, I authorize ED to defer repayment of principal on my loan while I am enrolled at least half-time at an eligible school.
 - F. I authorize my school and ED to release information about my loan to the references on the loan and to members of my immediate family, unless I submit written directions otherwise.
 - G. I authorize my schools, lenders and guarantors, ED, and their agents to release information about my loan to each other.
 - H. 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.
14. I will be given the opportunity to pay the interest that ED charges during grace, in school, deferment, forbearance, and other periods as provided under the Act, including during in-school deferment periods. Unless I pay the interest, I understand that ED may add unpaid interest that is charged on each loan made under this MPN to the principal balance of that loan (this is called "capitalization") at the end of the grace, deferment, forbearance, or other period. Capitalization will increase the principal balance on my loan and the total amount of interest I must pay.
15. I understand that ED has the authority to verify information reported on this MPN with other federal agencies.

SECTION D: PROMISE TO PAY

16. I promise to pay to ED all loan amounts disbursed under the terms of this MPN, plus interest and other charges and fees that may become due as provided in this MPN. **I understand that more than one loan may be made to me under this MPN.** I understand that by accepting any disbursement issued at any time under this MPN, I agree to repay the loan associated with that disbursement. I understand that, within certain timeframes, I may cancel or reduce the amount of a loan by refusing to accept or by returning all or a portion of any disbursement that is issued. Unless I make interest payments, interest that ED charges on my loans during grace, in-school, deferment, forbearance, and other periods will be added to the principal balance of the loan as provided under the Act. If I do not make a payment on a loan made under this MPN when it is due, I will also pay reasonable collection costs, including but not limited to attorney's fees, court costs, and other fees. I will not sign this MPN before reading the entire MPN, even if I am told not to read it, or told that I am not required to read it. I am entitled to an exact copy of this MPN 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 MPN, including the Borrower Request, Certifications, Authorizations, and Understanding in Section C, the Notice About Subsequent Loans Made Under this MPN in Section E, and the terms and conditions described in Section E of this MPN and in the Borrower's Rights and Responsibilities Statement.

I UNDERSTAND THAT I MAY RECEIVE ONE OR MORE LOANS UNDER THIS MPN, AND THAT I MUST REPAY ALL LOANS THAT I RECEIVE UNDER THIS MPN.

17. Borrower's Signature _____ 18. Today's Date (mm-dd-yyyy) _____

Direct Subsidized Loan and Direct Unsubsidized Loan MPN (continued)

SECTION E: MPN TERMS AND CONDITIONS

GOVERNING LAW

The terms of this Application and Master Promissory Note (MPN) 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 MPN.

DISCLOSURE OF LOAN TERMS

This MPN applies to Federal Direct Stafford/Ford (Direct Subsidized) Loans and Federal Direct Unsubsidized Stafford/Ford (Direct Unsubsidized) 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.

Loans disbursed under this MPN are subject to the annual and aggregate loan limits specified under the Act. I may request additional loan funds to pay for my educational costs up to the annual and aggregate loan limits by contacting my school's financial aid office. My 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.

My eligibility for Direct Subsidized Loans and Direct Unsubsidized Loans may increase or decrease based on changes in my financial circumstances. My school will notify me of any changes in my eligibility. I will be notified of any increase or decrease 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.

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 determined using a formula specified in the Act. As explained in the Borrower's Rights and Responsibilities Statement, I will be notified of the actual interest rate for each loan that I receive.

ED does not charge interest on a Direct Subsidized Loan during an in school, grace, or deferment period, and during certain periods of repayment under the Income-Based Repayment Plan. ED charges interest on a Direct Subsidized Loan during all other periods (including forbearance periods), starting on the day after my grace period ends. ED charges interest on a Direct Unsubsidized Loan during all periods

(including in-school, grace, deferment, and forbearance periods), starting on the date of the first disbursement. I agree to pay all interest that is charged to me. I will be given the opportunity to pay the interest that accrues during grace, in school, deferment, forbearance, or other periods as provided under the Act.

If I do not pay the interest, I understand that ED may capitalize the interest at the end of the grace, deferment, forbearance, or other period.

LOAN FEE

A loan fee is charged for each Direct Subsidized Loan and Direct Unsubsidized 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.

GRACE PERIOD

I will receive a six-month grace period on repayment of each loan made under this MPN. The grace period begins the day after I cease to be enrolled at least half-time at an eligible school. I am not required to make any payments on my loan during the grace period. However, interest will accrue on my Direct Unsubsidized Loan during the grace period and will be capitalized if I do not repay it.

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 immediately following my 6-month grace period on 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 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 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 the outstanding interest into a new principal balance, and collection costs will become immediately due and payable.

If I default, the default will be reported to national 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.

LEGAL NOTICES

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

If ED fails to enforce or insist on compliance with any term 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.

NOTICE ABOUT SUBSEQUENT LOANS MADE UNDER THIS MPN

This MPN authorizes ED to disburse multiple loans to me to pay my educational expenses during the multi-year term of this MPN, upon my request and upon my school's annual certification of my loan eligibility.

At schools that are authorized to use the multi-year feature of the MPN and choose to do so, subsequent loans may be made under this MPN for subsequent academic years. At any school, subsequent loans may be made under this MPN for the same academic year.

I understand that no subsequent loans will be made under this MPN after the earliest of the following dates: (1) the date ED or my school receives my written notice that no further loans may be made; (2) one year after the date I sign the MPN or the date ED receives the MPN if no disbursements are made under the MPN; or (3) ten years after the date I sign the MPN or the date ED receives the MPN.

Any amendment to the Act governs the terms of any loan disbursed on or after the effective date of the amendment, and any amended terms are considered part of this MPN.

Direct Subsidized Loan and Direct Unsubsidized Loan MPN (continued)

SECTION F: INSTRUCTIONS FOR COMPLETING THE MPN

This is a Master Promissory Note (MPN) under which you may receive multiple Direct Subsidized Loans and/or Direct Unsubsidized Loans over a maximum ten-year period.

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

Some of the items in Section A may have been completed for you. If so, review these items carefully to make sure that 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.

SECTION A: BORROWER INFORMATION

Item 1. Enter the two-letter 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 2. Enter your nine-digit Social Security Number.

Item 3. 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 4. Enter your last name, then your first name and middle initial. 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. A temporary school address is not acceptable.

Item 5. Enter your date of birth.

Item 6. Enter the area code and telephone number at which you can most easily be reached. If you do not have a telephone, enter N/A.

Item 7. Enter the requested information for two adults with different U.S. addresses who have known you for at least three years. The first reference should be a parent or legal guardian. References who live outside the United States are not acceptable. If a reference does not have a telephone number, enter N/A.

SECTION B: SCHOOL INFORMATION

This section will be completed by the school that certifies your loan eligibility.

SECTION C: BORROWER REQUEST, CERTIFICATIONS, AUTHORIZATIONS, AND UNDERSTANDINGS

Items 11, 12, 13, 14, and 15. Read these items carefully.

SECTION D: PROMISE TO PAY

Item 16. Read this item carefully.

Items 17 and 18. Sign your full legal name, in blue or black ink, and enter the date you signed this MPN.

By signing this MPN, you:

(1) Acknowledge that you have read, understand, and agree to the terms and conditions of the MPN, including the Borrower Request, Certifications, Authorizations, and Understanding in Section C and the accompanying Borrower's Rights and Responsibilities Statement; and

(2) Agree to repay the loan(s) in full according to the terms and conditions of the MPN.

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 §484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) and 31 U.S.C. 7701(b). Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

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

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

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

FINANCIAL PRIVACY ACT NOTICE

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

PAPERWORK REDUCTION NOTICE

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0007. 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

William D. Ford Federal Direct Loan Program

Direct Subsidized Loan and Direct Unsubsidized 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 Master Promissory Note (MPN) for Federal Direct Stafford/Ford Loans (Direct Subsidized Loans) and Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans). **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 the Direct Loan Servicing Center.

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 accompanying MPN.

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.

You must complete a Free Application for Federal Student Aid (FAFSA) before you receive a Direct Subsidized Loan or Direct Unsubsidized Loan.

Direct Loans are made by the U.S. Department of Education. Our Direct Loan Servicing Center services, answers questions about, and processes payments on Direct Loans. We will provide you with the address and telephone number of the Direct Loan Servicing Center 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 Higher Education Act of 1965, as amended (20 U.S.C. 1070 *et seq.*) and other applicable federal laws and regulations. These laws and regulations are referred to as "the Act" throughout this Borrower's Rights and Responsibilities Statement. State law, unless it is preempted by federal law, may provide you with certain rights, remedies, and defenses in addition to those stated in the 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 Subsidized Loans and Direct Unsubsidized Loans. Direct Subsidized Loans and Direct Unsubsidized Loans are made to students to help pay for the cost of education beyond high school. To receive a Direct Subsidized Loan, you must have financial need. We do not charge interest on Direct Subsidized Loans while you are in school and during certain other periods. Direct Unsubsidized Loans are not based on financial need. We charge interest on Direct Unsubsidized Loans during all periods. For more information on interest charges, see item #9 of this Borrower's Rights and Responsibilities Statement ("Payment of interest").

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, as long as the school you are attending is authorized to use the multi-year feature of the MPN and chooses to do so.

If your 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 your school or the Direct Loan Servicing Center in writing.

5. Use of your loan money. You may use the loan money you receive only to pay for your 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

6. Information you must report to us after you receive your loan. You must notify the Direct Loan Servicing Center and/or the financial aid office at your school about certain changes.

Until you graduate or otherwise leave school, you must notify your school's financial aid office if you:

- Change your address or telephone number;
- Change your name (for example, maiden name to married name);
- Do not enroll at least half-time for the loan period certified by the school
- Do not enroll at the school that determined you were eligible to receive the loan;
- Stop attending school or drop below half-time enrollment;
- Transfer from one school to another school; or
- Graduate.

You must also notify the Direct Loan Servicing Center if any of the above events occur at any time after you receive your loan. In addition, you must notify the Direct Loan Servicing Center 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 received a deferment while you were unemployed, but you have found a job and therefore no longer meet the eligibility requirements for the deferment).

7. Amount you may borrow. The charts that follow show the maximum amounts of Direct Subsidized Loans and Direct Unsubsidized Loans that you may borrow for a single academic year (annual loan limits), and the maximum amounts that you may borrow in total for undergraduate and graduate study (aggregate loan limits). The annual and aggregate loan limits for independent undergraduates also apply to dependent undergraduates whose parents are unable to borrow under the PLUS program. If you are enrolled in certain health professions programs, you may qualify for higher annual and aggregate limits on Direct Unsubsidized Loans.

The actual loan amount you receive will be determined by your school, based on your academic level, dependency status, and other factors such as:

- The length of the program or the remaining portion of the program in which you are enrolled, if it is less than a full academic year;
- Your cost of attendance;
- Your Expected Family Contribution;
- Other financial aid you receive; and

- Your remaining eligibility under the annual or aggregate loan limits.

The actual amount you receive for an academic year may be less than the maximum annual amounts shown in the charts.

If you are an undergraduate student, your school must determine your eligibility for a Federal Pell Grant before you may receive a Direct Subsidized Loan or Direct Unsubsidized Loan. Your school is also required to determine your eligibility for a Direct Subsidized Loan before determining your eligibility for a Direct Unsubsidized Loan.

If you have received student loans from another federal student loan program, you are responsible for informing your school and your lender of your other student loans. In some cases, you may not be eligible for loans for which you have applied.

Annual Loan Limits for Direct Subsidized Loans and Direct Unsubsidized Loans:

Dependent Undergraduate Students (except students whose parents cannot borrow PLUS loans)	
First Year Total (maximum \$3,500 subsidized)	\$5,500
Second Year Total (maximum \$4,500 subsidized)	\$6,500
Third Year and Beyond (each year) (maximum \$5,500 subsidized)	\$7,500
Independent Undergraduate Students (and dependent students whose parents cannot borrow PLUS loans)	
First Year Total (maximum \$3,500 subsidized)	\$9,500
Second Year (maximum \$4,500 subsidized)	\$10,500
Third Year and Beyond (each year) (maximum \$5,500 subsidized)	\$12,500
Graduate and Professional Students	
Total Amount (each year) (maximum \$8,500 subsidized)	\$20,500

Aggregate Loan Limits for Direct Subsidized and Direct Unsubsidized Loans:

Dependent Undergraduate Students (except students whose parents cannot borrow PLUS loans)	
Total Amount Cumulative (maximum \$23,000 subsidized)	\$31,000
Independent Undergraduate Students (and dependent students whose parents cannot borrow PLUS loans)	
Total Amount Cumulative (maximum \$23,000 subsidized)	\$57,500
Graduate and Professional Students	
Total Amount Cumulative (maximum \$65,500 subsidized; includes Stafford Loans received for undergraduate study)	\$138,500

8. Interest rate. The interest rate on Direct Subsidized Loans and Direct Unsubsidized Loans is a fixed rate. Different fixed interest rates may apply to separate loans made under this MPN depending on whether the loan is

William D. Ford Federal Direct Loan Program

Direct Subsidized Loan and Direct Unsubsidized Loan Borrower's Rights and Responsibilities Statement

subsidized or unsubsidized, when the loan is first disbursed, and whether you are a graduate or undergraduate student. You will be notified of the actual interest rate for each loan you receive in a disclosure statement that we send to you. 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 percent during your military service. To receive this benefit, you must contact the Direct Loan Servicing Center for information about the documentation you must provide to show that you qualify.

9. Payment of interest. We do not charge interest on a Direct Subsidized Loan while you are enrolled in school at least half-time, during your grace period, during deferment periods, and during certain periods of repayment under the Income-Based Repayment Plan. Except as provided below for certain military borrowers, we charge interest on a Direct Subsidized Loan during all other periods (starting on the day after your grace period ends), including forbearance periods.

Except as provided below for certain military borrowers, we charge interest on a Direct Unsubsidized Loan during all periods (starting on the day your loan is paid out). This includes periods while you are enrolled in school at least half-time, during your grace period, and during deferment and forbearance periods. Therefore, you will pay more interest on a Direct Unsubsidized Loan than on a Direct Subsidized Loan.

If you do not pay the interest as it is charged on either type of loan, 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 we will then charge interest on the increased principal amount.

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). For Direct Consolidation Loans, this benefit applies to the portion of the consolidation loan that repaid loans first disbursed on or after October 1, 2008.

The chart below shows the difference in the total amount you would repay on a \$15,000 Direct Unsubsidized Loan if you pay the interest as it is charged during a 12-month deferment or forbearance period, compared to the amount you would repay if you do not pay the interest and it is capitalized.

	If you pay the interest as it is charged...	If you do not pay the interest and it is capitalized...
Loan Amount	\$15,000	\$15,000
Interest for 12 months (at an interest rate of 6.8%)	\$1,020 (paid as accrued)	\$1,020 (unpaid and capitalized)
Principal to be Repaid	\$15,000	\$16,020
Monthly Payment (Standard Repayment Plan)	\$173	\$184
Number of Payments	120	120
Total Amount Repaid	\$21,734	\$22,123

In this example, you would pay \$11 less per month and \$389 less altogether if you pay the interest as it is charged during a 12-month deferment or forbearance period.

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

10. Loan fee. We charge a loan fee that is a percentage of the principal amount of each loan you receive. The percentage is determined by the Act and varies depending on when a loan is first disbursed. The specific loan fee that you are charged will be shown on a disclosure statement that we send to you. This fee will be subtracted proportionally from each disbursement of your loan.

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

(1) Interest Rate Reduction for Electronic Debit Account Repayment

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

(2) Up-Front Interest Rebate

You may receive an up-front interest rebate on your 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.

12. Disbursement (how your loan money will be paid out). Generally, your 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 your 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.

In most cases, if the Direct Subsidized Loan or Direct Unsubsidized Loan that you are receiving is your first student loan under either the Direct Loan Program or the Federal Family Education Loan (FFEL) Program, you must complete entrance counseling before your school can make the first disbursement of your loan.

Your school may disburse your loan money by crediting it to your account at the school, or may give some or all of it to you directly by check or other means. The Direct Loan Servicing Center will notify you in writing each time your school disburses part of your loan money.

If your school credits your loan money to your account and the amount credited is more than the amount of your tuition and fees, room and board, and other authorized charges, the excess amount is called a credit balance. Unless you authorize your school to hold the credit balance for you, your 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 (your school can tell you this date), your 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, your school must pay you the credit balance no later than 14 days after the first day of class of the payment period.

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

- If your 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 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 your school's payment period, whichever is later (your 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 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, your school will return the cancelled loan amount to us. You do not have to pay interest or the loan fee on the part of your loan that you tell your school to cancel within these timeframes. If you received an up-front interest rebate on your loan, the rebate does not apply to the part of your loan that you tell your school to cancel. Your loan will be adjusted to eliminate any interest, loan fee, and rebate amount that applies to the amount of the loan that was cancelled.
- If you ask your school to cancel all or part of your loan outside the timeframes described above, your school may process your cancellation request, but it is not required to do so.

- Within 120 days of the date your school disbursed your loan money (by crediting the loan money to your account at the school, by paying it directly to you, or both), you may return all or part of your loan to us. Contact the Direct Loan Servicing Center 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 you return within 120 days of the date that part of your loan is disbursed. If you received an up-front interest rebate on your loan, the rebate does not apply to the part of your loan that you return. Your loan will be adjusted to eliminate any interest, loan fee, and rebate amount that applies to the amount of the loan that you return.

14. Grace period. You will receive a six-month grace period on repayment of each Direct Subsidized Loan and

William D. Ford Federal Direct Loan Program

Direct Subsidized Loan and Direct Unsubsidized Loan Borrower's Rights and Responsibilities Statement

Direct Unsubsidized Loan that you receive. Your six-month grace period begins the day after you stop attending school or drop below half-time enrollment. You do not have to begin making payments on your loan until after your grace period ends.

If you are called or ordered to active duty for more than 30 days from a reserve component of the U.S. Armed Forces, the period of your active duty service and the time necessary for you to re-enroll in school after your active duty ends are not counted as part of your grace period. However, the total period that is excluded from your grace period may not exceed three years. If the call or order to active duty occurs while you are in school and requires you to drop below half-time enrollment, the start of your grace period will be delayed until after the end of the excluded period. If the call or order to active duty occurs during your grace period, you will receive a full six-month grace period at the end of the excluded period.

15. Repaying your loan. The repayment period for each Direct Subsidized Loan and Direct Unsubsidized Loan that you receive begins on the day after your grace period ends. The Direct Loan Servicing Center will notify you of the date your first payment is due.

You must make payments on your loan even if you do not receive a bill or repayment notice. Billing information is sent to you as a convenience, and you are obligated to make payments even if you do not receive a notice or bill.

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

- **Standard Repayment Plan** – Under this plan, you will make fixed monthly payments and repay your loan in full within 10 years (not including periods of deferment or forbearance) from the date the loan entered repayment. Your payments must be at least \$50 a month and will be more, if necessary, to repay the loan within the required time period.
- **Graduated Repayment Plan** – Under this plan, 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. If you make fixed monthly payments, your payments must be at least \$50 a month and will be more, if necessary, to repay the loan within the required time period. You are eligible for this repayment plan only if (1) you have an outstanding balance on Direct Loan Program loans that exceeds \$30,000, and (2) 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.
- **Income Contingent Repayment 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 a forbearance. As your income changes, your payments may change. If you do not repay your loan after 25 years under this plan, the

unpaid portion will be forgiven. You may have to pay income tax on any amount forgiven.

- **Income-Based Repayment Plan (effective July 1, 2009)** – Under this plan, your required monthly payment amount will be based on your income during any period when you have a partial financial hardship. Your monthly payment amount may be adjusted annually. The maximum repayment period under this plan may exceed 10 years. If you meet certain requirements over a 25-year period, you may qualify for cancellation of any outstanding balance on your loans.

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.

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, Extended, and Income Contingent repayment plans based on various initial loan amounts.

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

Except as provided by the Act for payments made under the Income-Based Repayment Plan, we apply your payments and prepayments in the following order: (1) late charges and collection costs first, (2) outstanding interest second, and (3) outstanding principal last.

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

16. 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.

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

- Receive loan money, but 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 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.

18. 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 and state tax refunds and other federal or state payments, and/or garnish your wages so that your employer is required to send us part of your salary to pay off your loan.
- We will require you to pay reasonable collection fees and costs, plus court costs and attorney fees.
- You may be denied a professional license.

- 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 #19, "Consumer reporting agency notification").

19. Consumer reporting agency notification. We will report information about your loan to national consumer reporting agencies. 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. 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.

20. Deferment and forbearance (postponing payments)

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

Deferment

You may receive a deferment while you are:

- Enrolled at least half-time at an eligible school;
- In a full-time course of study in a graduate fellowship program;
- In an approved full-time rehabilitation program for individuals with disabilities;
- Unemployed (for a maximum of three years; you must be diligently seeking, but unable to find, full-time employment); or
- Experiencing an economic hardship (including Peace Corps service), as determined under the Act (for a maximum of three years).
- Serving on active duty during a war or other military operation or national emergency or performing qualifying National Guard duty during a war or other military operation or national emergency and, if you were serving on or after October 1, 2007, for an additional 180-day period following the demobilization date for your qualifying service.

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, you are also eligible for a deferment 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 Federal Family Education Loan (FFEL) Program before July 1, 1993. If you meet this requirement, you may receive a deferment while you are:

- Temporarily totally disabled, or unable to work because you are required to care for a spouse or

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dependent who is disabled (for a maximum of three years);

- On active duty in the U.S. Armed Forces, on active duty in the National Oceanic and Atmospheric Administration (NOAA), or serving full-time as an officer in the Commissioned Corps of the Public Health Service (for a combined maximum of three years);
- Serving in the Peace Corps (for a maximum of three years);
- A full-time paid volunteer for a tax-exempt organization or an ACTION program (for a maximum of three years);
- In a medical internship or residency program (for a maximum of two years);
- Teaching in a designated teacher shortage area (for a maximum of three years);
- On parental leave (for a maximum of six months); or
- A working mother entering or re-entering the workforce (for a maximum of one year).

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

For all other deferments, you (or, for a deferment based on active duty military service or qualifying National Guard duty during a war or other military operation or national emergency, a representative acting on your behalf) must submit a deferment request form to the Direct Loan Servicing Center, along with documentation of your eligibility for the deferment. In certain circumstances, you may not be required to provide documentation of your eligibility if the Direct Loan Servicing Center confirms that you have been granted the same deferment for the same period of time on a FFEL Program loan. The Direct Loan Servicing Center can provide you with a deferment request form that explains the 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 the Direct Loan Servicing Center's web site.

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

You are not responsible for paying the interest on a Direct Subsidized Loan during a period of deferment. However, you are responsible for paying the interest on a Direct Unsubsidized Loan during a period of deferment.

Forbearance

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

We will give you a forbearance if:

- You are serving in a medical or dental internship or residency program, and you meet specific requirements;
- The total amount you owe each month for all of the student loans you received under Title IV of the Act is 20 percent 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 are performing service that would qualify you for loan forgiveness under the teacher loan forgiveness program that is available to certain Direct Loan and FFEL program borrowers;
- You qualify for partial repayment of your loans under 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 the Direct Loan Servicing Center. The Direct Loan Servicing Center 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 the Direct Loan Servicing Center's web site.

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

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

You are responsible for paying the interest on both Direct Subsidized Loans and Direct Unsubsidized Loans during a period of forbearance.

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

- You die. The Direct Loan Servicing Center must receive acceptable documentation of your death, as defined in the Act.
- 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 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.

We may forgive a portion of any student loans you received under the Direct Loan or FFEL program after October 1, 1998 if you teach full time for five consecutive years in certain low-income elementary and/or secondary schools and meet certain other qualifications, and if you did not owe a Direct Loan or FFEL program loan as of October 1, 1998, or as of the date you obtain a loan after October 1, 1998.

A public service loan forgiveness program is 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 2, 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, the Direct Loan Servicing Center 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 the Direct Loan Servicing Center.

In some cases, you may assert, as a defense against collection of your loan, that the school did something wrong or failed to do something that it should have done. You can make such a defense against repayment only if the school's act or omission directly relates to your loan or to the educational services that the loan was intended to pay for, and if what the school did or did not do would give rise to a legal cause of action against the school under applicable state law. If you believe that you have a defense against repayment of your loan, contact the Direct Loan Servicing Center.

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

22. Loan consolidation. A Direct Consolidation Loan Program is available that allows you to consolidate (combine) one or more of your eligible federal education loans into one loan. Consolidation allows you to extend the period of time that you have to repay your loans, and to combine several loan debts into a single monthly payment. 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 the Direct Loan Servicing Center for more information about loan consolidation.

23. 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.

24. AmeriCorps program education awards. Under the National and Community Service Act of 1990, you may receive an education award that can be used to repay a Direct Subsidized Loan or Direct Unsubsidized Loan if you successfully complete a term of service in an AmeriCorps program. For more information, contact an official of your program.

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Direct Subsidized Loan and Direct Unsubsidized Loan Borrower's Rights and Responsibilities Statement**

Repaying Your Loans¹

Initial Debt When You Enter Repayment	Standard		Extended ^{2,3}		Graduated		Income Contingent ^{5,6} Income = \$15,000				Income Contingent ^{5,6} Income = \$25,000				Income Contingent ^{5,6} Income = \$45,000			
	Per Month	Total	Per Month	Total	Per ⁴ Month	Total	Single		Married/HOH ⁷		Single		Married/HOH ⁷		Single		Married/HOH ⁷	
							Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total
3,500	50	4,471	Not Available		25	5,157	21	6,939	20	6,673	27	6,092	25	6,405	36	5,128	36	5,128
5,000	58	6,905	Not Available		40	7,278	30	9,912	29	9,533	38	8,703	36	9,150	51	7,326	51	7,326
5,500	63	7,595	Not Available		43	8,007	33	10,903	30	10,463	42	9,574	40	10,065	56	8,059	56	8,059
7,500	86	10,357	Not Available		59	10,919	45	14,868	30	14,019	57	13,055	54	13,725	76	10,989	76	10,989
10,500	121	14,500	Not Available		83	15,283	64	20,815	30	18,877	80	18,277	76	19,215	107	15,385	107	15,385
15,000	173	20,714	Not Available		119	21,834	87	29,685	30	25,229	114	26,110	108	27,451	153	21,978	153	21,978
18,500	213	25,548	Not Available		146	26,929	87	35,992	30	29,465	140	32,203	134	33,856	188	27,106	188	27,106
23,000	265	31,762	Not Available		182	33,479	87	43,141	30	34,128	174	40,036	166	42,091	234	33,699	234	33,699
30,000	345	41,429	Not Available		237	43,668	87	52,340	30	39,756	228	52,221	197	55,743	407	43,956	407	43,956
40,000	460	55,239	277	83,289	316	58,229	87	62,005	30	44,827	253	72,717	197	84,352	468	58,608	468	58,608
46,000	529	63,524	319	95,782	363	66,956	87	66,084	30	46,378	253	89,828	197	105,472	509	67,399	509	67,399
50,000	575	69,048	347	104,111	395	72,778	87	68,153	30	46,860	253	103,268	197	111,575	587	73,260	587	73,260
60,000	690	82,858	391	140,816	474	87,334	87	71,219	30	46,934	253	136,615	197	124,085	587	88,251	587	88,251
70,000	806	96,667	456	164,285	535	101,890	87	71,721	30	46,934	253	148,551	197	133,106	587	106,551	587	106,551
80,000	920	110,477	522	187,754	632	116,445	87	71,721	30	46,934	253	157,373	197	138,907	587	128,146	587	128,146
90,000	1,036	124,287	587	211,224	711	131,002	87	71,721	30	46,934	253	163,227	197	141,925	587	152,967	587	152,967
100,000	1,151	138,096	652	234,693	790	145,556	87	71,721	30	46,934	253	166,457	197	142,386	587	181,224	587	181,224
110,000	1,266	151,906	717	258,162	869	160,111	87	71,721	30	46,934	253	167,172	197	142,386	587	213,485	587	213,485
120,000	1,381	165,716	782	281,632	948	174,668	87	71,721	30	46,934	253	167,172	197	142,386	587	250,281	587	250,281
130,000	1,496	179,525	848	305,101	1,024	189,224	87	71,721	30	46,934	253	167,172	197	142,386	587	292,313	587	292,313
138,500	1,594	191,264	903	325,050	1,094	201,596	87	71,721	30	46,934	253	167,172	197	142,386	587	332,912	587	332,912

¹ The **estimated** payments were calculated using a fixed interest rate of 6.80%.

² This repayment plan is available only to borrowers who have an outstanding balance on Direct Loan Program loans that exceeds \$30,000, and who had no outstanding balance on a Direct Loan Program loan as of October 7, 1998 or on the date they obtained a Direct Loan Program loan on or after October 7, 1998.

³ These amounts are fixed, rounded to the nearest dollar, and calculated based on a 25-year repayment term.

⁴ This is your beginning payment, which may increase during your 10-year repayment term.

⁵ Assumes a 5% annual income growth (Census Bureau).

⁶ The **estimated** payments were calculated using the formula requirements in effect during 2006.

⁷ HOH is Head of Household; assumes a family size of two.

**Plain Language Disclosure for Direct Subsidized Loans and Direct Unsubsidized Loans
William D. Ford Federal Direct Loan Program**

1. General information. You are receiving a Direct Subsidized Loan and/or Direct Unsubsidized Loan to help cover the costs of your education. This Plain Language Disclosure (Disclosure) summarizes information about your loan. Please read this Disclosure carefully and keep a copy in a safe place. In this Disclosure, the words "we," "us," and "our" refer to the U.S. Department of Education (the Department). If you have questions about your loan, contact our Direct Loan Servicing Center. The Direct Loan Servicing Center's telephone number and address are shown on correspondence you will receive related to your loan.

You must repay this loan, even if you are unhappy with your education, do not complete your program of study, or cannot find work in your area of study. Borrow only the amount you can afford to repay, even if you are eligible to borrow more.

By accepting your loan proceeds, you are certifying, under penalty of perjury, that if you have been convicted of, or have pled *nolo contendere* or guilty to, a crime involving fraud in obtaining federal student aid funds under Title IV of the Higher Education Act of 1965, as amended, you have completed the repayment of those funds to the Department, or to the loan holder in the case of a Title IV federal student loan.

Information about your loans will be reported to the National Student Loan Data System (NSLDS). Information in NSLDS is accessible to schools, lenders, and guarantors for specific purposes as authorized by the Department.

2. Master Promissory Note (MPN). You are receiving a loan under an MPN that you signed previously. You may receive additional loans under that MPN for up to 10 years if the school that you attend is authorized to use the multi-year feature of the MPN and chooses to do so. If your 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 the same MPN, you must sign a new MPN for each loan. If you do not want to receive more than one loan under the same MPN, you must notify your school or the Direct Loan Servicing Center in writing.

3. Loan terms and conditions. This Disclosure summarizes information about your loan. Please refer to your MPN and the Borrower's Rights and Responsibilities Statement that you received previously for the complete terms and conditions of your loan. If you need another copy of the Borrower's Rights and Responsibilities Statement, contact the Direct Loan Servicing Center. Unless we tell you otherwise in this Disclosure, your MPN and the Borrower's Rights and Responsibilities Statement control the terms and conditions of your loan. Loans made under your MPN are subject to the Higher Education Act of 1965, as amended, and federal regulations (collectively referred to as "the Act"). Any changes to the law or regulations apply to loans in accordance with the effective date of the changes.

4. Use of loan money. You may use your loan money only to pay for educational expenses (for example, tuition, room, board, books) at the school that determined you were eligible to receive the loan. If you accept this loan, your eligibility for other student assistance may be affected.

5. Information you must report. While you are still in school, you must notify your school if you (i) change your address or telephone number; (ii) change your name (for example, maiden name to married name); (iii) do not enroll at least half-time for the loan period certified by the school, or do not enroll at the school that certified your eligibility for the loan; (iv) stop attending school or drop below half-time enrollment; or (v) graduate or transfer to another school.

You must also notify the Direct Loan Servicing Center of any of the above changes at any time after you receive your loan. In addition, you must notify the Direct Loan Servicing Center if you (i) change employers or if your employer's address or phone number changes; or (ii) have any other change in status that affects your loan (for example, if you received a deferment but no longer meet the eligibility requirements for that deferment).

6. Amount you may borrow. There are limits on the amount you may borrow each academic year (annual loan limits) and in total (aggregate loan limits), as explained in the Borrower's Rights and Responsibilities Statement. You cannot borrow more than these limits.

Effective for loans first disbursed on or after July 1, 2008, the annual and aggregate loan limits are as follows:

Annual Loan Limits

Dependent Undergraduates (except students whose parents cannot borrow PLUS loans)	
First Year (freshman)	\$5,500 (maximum \$3,500 subsidized)
Second Year (sophomore)	\$6,500 (maximum \$4,500 subsidized)
Third Year (junior) and Beyond	\$7,500 (maximum \$5,500 subsidized)
Independent Undergraduates (and dependent students whose parents cannot borrow PLUS loans)	
First Year (freshman)	\$9,500 (maximum \$3,500 subsidized)
Second Year (sophomore)	\$10,500 (maximum \$4,500 subsidized)
Third Year (junior) and Beyond	\$12,500 (maximum \$5,500 subsidized)
Graduate and Professional Students	
	\$20,500 (maximum \$8,500 subsidized)

Aggregate Loan Limits

Dependent Undergraduates (except students whose parents cannot borrow PLUS loans)	
	\$31,000 (maximum \$23,000 subsidized)
Independent Undergraduates (and dependent students whose parents cannot borrow PLUS loans)	
	\$57,500 (maximum \$23,000 subsidized)
Graduate and Professional Students	
	\$138,500 (maximum \$65,500 subsidized)

7. Interest. Loans with a first disbursement date on or after July 1, 2006 have a fixed interest rate. However, different fixed interest rates may apply to separate loans made under the MPN depending on whether the loan is subsidized or unsubsidized, when the loan is first disbursed, and whether you are an undergraduate or graduate student. Loans with a first disbursement date prior to July 1, 2006 have a variable rate that is adjusted each year on July 1 but will never be more than 8.25%. Some variable interest rate loans have an interest rate that is lower during in-school, grace, and deferment periods, and higher during repayment and forbearance periods. For loans with a variable interest rate, we will notify you annually of the actual interest rate for each loan that you receive.

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 the Direct Loan Servicing Center for information about the documentation you must provide to show that you qualify.

We do not charge interest on Direct Subsidized Loans while you are enrolled in school at least half time, during your grace period, and during deferment periods. Except as provided below for certain military borrowers, we charge interest on Direct Subsidized Loans during all other periods (starting on the day after your grace period ends), including forbearance periods.

Except as provided below for certain military borrowers, we charge interest on Direct Unsubsidized Loans during all periods (starting on the day your loan is paid out). This includes periods while you are enrolled in school, during your grace period, and during deferment and forbearance periods. Therefore, you will pay more interest on Direct Unsubsidized Loans than on Direct Subsidized Loans.

If you do not pay the interest that is charged to you during in-school, grace, deferment, and forbearance periods, we will add it to the unpaid amount of your loan. This is called capitalization. Capitalization increases the unpaid amount of your loan, and we will then charge interest on the increased amount.

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). For Direct Consolidation Loans, this benefit applies to the portion of the consolidation loan that repaid loans first disbursed on or after October 1, 2008.

8. Loan fee. We charge a loan fee on your loan that is a percentage of the principal amount of the loan. The percentage is determined by the Act and varies depending on when a loan is first disbursed. The specific loan fee that you are charged will be shown on a disclosure statement that we send to you. This fee will be subtracted proportionately from each disbursement of your loan.

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. The following repayment incentive programs may be available to you: *Interest Rate Reduction for Electronic Debit Account Repayment and Up-Front Interest Rebate*. These repayment incentive programs are described in the Borrower's Rights and Responsibilities Statement. The Direct Loan Servicing Center can provide you with more information on other repayment incentive programs that may be available.

10. Disbursement of loan money. Generally, your 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 your 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. Your school may disburse your loan money by crediting it to your student account, or may give it to you directly by check or other means. The Direct Loan Servicing Center will notify you each time your school disburses a portion of your loan.

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

- If your 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 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 your school's payment period, whichever is later (your 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 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, your school will return the cancelled loan amount to us. You do not have to pay interest or the loan fee on the part of your loan that you tell your school to cancel within these timeframes. If you received an up-front interest rebate on your loan, the rebate does not apply to the part of your loan that you tell your school to cancel. Your loan will be adjusted to eliminate any interest, loan fee, and rebate amount that applies to the amount of the loan that was cancelled.

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

Plain Language Disclosure for Direct Subsidized Loans and Direct Unsubsidized Loans William D. Ford Federal Direct Loan Program

- Within 120 days of the date your school disbursed your loan money (by crediting the loan money to your account at the school, by paying it directly to you, or both), you may return all or part of your loan to us. Contact the Direct Loan Servicing Center 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 you return within 120 days of the date that part of your loan is disbursed. If you received an up-front interest rebate on your loan, the rebate does not apply to the part of your loan that you return. Your loan will be adjusted to eliminate any interest, loan fee, and rebate amount that applies to the amount of the loan that you return.

12. Grace period. You will receive a 6-month grace period on repayment that starts the day after you stop attending school or drop below half-time enrollment. You do not have to begin making payments on your loan until after your grace period ends.

13. Repaying your loan. You must repay each loan that you receive according to the repayment schedule provided by the Direct Loan Servicing Center. You must begin repaying your loan after your grace period ends. The amount of time you have to repay your loan (the repayment period) will vary from 10 to 25 years, depending on the repayment plan that you choose and the total amount you have borrowed. For Direct Subsidized Loans and Direct Unsubsidized Loans that enter repayment on or after July 1, 2006, you may choose one of the following repayment plans:

Standard Repayment Plan. Refer to the Borrower's Rights and Responsibilities Statement for the terms and conditions of this plan.

Graduated Repayment Plan. If you choose this plan, your payments will usually be lower at first, and will then increase over time. No single payment will be more than 3 times greater than any other payment. Under this plan, you must repay your loan in full within 10 years (not including periods of deferment and forbearance) from the date the loan entered repayment. If your loan has a variable interest rate, we may need to adjust the number or amount of your payments to reflect changes in the interest rate.

Extended Repayment Plan. You may choose this plan only if (i) 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 (ii) you have an outstanding balance on Direct Loan Program loans that exceeds \$30,000. If you are eligible for and choose this plan, you will make monthly payments based on fixed annual or graduated repayment amounts and will repay your loan in full over a period not to exceed 25 years (not including periods of deferment and forbearance) from the date your loan entered repayment. Your payments must be at least \$50 per month and will be more, if necessary, to repay the loan within the required time period. If your loan has a variable interest rate, we may need to adjust the number or amount of your payments to reflect changes in the interest rate.

Income Contingent Repayment Plan. Refer to the Borrower's Rights and Responsibilities Statement for the terms and conditions of this plan.

Effective July 1, 2009, if you are eligible, you may also choose an **Income-Based Repayment 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. The maximum repayment period under this plan may exceed 10 years. If you meet certain requirements over a 25-year period, you may qualify for cancellation of any outstanding balance on your loans.

These plans are designed to give you flexibility in meeting your obligation to repay your loan. You may change repayment plans at any time after you have begun repaying your loan. You may make loan payments before they are due, or pay more than the amount due each month, without penalty. When you have repaid a loan in full, the Direct Loan Servicing Center will send you a notice telling you that you have paid off your loan. You should keep this notice in a safe place.

14. Late charges and collection costs. We may require you to pay a late charge of not more than six cents for each dollar of each late payment if you do not make any part of a payment within 30 days after it is due. We may also require you to pay other charges and fees involved in collecting your loan.

15. Demand for immediate repayment. The entire unpaid amount of your loan becomes due and payable (on your MPN this is called "acceleration") if you (i) receive loan money but do not enroll at least half-time at the school that determined you were eligible to receive the loan; (ii) use your loan money to pay for anything other than educational expenses at the school that determined you were eligible to receive the loan; (iii) make a false statement that causes you to receive a loan that you are not eligible to receive; or (iv) default on your loan.

16. Default. You are in default on your loan if you (i) do not repay the entire unpaid amount of your loan if we require you to do so; (ii) have not made a payment on your loan for at least 270 days; or (iii) do not comply with other terms and conditions of your loan, and we conclude that you no longer intend to honor your obligation to repay your loan.

If you default on your loan, we will report your default to national consumer reporting agencies. We may sue you, take all or part of your federal tax refund, 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.

17. Consumer reporting agency notification. We will report information about your loan to national consumer reporting agencies. 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.

18. 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. For example:

You may receive a deferment while you are attending school at least half-time or for up to 3 years while you are unemployed.

You may receive a deferment 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 are serving on or after October 1, 2007, for an additional 180-day period following the demobilization date for your qualifying service.

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 least half-time at an eligible school, or within 6 months after having been enrolled at least half-time, you are eligible for a deferment during the 13 months following the conclusion of your active duty service, or until the date you return to enrolled student status on at least a half-time basis, whichever is earlier.

This is not a complete list of available deferments. For a complete list, refer to the Borrower's Rights and Responsibilities Statement that you received previously.

We do not charge interest on Direct Subsidized Loans during deferment periods. However, we do charge interest on Direct Unsubsidized Loans during deferment periods.

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. For example, we may give you a forbearance if you are temporarily unable to make scheduled loan payments because of financial hardship or illness. We may also give you a forbearance under other conditions as described in the Borrower's Rights and Responsibilities Statement. We charge interest on both Direct Subsidized Loans and Direct Unsubsidized Loans during forbearance periods.

To request a deferment or forbearance, contact the Direct Loan Servicing Center.

19. Loan discharge. We may discharge (forgive) all or part of your loan if (i) you die, and we receive an original or certified copy of your death certificate; (ii) you become totally and permanently disabled and meet certain other requirements; (iii) your loan is discharged in bankruptcy; (iv) you were unable to complete your course of study because your school closed; (v) your school falsely certified your eligibility; (vi) your school did not pay a refund of your loan money that it was required to pay under federal regulations; or, effective July 1, 2006, (vii) a loan in your name was falsely certified as a result of a crime of identity theft. To request a loan discharge, contact the Direct Loan Servicing Center.

We may forgive a portion of any loans you received under the Direct Loan or Federal Family Education Loan (FFEL) program after October 1, 1998 if you teach full-time for 5 consecutive years in certain low-income elementary and/or secondary schools and meet certain other qualifications, and if you did not owe a Direct Loan or FFEL program loan as of October 1, 1998, or as of the date you obtain a loan after October 1, 1998. Contact the Direct Loan Servicing Center for specific eligibility requirements.

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 loan in addition to the benefits described above. If other forgiveness or repayment options become available, the Direct Loan Servicing Center will provide information about these benefits.

In some cases, you may assert, as a defense against collection of your loan, that your school did something wrong or failed to do something that it should have done. You can make such a defense against repayment only if what your school did or did not do would give rise to a legal cause of action under applicable state law. If you believe that you have a defense against repayment of your loan, contact the Direct Loan Servicing Center.

20. Loan consolidation. You may consolidate (combine) one or more of your eligible federal education loans into one loan. Consolidation allows you to extend the period of time that you have to repay your loans, and to combine several loan debts into a single monthly payment. 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 the Direct Loan Servicing Center for more information about loan consolidation.

Direct Loans

William D. Ford Federal Direct Loan Program

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

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.

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

SECTION A: BORROWER INFORMATION – TO BE COMPLETED BY ALL BORROWERS; READ THE INSTRUCTIONS IN SECTION G BEFORE COMPLETING THIS SECTION

CHECK ONE – I am a: Graduate or Professional Student Parent of a Dependent Undergraduate Student

1. Driver's License State and No.	2. Social Security No.	3. Date of Birth (mm-dd-yyyy)
4. E-Mail Address (optional)	6. Area Code/Telephone No.	
5. Name and Permanent Address (see instructions)	7. Citizenship Status (to be completed by parent borrowers only -- 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.	

8. Employer's Name and Address	9. Work Area Code/Telephone No. ()
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10. 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. If you are a parent borrower, do not list the student.

Name	1. _____	2. _____
Permanent Street Address	_____	_____
City, State, Zip Code	_____	_____
E-Mail Address (optional)	_____	_____
Area Code/Telephone No.	() _____	() _____
Relationship to Borrower	_____	_____

SECTION B: SCHOOL INFORMATION – TO BE COMPLETED BY THE SCHOOL

11. School Name and Address	12. School Code/Branch	13. Identification No.
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SECTION C: DEPENDENT UNDERGRADUATE STUDENT INFORMATION – TO BE COMPLETED BY PARENT BORROWERS ONLY

14. Dependent Undergraduate Student's Name (last, first, middle initial)	15. Social Security No.	16. Date of Birth (mm-dd-yyyy)
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SECTION D: BORROWER REQUEST, CERTIFICATIONS, AUTHORIZATIONS, AND UNDERSTANDINGS – ALL BORROWERS READ CAREFULLY BEFORE SIGNING BELOW

17. This is an Application and Master Promissory Note (MPN) for one or more Federal Direct PLUS (Direct PLUS) Loans. I request a Direct PLUS Loan under this MPN in an amount not to exceed my or (if I am a parent borrower) the student's annual cost of attendance, minus other financial aid received for each academic year. For each loan, the school will notify me of the loan amount that I am eligible to borrow. I may cancel a loan or request a lower amount by contacting the school. Additional information about my right to cancel a loan or request a lower amount is included in the Borrower's Rights and Responsibilities Statement and in the disclosure statements that will be provided to me. If I have an adverse credit history and obtain an endorser so that I may receive a Direct PLUS Loan, only one loan may be made to me under this MPN.
18. Under penalty of perjury, I certify that:
- A. The information I have provided on this MPN and as updated by me from time to time is true, complete, and correct to the best of my knowledge and belief and is made in good faith.
 - B. I am (1) a graduate or professional student, (2) the biological or adoptive parent of the student identified in Section C, or (3) the spouse of the parent and my income and assets were reported on the Free Application for Federal Student Aid (FAFSA), or would be reported if a FAFSA were filed.
 - C. The proceeds of loans made under this MPN will be used for authorized educational expenses incurred by me or, if I am a parent borrower, by the student; I will immediately repay any loan proceeds that cannot be attributed to educational expenses for attendance on at least a half-time basis at the school that certified my loan eligibility.
 - 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 to repay the amount owed.
 - E. If I am in default on any loan received under the Federal Perkins Loan Program (including National Direct Student Loans), the William D. Ford Federal Direct Loan (Direct Loan) Program, or the Federal Family Education Loan (FFEL) Program, I have made satisfactory repayment arrangements with the holder to repay the amount owed.
 - F. If I have been convicted of, or pled *nolo contendere* (no contest) or guilty to, a crime involving fraud in obtaining funds under Title IV of the Higher Education Act of 1965, as amended (HEA), I have completed the repayment of the funds to the U.S. Department of Education (ED) or to the loan holder in the case of a Title IV federal student loan. If I am a parent applying for a Direct PLUS Loan for a dependent undergraduate student, and if that student has been convicted of, or pled *nolo contendere* or guilty to, a crime involving fraud in obtaining funds under Title IV of the HEA, the student has completed the repayment of the funds to ED, or to the loan holder in the case of a Title IV federal student loan.
19. For each Direct PLUS Loan I receive under this MPN, I make the following authorizations:
- A. I authorize the school to certify my eligibility for the loan.
 - B. For each loan that I receive under this MPN, 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.
 - C. I authorize the school to credit my loan proceeds to my account at the school if I am a graduate or professional student borrower or to the student's account at the school if I am a parent borrower.
 - D. I authorize the school to pay to ED any refund that may be due up to the full amount of the loan.
 - E. Unless I notify ED differently, I authorize ED to defer repayment of principal on my loan if I enroll at least half time at an eligible school and, if I am a graduate or professional student, for the 6-month period after I cease to be enrolled at least half time.
 - F. I authorize the school and ED to release information about my loan to the references on the loan and to members of my immediate family, unless I submit written directions otherwise.
 - G. I authorize the schools, ED, and their agents to release information about my loan to each other.
 - H. 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.
20. I will be given the opportunity to pay the interest that accrues during deferment, forbearance, and other periods as provided under the Act ("the Act" is defined in Section F under Governing Law), including during in-school deferment periods. Unless I pay the interest, I understand that ED may add unpaid interest that accrues on each loan made under this MPN to the principal balance of that loan (this is called "capitalization") at the end of the deferment, forbearance, or other period. Capitalization will increase the principal balance on my loan and the total amount of interest I must pay.
21. I understand that ED has the authority to verify information reported on this MPN with other federal agencies.

SECTION E: PROMISE TO PAY – TO BE COMPLETED BY ALL BORROWERS

22. I promise to pay to ED all loan amounts disbursed under the terms of this MPN, plus interest and other charges and fees that may become due as provided in this MPN. I understand that, if I qualify, more than one loan may be made to me under this MPN for myself or for the student identified in Section C. I understand that by accepting any disbursement issued at any time under this MPN, I agree to repay the loan associated with that disbursement. I understand that, within certain timeframes, I may cancel or reduce the amount of a loan by refusing to accept or by returning all or a portion of any disbursement that is issued. Unless I make interest payments, interest that accrues on my loan during deferment, forbearance, or other periods will be added to the principal balance of the loan as provided under the Act. If I do not make a payment on a loan made under this MPN when it is due, I will also pay reasonable collection costs, including but not limited to attorney fees, court costs, and other fees. I will not sign this MPN before reading the entire MPN, even if I am told not to read it, or told that I am not required to read it. I am entitled to an exact copy of this MPN 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 MPN, including the Borrower Request, Certifications, Authorizations, and Understandings in Section D, the Notice About Subsequent Loans Made Under this MPN in Section F, and the terms and conditions described in Section F of this MPN and in the Borrower's Rights and Responsibilities Statement.

I UNDERSTAND THAT I MAY RECEIVE ONE OR MORE LOANS UNDER THIS MPN, AND THAT I MUST REPAY ALL LOANS THAT I RECEIVE UNDER THIS MPN.

23. Borrower's Signature _____	24. Today's Date (mm-dd-yyyy) _____
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Direct PLUS Loan MPN (continued)

SECTION F: MPN TERMS AND CONDITIONS

GOVERNING LAW

The terms of this Application and Master Promissory Note (MPN) 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 MPN.

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.

NOTICE ABOUT SUBSEQUENT LOANS MADE UNDER THIS MPN

This MPN authorizes ED to disburse multiple loans to me to pay my educational expenses or, if I am a parent borrower, the educational expenses of the student identified in Section C during the multi-year term of this MPN, upon my request and upon the school's annual certification of my loan eligibility. If I have an adverse credit history and obtain an endorser to receive a Direct PLUS Loan, only one loan may be made under this MPN.

At schools that are authorized to use the multi-year feature of the MPN and choose to do so, subsequent loans may be made under this MPN for subsequent academic years. At any school, subsequent loans may be made under this MPN for the same academic year.

I understand that no subsequent loans will be made under this MPN after the earliest of the following dates: (1) the date ED or the school receives my written notice that no further loans may be made; (2) one year after the date I sign the MPN or the date ED receives the MPN if no disbursements are made under the MPN; or (3) ten years after the date I sign the MPN or the date ED receives the MPN.

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

Direct PLUS Loan MPN (continued)

SECTION G: INSTRUCTIONS FOR COMPLETING THE MPN

This is a Master Promissory Note (MPN) under which you may receive multiple Direct PLUS Loans for yourself or for the dependent undergraduate student identified in Section C over a maximum ten-year period. ("Dependent" is defined in the Act and is different from the definition used by the Internal Revenue Service.)

ED will perform a credit check with a national consumer reporting agency before approving each loan. If you have an adverse credit history, you may not borrow a Direct PLUS Loan unless you (1) document to ED's 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 loan if you do not do so. If you are a parent borrower, the endorser may not be the student for whom you are borrowing the loan.

Print using a blue or black ink ballpoint pen or type. Do not use pencil. Report all 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 that 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.

SECTION A: BORROWER INFORMATION

IMPORTANT: Check the appropriate box to indicate whether you are a Graduate or Professional Student or a Parent of a Dependent Undergraduate Student before completing the Borrower Information section.

Item 1. Enter the two-letter 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 2. Enter your nine-digit Social Security Number.

Item 3. Enter your date of birth.

Item 4. 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 5. Enter your last name, then your first name and middle initial. 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. If you do not have a permanent street address or rural route number and box number, provide the physical location of your residence. A temporary school address is not acceptable.

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

Item 7. Complete this item only if you are a parent borrower. 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 receive a Direct PLUS Loan.

Item 8. Enter your employer's name and address (street, city, state, zip code). If you are self-employed, enter the name and address of your business. If you are not employed, enter N/A.

Item 9. Enter your work area code and telephone number. If you are self-employed, enter the area code and telephone number of your business.

Item 10. 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. If you are a parent borrower, do not list the student for whom you are borrowing as a reference. References who live outside the United States are not acceptable. 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: SCHOOL INFORMATION

This section will be completed by the school that certifies your loan eligibility.

SECTION C: DEPENDENT UNDERGRADUATE STUDENT INFORMATION

Complete this section only if you are a parent borrowing for a dependent undergraduate student.

Item 14. Enter the student's last name, then first name and middle initial.

Item 15. Enter the student's nine-digit Social Security Number.

Item 16. Enter the student's date of birth.

SECTION D: BORROWER REQUEST, CERTIFICATIONS, AUTHORIZATIONS, AND UNDERSTANDINGS

Items 17, 18, 19, 20, and 21. Read these items carefully.

SECTION E: PROMISE TO PAY

Item 22. Read this item carefully.

Items 23 and 24. Sign your full legal name, in blue or black ink, and enter the date you signed this MPN.

By signing this MPN, you:

(1) Acknowledge that you have read, understand, and agree to the terms and conditions of the MPN, including the Borrower Request, Certifications, Authorizations, and Understandings in Section D and the accompanying Borrower's Rights and Responsibilities Statement.

(2) Agree to repay in full all loans made under this MPN according to the terms and conditions of the MPN.

Direct PLUS Loan MPN (continued)

SECTION H: 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.

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

William D. Ford Federal Direct Loan Program

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 repayment plan that has a maximum repayment

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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.

William D. Ford Federal Direct Loan Program
Direct PLUS Loan Borrower's Rights and Responsibilities Statement

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.

Plain Language Disclosure for Federal Direct PLUS Loans William D. Ford Federal Direct Loan Program

A graduate or professional student or the parent of a dependent undergraduate student may borrow a Federal Direct PLUS Loan (Direct PLUS Loan). In this document, "you" refers to the borrower.

1. General information. You are receiving a Direct PLUS Loan to help pay the costs of your education or your dependent student's education. This Plain Language Disclosure (Disclosure) summarizes important information about your loan. Please read this Disclosure carefully and keep a copy in a safe place. In this Disclosure, the words "we," "us," and "our" refer to the U.S. Department of Education (the Department). The Department may use a servicer to handle billing and other communications related to your loan. If you have questions about your loan, contact your servicer. Your servicer's telephone number and address are shown on correspondence you will receive related to your loan.

You must repay this loan, even if you or your dependent undergraduate student are unhappy with the education provided by the school, do not complete the program of study, or cannot find work in that area of study. Borrow only the amount you can afford to repay, even if you are eligible to borrow more.

By accepting your loan proceeds, you are certifying, under penalty of perjury, that if you or your dependent undergraduate student, as applicable, have been convicted of, or have pled *nolo contendere* or guilty to, a crime involving fraud in obtaining federal student aid funds under Title IV of the Higher Education Act of 1965, as amended (the HEA), you or the student have completed the repayment of those funds to the Department, or to the loan holder in the case of a Title IV federal student loan.

Information about your 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 the Department.

2. Direct PLUS Loan Application and Master Promissory Note (MPN). You are receiving a loan under an MPN that you signed previously. You may receive additional loans under that MPN for up to 10 years if the school that you or your dependent student attend 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 the same MPN, you must sign a new MPN for each loan. If you do not want to receive more than one loan under the same MPN, you must notify the school or your servicer in writing.

If you are a parent borrowing for more than one dependent undergraduate student, you need a separate MPN for each student. If you are borrowing for yourself as a graduate or professional student and also as a parent for one or more dependent undergraduate students, you need one MPN to borrow for yourself and a separate MPN to borrow for each dependent student.

3. Loan terms and conditions. This Disclosure summarizes information about your loan. Please refer to your MPN and the Borrower's Rights and Responsibilities Statement that you received previously for the complete terms and conditions of your loan. If you need another copy of the Borrower's Rights and Responsibilities Statement, contact your servicer. Unless we tell you otherwise in this Disclosure, your MPN and the Borrower's Rights and Responsibilities Statement control the terms and conditions of your loan. Loans made under your MPN are subject to the HEA and federal regulations, collectively referred to as "the Act." Any changes to the Act apply to loans in accordance with the effective date of the changes.

4. Use of loan money. You may use your loan money only to pay for educational expenses (for example, tuition, room, board, books) for yourself (if you are a graduate or professional student) or for your dependent undergraduate student (if you are a parent borrower) at the school that determined you were eligible to receive the loan. If you accept this loan, eligibility for other student assistance may be affected.

5. Information you must report. While you or your dependent student are still in school, you must notify the school if (i) you change your address or telephone number; (ii) you change your name (for example, maiden name to married name); (iii) you or your dependent student do not enroll at least half-time for the loan period certified by the school, or do not enroll at the school that certified your eligibility for the loan; (iv) you or your dependent student stop attending school or drop below half-time enrollment; or (v) you or your dependent student graduate or transfer to another school.

You must also notify your servicer of any of the above changes at any time after you receive your loan. In addition, you must notify your servicer if you (i) change employers or if your employer's address or phone number changes; or (ii) have any other change in status that affects your loan (for example, if you received a deferment but no longer meet the eligibility requirements for that deferment).

6. Amount you may borrow. For each academic year, you may borrow up to – but not more than – the estimated cost of attendance minus the amount of any other financial aid awarded for that academic year. The school determines the cost of attendance using federal guidelines.

7. Interest rate and payment of interest. Loans with a first disbursement on or after July 1, 2006 have a fixed interest rate of 7.9%. Loans with a first disbursement prior to July 1, 2006 have a variable interest rate that is adjusted each year on July 1 but will never be more than 9%. For loans with a variable interest rate, we will notify you annually of the actual interest rate for each loan that you receive.

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.

Except as provided below for borrowers who serve in the military, interest accrues on your Direct PLUS Loan 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 during deferment or forbearance (for example, during an in-school deferment), we will add it to the unpaid amount of your loan. This is called capitalization. Capitalization increases the unpaid amount of your loan, and interest will then accrue on the increased amount. 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, no interest accrues 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). For Direct Consolidation Loans, this benefit applies to the portion of the consolidation loan that repaid loans first disbursed on or after October 1, 2008.

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

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. The following repayment incentive programs may be available to you: *Interest Rate Reduction for Electronic Debit Account Repayment and Up-Front Interest Rebate*. These repayment incentive programs are described in the Borrower's Rights and Responsibilities Statement. Your servicer can provide you with more information on other repayment incentive programs that may be available.

10. Disbursement of loan money. 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 your loan money by crediting it to your or your dependent student's account at the school, or may give it to you directly by check or other means. Your servicer will notify you each time the school disburses a portion of your loan.

11. 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 your 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 your dependent 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 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 disbursed your loan money (by crediting the loan money to your or your dependent 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.

12. Repaying your loan. The repayment period for each Direct PLUS Loan you receive under the MPN begins on the date of the final disbursement of that loan. This means that the repayment period for each loan will begin on a different date. Unless you receive a deferment or forbearance (see Item 18), your first payment on each loan will be due within 60 days of the final disbursement of that loan. The amount of time you have to repay your loan will vary from 10 to 25 years, depending on the repayment plan that you choose and the total amount you have borrowed. The maximum repayment periods shown below do not include periods of deferment or forbearance, except for periods of economic hardship deferment when repaying under the Income-Based Repayment Plan. You may choose one of the following repayment plans:

Standard Repayment Plan. Under this plan, you will make fixed monthly payments and repay your loan in full within 10 years. Your payments must be at least \$50 per month (\$600 per year) and will be more, if necessary, to repay your loan within the required time period.

Graduated Repayment Plan. Under this plan, your payments will usually be lower at first, and will then increase over time. No single payment will be more than 3 times greater than any other payment. You must repay your loan in full within 10 years.

Plain Language Disclosure for Federal Direct PLUS Loans William D. Ford Federal Direct Loan Program

Extended Repayment Plan. You may choose this plan only if (i) 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 (ii) you have an outstanding balance on Direct Loan Program loans that exceeds \$30,000. Under this plan, you will make monthly payments based on fixed annual or graduated repayment amounts and will repay your loan in full over a period not to exceed 25 years. Your payments must be at least \$50 per month (\$600 per year) and will be more, if necessary, to repay your loan within the required time period.

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 Direct PLUS Loans under these plans):

Income Contingent Repayment (ICR) Plan. Under this plan, your monthly payment amount is based on your annual income (and your spouse's income, if you are married), family size, and total Direct Loan debt. Until we obtain the information needed to calculate your monthly payment amount under this plan, the monthly payment will equal the amount of interest that has accrued on the loan unless you request a forbearance. As your income changes, the monthly payment amount may change. If you do not repay a loan after 25 years under this plan, the unpaid portion will be forgiven. However, you may have to pay income tax on any amount forgiven.

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 forgiveness of any outstanding balance on your loans. You may have to pay income tax on any amount forgiven. To initially qualify for the IBR Plan and to continue to make income-based payments, you must have a partial financial hardship. A calculator is available at www.direct.ed.gov that 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.

Unless otherwise restricted by loan type, you must repay all of your Direct Loans under the same repayment plan. These plans are designed to give you flexibility in meeting your obligation to repay your loan. You may change repayment plans at any time after you have begun repaying your loan. You may make loan payments before they are due, or pay more than the amount due each month, without penalty. When you have fully repaid a loan, 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.

13. Transfer of loan. The Department 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.

14. Late charges and collection costs. We may require you to pay a late charge of not more than six cents for each dollar of each late payment if you do not make any part of a payment within 30 days after it is due. We may also require you to pay other charges and fees involved in collecting your loan.

15. Demand for immediate repayment. The entire unpaid amount of your loan becomes due and payable (on your MPN this is called "acceleration") if you (i) receive loan money, but you or your dependent student do not enroll at least half-time at the school that certified your eligibility for the loan; (ii) use your loan money to pay for anything other than expenses related to the cost of education at the school that certified your eligibility for the loan; (iii) make a false statement that causes you to receive a loan that you are not eligible to receive; or (iv) default on your loan.

16. Default. You are in default on your loan if you (i) do not repay the entire unpaid amount of your loan if we require you to do so; (ii) have not made a payment on your loan for at least 270 days; or (iii) do not comply with other terms and conditions of your loan, and we conclude that you no longer intend to honor your obligation to repay your loan.

If you default on your loan, we will report that fact to national consumer reporting agencies. 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.

17. 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.

18. 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. For example, 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 (only for loans first disbursed on or after July 1, 2008);
- While the student for whom you obtained a loan is enrolled at least half time at an eligible school and for the 6-month period after the student ceases to be enrolled at least half time (only for loans first disbursed on or after July 1, 2008);
- While you are unemployed (for up to 3 years);
- While you are experiencing an economic hardship, including service in the Peace Corps (for up to 3 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; and
- 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 least half time at an eligible school, or within 6 months after having been enrolled at least half time, during the 13 months following the conclusion of your active duty service, or until the date you return to enrolled student status on at least a half-time basis, whichever is earlier.

This is not a complete list of available deferments. For a complete list, refer to the Borrower's Rights and Responsibilities Statement that you received previously.

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

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. For example, we may give you a forbearance if you are temporarily unable to make scheduled loan payments because of financial hardship or illness. We may also give you a forbearance under other conditions as described in the Borrower's Rights and Responsibilities Statement that you received previously. You are responsible for paying the interest on a Direct PLUS Loan during a period of forbearance.

To request a deferment or forbearance, contact your servicer.

19. Loan discharge. We may discharge (forgive) all or part of your loan if (i) you die, or the student for whom you borrowed dies, and we receive acceptable documentation of your or the student's death; (ii) you become totally and permanently disabled and meet certain other requirements; (iii) your loan is discharged in bankruptcy; (iv) you or the student for whom you obtained the loan were unable to complete the program of study because the school closed; (v) the school falsely certified your loan eligibility; (vi) the school did not pay a refund of your loan money that it was required to pay under federal regulations; or (vii) a loan in your name was falsely certified as a result of a crime of identity theft. To request a loan discharge, contact your servicer.

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.

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 what the school did or did not do would give rise to a legal cause of action under applicable state law. If you believe that you have a defense against repayment of your loan, contact your servicer.

20. Loan consolidation. You may consolidate one or more of your eligible federal education loans into one loan with a single monthly payment. Consolidation 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.

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS)
PUBLIC HEALTH SERVICE (PHS)
HEALTH RESOURCES AND SERVICES ADMINISTRATION
BUREAU OF HEALTH PROFESSIONS
GUIDANCE**

**PRIMARY CARE LOAN PROGRAM
MASTER PROMISSORY NOTE
(SINGLE OR MULTI-YEAR)
FOR LOANS MADE ON OR AFTER
MARCH 23, 2010**

I, ____, hereinafter called the Borrower, promise to pay to __, hereinafter called the Institution located at __, the sum of such amounts as may from time to time be advanced to me with interest at the rate of Five (5) percent per annum except as specified in #3, together with all attorney's fees, collection agent costs, and other related costs and charges for the collection of any amount not paid when in default according to the terms of this Promissory Note.

The Borrower and Institution further understand and agree that:

1. Agreement to enter and practice primary health care (Section 723 Public Health Service Act):

- a. enter and complete a residency training program in primary health care not later than 4 years after the date on which the Borrower graduates from the Institution;
- b. practice in primary health care in a State (as defined in 42 USC 295) for 10 years (including the years spent in residency training) or through the date on which the loan is repaid in full, whichever occurs first (P.L. 111-148, Section 5201(a)(1)(B)), and certify to the Institution on an annual basis until the loan is repaid in full that he/she is practicing in primary health care.
- c. not enter any subspecialty training (i.e. non-primary care residency, fellowships, etc. that could lead to board certification in a subspecialty) from the time of graduation until the loan is repaid in full.

2. Definitions (Section 723 Public Health Service Act):

- a. Primary Health Care is defined as family medicine, general internal medicine, general pediatrics, preventive medicine or osteopathic general practice.
- b. Residency Training Program in Primary Health Care is defined as a 3-year residency program in allopathic or osteopathic family medicine, internal medicine, pediatrics, combined medicine/pediatrics, or preventive medicine, approved by the Accreditation Council on Graduate Medical Education (ACGME) or the American Osteopathic Association (AOA) or a general practice residency program approved by the AOA. This may include participation in a rotating or primary health care internship approved by the AOA.

3. Non-Compliance By Borrower (Section 723 Public Health Service Act):

- a. This loan will accrue interest continuously at a rate of seven (7) percent per annum beginning on the date of noncompliance, and ending when the loan is paid in full (P.L. 111-148, Section 5201(a)(3)).
- b. The Borrower is not eligible for the deferment provisions outlined in #7 of this Promissory Note.

4. Prohibition Against Consolidation: This Loan may not be consolidated as part of a Federal Consolidation Loan under the Higher Education Act of 1965.

5. Repayment (Section 722 Public Health Service Act, 42 CFR 57.210):

- a. Repayment shall be made in equal or graduated periodic installments within the repayment period, except that the Institution may require repayment to be made in an amount equal to not less than \$40 per month. The repayment period begins one year after the Borrower ceases to be a full-time student at a school eligible to participate in the Primary Care Loan program. The repayment period shall not be less than ten years, nor more than 25 years, at the discretion of the Institution. Periods of authorized deferment are not included as part of the repayment period.
- b. The terms and conditions of repayment shall be set forth in a separate repayment schedule which is approved by the Institution and agreed to by the Borrower. Payments under the repayment schedule shall be made to the Institution or its representative no less often than quarterly, except that if the Borrower is more than 60 days past due on a payment, the remaining balance of the loan shall be repaid on a monthly basis.

6. Interest (Section 722 Public Health Service Act, 42 CFR 57.208): Interest shall accrue from the beginning of the repayment period, except as specified in #3.

7. **Deferment (Section 722, 42 CFR 57.210):** In accordance with #1. above, periodic installments of principal and interest need not be paid, and interest shall not accrue while the Borrower: (a) serves on active duty as a member of a uniformed service of the United States, for up to three years; (b) serves as a volunteer under the Peace Corps Act, for up to three years; (c) pursues advanced professional training in primary care, including internships and residencies; (d) pursues a full-time course of study at a health professions school eligible for participation in the Primary Care Student Loan program; (e) leaves the Institution, with the intent to return to the Institution as a full-time student, to engage in a full-time educational activity which is directly related to the health profession for which the Borrower is preparing, as determined by the Secretary of Health and Human Services (the Secretary), for up to two years; and (f) participates in a fellowship training program or a full-time educational activity which is directly related to the health profession for which the Borrower prepared at the Institution, and is engaged in by the Borrower within 12 months after the completion of the Borrower's participation in advanced professional training (described in #7(c) above) or prior to the completion of the Borrower's participation in such training, for up to two years.
8. **Prepayment (Section 722 Public Health Service Act):** The Borrower may, at his or her option and without penalty, prepay all or any part of the principal and accrued interest at any time.
9. **Exit Interview (42 CFR 57.210):** The Borrower agrees to attend an exit interview prior to completing or terminating full-time student status at the Institution.
10. **Default (Section 721, 42 CFR 57.208):** If the Borrower fails to make an installment payment when due or fails to comply with any other term of this Promissory Note, except for #1 above, the loan will be considered in default.
11. **Late Charge (Section 721 Public Health Service Act, 42 CFR 57.210):** The Institution shall assess a late penalty charge for failure of the Borrower to pay all or any part of an installment, or for failure to file satisfactory evidence of entitlement to deferment, if so entitled, at a rate, not to exceed an amount equal to 6 percent as determined by the Institution of the amount of such installment, on loans more than 60 days past due.
12. **Acceleration (42 CFR 57.208):** If the Borrower fails to make a scheduled repayment or fails to comply with any other term of this Promissory Note, except as specified in #3 above, the entire unpaid balance of the loan, including interest due and accrued and any applicable penalty charges, will, at the option of the Institution, become immediately due and payable.
13. **Credit Bureaus (42 CFR 57.210):** The Institution may disclose the Borrower's loan, and any other relevant information, to credit bureaus. If the Borrower is more than 120 days past due in making a scheduled repayment, the Institution will disclose the Borrower's delinquent status, and any other relevant information, to credit bureaus.
14. **Collection Agents, Litigation, and Withholding of Services (Section 722 Public Health Service Act, 42 CFR 57.210):** If the Borrower fails to make a scheduled repayment, or fails to comply with any other term of this Promissory Note, except for #1 above, the Institution may: (a) refer the Borrower's loan to a collection agent for further collection efforts; (b) initiate legal proceedings against the Borrower; (c) withhold Institutional services, such as transcripts and letters of recommendation, from the Borrower; (d) refer the Borrower's loan to the Secretary for collection assistance, including offset of Federal salaries; and (e) obtain the Borrower's address from the Internal Revenue Service through the Secretary, if the Institution has no current address for the Borrower.
15. **Death or Disability (42 CFR 57.211):** In the event of the Borrower's total and permanent disability or death, the unpaid indebtedness remaining on the Promissory Note shall be canceled. Subject to the regulations of the Secretary, the Institution may assess a charge on the Borrower's loan to cover the costs of insuring against death or disability cancellations.
16. **Waiver or Suspension of Service Obligation (Section 723):**
 - a. If the Borrower does not graduate from a school of medicine or osteopathic medicine, the agreement set forth in #1 above and the noncompliance provisions set forth in #3 above shall be waived upon approval by the Secretary.
 - b. If the Borrower terminates his or her studies before graduating from a school of medicine or osteopathic medicine, but later resumes studies and graduates from a school of medicine or osteopathic medicine, the agreement set forth in #1 above and the noncompliance provisions set forth in #3 above shall be considered to have been suspended for the period during which the Borrower was not in attendance at a school of medicine or osteopathic medicine and the original loan terms reinstated.
 - c. This section may not be construed as authorizing the waiver or suspension of the obligation of the Borrower to repay this loan in accordance with the terms of this Promissory Note.
17. **General** The Borrower will promptly inform the Institution of any change in name or address after he or she ceases to be a full-time student at the Institution. The terms of this Promissory Note shall be construed according to the Federal statute and regulations governing the administration of the Health Professions Student Loan and Primary Care Loan programs, copies of which shall be kept by the Institution.

Notice About Subsequent Loans Made Under This Master Promissory Note

This Note authorizes the Institution to disburse multiple loans during the multi-year term of this Note upon

the Borrower's request and upon the Institution's determination of the Borrower's loan eligibility.

Subsequent loans may be made under the Note for the same or subsequent periods of enrollment at this Institution. The Institution however, may at its discretion, close this Note at any time and require the Borrower to sign a new Note for additional disbursements. If the Institution chooses to make subsequent loans under this Note, no such loans will be made after the earliest of the following dates: (i) the date this Institution receives the Borrower's written notice that no further loans may be made disbursed under this note; (ii) the date of withdrawal from the Institution by the Borrower.

Any amendments to the Public Health Service Act governs the terms of any loans disbursed on or after the effective date of such amendment, and such amended terms are hereby incorporated into this Note.

NOTICE: The Institution must require security or endorsement if the Borrower is a minor and if, under the applicable State law, the Note signed by him or her would not create a binding obligation. The Institution may not require security or endorsement in any other circumstances. The Institution shall supply a copy of this Note to the Borrower.

WARNING: Any person who knowingly makes a false statement or misrepresentation in obtaining these funds is subject to penalties which may include fines and imprisonment under Federal statute.

Date	Signature of Borrower
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Address1

Address2

Social Security Number

Date of Birth

FEDERAL PERKINS LOAN MASTER PROMISSORY NOTE

OMB No. 1845-0074 Form Approved Expiration Date 08/31/2012

Section A: Borrower Section

1. Name (last, first, middle initial) and Permanent Address (street, city, state, zip code)	2. Social Security Number
	3. Date of Birth (mm/dd/yyyy)
	4. Home Area Code/Telephone Number
	5. Driver's License Number (List state abbreviation first)

Section B: School Section

6. School Name & Address (street, city, state, zip code)	7. Annual Interest Rate
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[Any bracketed clause or paragraph may be included at option of institution]

Terms and Conditions: (Note: Additional Terms and Conditions follow on subsequent pages)

APPLICABLE LAW - The terms of this Federal Perkins Loan Master Promissory Note (hereinafter called the Note) and any disbursements made under this Note shall be interpreted in accordance with Part E of Title IV of the Higher Education Act of 1965, as amended (hereinafter called the Act), as well as Federal regulations issued under the Act. All sums advanced under this Note are subject to the Act and Federal regulations issued under the Act.

REPAYMENT - I am obligated to repay the principal and the interest that accrues on my loan(s) to the above-named institution (hereinafter called the School) over a period beginning 9 months (or sooner if I am a Less-Than-Half-Time Borrower) after the date I cease to be at least a half-time student at an institution of higher education or a comparable School outside the United States approved by the United States Department of Education (hereinafter called the Department) and ending 10 years later, unless I request in writing that my repayment period begin sooner. I understand that the School will report the amount of my installment payments, along with the amount of this loan to at least one national credit bureau. Interest on this loan shall accrue from the beginning of the repayment period. My repayment period may be shorter than 10 years if I am required by my School to make minimum monthly payments. My repayment period may be extended during periods of deferment, hardship, or forbearance and I may make graduated installments in accordance with a schedule approved by the Department. I will make my installment payments in equal monthly, bimonthly, or quarterly installments as determined by the School. The School may round my installment payment to the next highest multiple of \$5. [I will make a minimum monthly repayment of \$40 (or \$30 if I have outstanding Federal Perkins Loans made before October 1, 1992 that included the \$30 minimum payment option or outstanding National Direct Student Loans) in accordance with the Minimum Monthly Payment Section of the Terms and Conditions contained on the reverse side of this document.]

LATE CHARGES - The School may impose late charges if I do not make a scheduled payment when due or if I fail to submit to the School on or before the due date of the payment, a properly documented request for any of the forbearance, deferment, or cancellation benefits as described below. No late charges may exceed 20 percent of my monthly, bimonthly, or quarterly payment. The School may add the late charges to principal the day after the scheduled payment was due or include it with the next scheduled payment after I have received notice of the charge, and such notice is sent before the next installment is due.

FORBEARANCE, DEFERMENT, OR CANCELLATION - I may apply for a forbearance, deferment, or cancellation on my loan. During an approved forbearance period, payments of principal and interest, or principal only, may be postponed or reduced. Interest continues to accrue while my loan is in forbearance. During an approved deferment period, I am not required to make scheduled installment payments on my loan. I am not liable for any interest that might otherwise accrue while my loan is in deferment. If I meet the eligibility requirements for a cancellation of my loan, the institution may cancel up to 100 percent of the outstanding principal loan amount. Information on eligibility and application requirements for forbearances, deferments, and cancellations is provided on pages 2 through 4 of this Note. I am responsible for submitting the appropriate requests on time, and I may lose my benefits if I fail to file my request on time.

DEFAULT - The School may, at its option, declare my loan to be in default if (1) I fail to make a scheduled payment when due; (2) I fail to submit to the School, on or before the due date of a scheduled payment, documentation that I qualify for a forbearance, deferment, or cancellation; or (3) I fail to comply with the terms and conditions of this Note or written repayment agreement. The School may assign a defaulted loan to the Department for collection. I will be ineligible for any further federal student financial assistance authorized under the Act until I make arrangements that are satisfactory to the School or the Department to repay my loan. The School or the Department shall disclose to credit bureau organizations that I have defaulted and all other relevant loan information. I will lose my right to defer payments and my right to forbearance if I default on my loan. The School or the Department may accelerate my defaulted loan. Acceleration means that the School or the Department demands immediate payment of the entire unpaid balance of the loan, including principal, interest, late charges, and collection costs. I will lose my right to receive cancellation benefits for service that is performed after the date the School or the Department accelerated the loan.

CHANGE OF STATUS - I will inform the School of any change in my name, address, telephone number, Social Security Number, or driver's license number.

AUTHORIZATION - I authorize the School, the Department, and their respective agents and contractors to contact me regarding my loan request or my loan(s), including repayment of my loan(s), at the current or any future number that I provide for my cellular phone or other wireless device using automated telephone dialing equipment or artificial or pre-recorded voice or text messages.

PROMISE TO PAY: I promise to pay the School, or a subsequent holder of the Note, all sums disbursed under the terms of this Note, plus interest and other fees which may become due as provided in this Note. **I understand that multiple loans may be made to me under this Note.** I understand that by accepting any disbursements issued at any time under this Note, I agree to repay the loans. I understand that each loan is separately enforceable based on a true and exact copy of this Note. I understand that I may cancel or reduce the amount of any loan by not accepting or by returning all or a portion of any disbursement that is issued. If I do not make any payment on any loan under this Note when it is due, I promise to pay all reasonable collection costs, including attorney fees, court costs, and other fees. I will not sign this Note before reading the entire Note, even if I am told that I am not required to read it. I am entitled to an exact copy of this Note. This loan has been made to me without security or endorsement. My signature certifies I have read, understand, and agree to the terms and conditions of this Note.

I UNDERSTAND THAT I MAY RECEIVE ONE OR MORE LOANS UNDER THIS MASTER PROMISSORY NOTE AND THAT I MUST REPAY SUCH LOANS.

(E-signature)

Borrower's Signature

Date

Terms and Conditions (cont.)

DISCLOSURE OF LOAN TERMS - I understand that under this Note, the principal amount that I owe, and am required to repay, will be the sum of all disbursements issued unless I reduce or cancel any disbursements. The School will determine whether to make any loan under this Note after my loan eligibility is determined. At or before the time of first disbursement for each loan, a disclosure statement will be provided to me identifying the amount of the loan and any additional terms of the loan. I may decline a loan or request a lower amount by contacting the School. Any disclosure statement I receive in connection with any loan under this Note is hereby incorporated into this Note.

LOAN REHABILITATION - If I default on my Federal Perkins Loan, and that loan has not been reduced to a judgment as a result of litigation against me, I may rehabilitate my defaulted loan by requesting the rehabilitation and by making a voluntary, on-time, monthly payment, as determined by the School, each month for nine consecutive months. If I successfully rehabilitate my defaulted Federal Perkins Loan, I will again be subject to the terms and conditions and qualify for any remaining benefits and privileges of this Note and the default will be removed from my credit history. **I understand that I may rehabilitate a defaulted Federal Perkins Loan only once.** After my loan is rehabilitated, collection costs on the loan may not exceed 24 percent of the unpaid principal and accrued interest as of the date following the application of the ninth consecutive payment. If I default on my rehabilitated loan, the cap on collection costs is removed.

ASSIGNMENT - A loan made under this Note may be assigned by the School only to the United States, as represented by the United States Department of Education. Upon assignment, the provisions of this Note that relate to the School will, where appropriate, relate to the Department.

HARDSHIP REPAYMENT OPTIONS - Upon my written request, the School may extend my repayment period (1) for up to an additional 10 years if I qualify as a low-income individual during the repayment period; or (2) for the period necessary beyond my 10 year repayment period if, in the School's opinion, prolonged illness or unemployment prevent me from making the scheduled repayments. Interest will continue to accrue during any extension of a repayment period.

If I am required by the School to make a minimum monthly payment on my loan, the School may also permit me to pay less than the minimum monthly payment amount for a period of not more than one year at a time if I experience a period of prolonged illness or unemployment. However, such action may not extend the repayment period beyond 10 years.

GRACE PERIODS - Unless I am a Less-Than-Half-Time Borrower, I will receive an initial nine-month grace period before the first payment of my Federal Perkins Loan must be made. After the close of an authorized deferment period, I will receive a post-deferment grace period of 6 months before my payments resume. Interest does not accrue during the initial grace period or during the post-deferment grace period. The nine-month initial grace period for Federal Perkins Loans does not include any period up to three years during which I am called or ordered to active duty for more than 30 days from a reserve component of

be considered a prepayment. If, in an academic year other than the academic year in which the loan was made, I repay more than the amount due for an installment, the excess funds will be used to repay principal unless I designate it as an advance payment of the next regular installment.

MINIMUM MONTHLY PAYMENT - If required by the School, I will make a minimum monthly payment in the amount of \$40 (or \$30 if I have outstanding Federal Perkins Loans made before October 1, 1992 that included the \$30 minimum payment option or outstanding National Direct Student Loans) or its bimonthly or quarterly equivalent. If the total monthly payment amount on this loan and any outstanding Federal Perkins Loans I may have is less than the minimum monthly payment amount established by the School, the School may still require a minimum monthly payment amount. A minimum monthly payment amount will combine my obligation on this and all my outstanding Federal Perkins Loans, unless I have received loans with different grace periods and deferments. At my request and if I am eligible, the school may combine this minimum monthly payment amount with all my outstanding Federal Perkins Loans including those made at other schools. Under these circumstances the portions of the minimum monthly payment that will be applied to this loan will be the difference between the minimum monthly payment amount and the total amounts owed on a monthly basis on my other Federal Perkins Loans. If each school holding my outstanding Federal Perkins Loans exercises the minimum monthly payment amount option, the minimum monthly payment amount will be divided among the Schools in proportion to the loan amount advanced by each school if I request this treatment from each School.

FORBEARANCE - Upon making a properly documented written or oral request to the School, I am entitled to forbearance of principal and interest or principal only, renewable at intervals of up to 12 months for periods that collectively do not exceed three years, under the following conditions: If my monthly Title IV loan debt burden equals or exceeds 20 percent of my total monthly gross income; if the Department authorizes a period of forbearance due to a national military mobilization or other national emergency; or if the School determines that I qualify due to poor health or for other reasons, including service in AmeriCorps. Interest accrues during any period of forbearance.

DEFERMENTS - To apply for a deferment, I must request the deferment from the school. My request does not have to be in writing, but the School may require that I submit supporting documentation to prove my eligibility for a deferment. I may defer making scheduled installment payments and will not be liable for any interest that might otherwise accrue (1) during any period that I am enrolled and attending as a regular student in at least a half-time course of study at an eligible School (if the School obtains student enrollment information showing that I qualify for this deferment, the School may grant the deferment without my request providing the School notifies me and gives me the option to cancel the deferment); (2) during any period that I am enrolled and attending as a regular student in a graduate fellowship program approved by the Department; engaged in graduate or post-graduate fellowship-supported study outside the US; enrolled and attending a rehabilitation training program for disabled individuals approved by the Department; or engaged in

the Armed Forces of the United States, including the period necessary for me to resume enrollment at the next available enrollment period. I must notify the school that made my loan of the beginning and ending dates of my service, and the date I resume enrollment. If I am in my initial grace period when called or ordered to active duty, I am entitled to a new nine-month initial grace period upon completion of the excluded period.

If I am a Less-Than-Half-Time Borrower with outstanding Federal Perkins Loans, my repayment period begins when the next scheduled installment of my outstanding loan is due. If I am a Less-Than-Half-Time Borrower with no other outstanding Federal Perkins Loans, my repayment begins the earlier of: 9 months from the date my loan was made, or 9 months from the date I became a less-than-half-time student, even if I received the loan after I became a less-than-half-time student.

PREPAYMENT - I may prepay all or any part of my unpaid loan balance, plus any accrued interest, at any time without penalty. Amounts I repay in the academic year in which the loan was made and before the initial grace period has ended will be used to reduce the amount of the loan and will not be considered a prepayment. If I repay amounts during the academic year in which the loan was made and the initial grace period has ended, only those amounts in excess of the amount due for any repayment period shall

Terms and Conditions (cont.)

service and initial grace period or until I return to enrolled student status, whichever is earlier, if I am a member of the National Guard or other reserve component of the Armed Forces of the United States or a member of such forces in retired status (as these terms are defined in 34 CFR 674.34(i)(2)) and I was enrolled in a program of instruction at the time I was called to active duty, or within six months prior to the time I was called to active duty. Active duty does not include active duty for training or attendance at a service school or employment in a full-time, permanent position in the National Guard unless I am reassigned from that position to another form of active duty service.

I may continue to defer making scheduled installment payments and will not be liable for any interest that might otherwise accrue for a six-month period immediately following the expiration of any deferment period described in this section.

I am not eligible for a deferment while serving in a medical internship or residency program.

CANCELLATIONS - Upon making a properly documented written request to the School, I am entitled to have up to 100 percent of the original principal loan amount of this loan canceled if I perform qualifying service in the areas listed in paragraphs A through K below. Other cancellation percentages apply if I perform qualifying service in the areas listed in paragraphs L and M, as explained in those paragraphs. Qualifying service must be performed after the enrollment period covered by the loan.

A. Teaching • a full time teacher in a public or other nonprofit elementary or secondary school or in a school or location operated by an educational service agency that has been designated by the Department in accordance with the provisions of section 465(a)(2) of the Act as a school with a high concentration of students from low-income families. An official Directory of designated low-income schools and locations operated by educational service agencies is published annually by the Department. • a full-time special education teacher in a public or nonprofit elementary or secondary school system, including a system administered by an educational service agency; or • a full-time teacher, in a public or other nonprofit elementary or secondary school system who teaches mathematics, science, foreign languages, bilingual education, or any other field of expertise that is determined by the State Department of Education to have a shortage of qualified teachers in that State.

public service that qualifies me to have part or all of my loan canceled; (3) for a period not to exceed three years during which I am seeking but unable to find full-time employment; (4) for a period not to exceed three years, for up to one year at a time, during which I am experiencing an economic hardship as determined by the School. I may qualify for an economic hardship deferment for my Federal Perkins Loan if I provide my school with documentation showing that I have been granted such a deferment under the William D. Ford Federal Direct Loan or Federal Family Education Loan program for the period of time for which I am requesting an economic hardship deferment for my Federal Perkins Loan. If I am serving as a volunteer in the Peace Corps, I am eligible for an economic hardship deferment for my full term of service. An economic hardship deferment based on service as a Peace Corps volunteer may not exceed the lesser of three years or my remaining period of economic hardship eligibility; (5) during any period when I am 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 (as these terms are defined in 34 CFR 674.34(h) of the Perkins Loan Program regulations) and, if my active duty service includes October 1, 2007 or begins on or after that date, for an additional 180-day period following the demobilization date for my service; and (6) if I am serving on active duty military service on October 1, 2007, or begin serving on or after that date, for at least a 30-day period, for up to 13 months following the conclusion of my active duty military

Secondary Education Act of 1965, or who is employed in a public library that serves a geographic area that contains one or more such schools.

J. Speech-Language Pathologist • a full-time speech-language pathologist who has a master's degree and who is working exclusively with schools that are eligible for assistance under title I of the Elementary and Secondary Education Act of 1965.

K. Service in an Early Childhood Education Program • a full-time staff member in the educational component of a Head Start program, or a full-time staff member in a pre-kindergarten or child care program that is licensed or regulated by the State. The program must be operated for a period comparable to a full School year and must pay a salary comparable to an employee of a local educational agency.

Cancellation Rates - For each completed year of service under paragraphs A, B, C, D, E, F, G, H, I, and J a portion of this loan will be canceled at the following rates:

- 15 percent of the original principal loan amount for each of the first and second years; • 20 percent of the original principal loan amount for each of the third and fourth years; and • 30 percent of the original principal loan amount for the fifth year.

For each completed year of service under paragraph K (Service in an Early Childhood Education Program), a portion of this loan will be canceled at the rate of 15 percent of the original principal loan amount.

L. Military Cancellation - Upon making a properly documented written request to the School, I am entitled to have up to 50 percent of the principal amount of this loan canceled for qualifying service that ended before August 14, 2008, and up to 100 percent cancelled for qualifying service that began on or after August 14, 2008, as: • a member of the Armed Forces of the United States in an area of hostilities that qualifies for special pay under section 310 of Title 37 of the United States Code.

Cancellation Rate - For each completed year of service under the Military Cancellation provision that ended before August 14, 2008, this loan will be canceled at the rate of 12½ percent of the original principal loan amount.

B. Early Intervention Services • a full-time qualified professional provider of early intervention services in a public or other nonprofit program under public supervision by a lead agency as authorized by section 632(5) of the Individuals with Disabilities Education Act. Early intervention services are provided to infants and toddlers with disabilities.

C. Law Enforcement or Corrections Officer • a full-time law enforcement officer for an eligible local, State, or Federal law enforcement agency; or • a full-time corrections officer for an eligible local, State, or Federal corrections agency.

D. Nurse or Medical Technician • a full-time nurse providing health care services; or • a full-time medical technician providing health care services.

E. Child or Family Service Agency • a full-time employee of an eligible public or private non-profit child or family service agency who is directly providing or supervising the provision of services to high-risk children who are from low-income communities and the families of such children.

F. Attorneys Employed in a Defender Organization • a full-time attorney employed in a defender organization established in accordance with section 3006(g)(2) of title 18, U.S.C.

G. Firefighters • a full-time firefighter for a local, State or Federal fire department or fire district.

H. Tribal College or University Faculty • a full-time faculty member at a Tribal College or University, as that term is defined in section 316 of title 20, U.S.C.

I. Librarian • a full-time librarian who has a master's degree in library science and is employed in an elementary or secondary school that is eligible for assistance under part A of title I of the Elementary and

For qualifying service that began on or after August 14, 2008, this loan will be canceled at the following rates: • 15 percent of the original principal loan amount for each of the first and second years; • 20 percent of the original principal loan amount for each of the third and fourth years; and • 30 percent of the original principal loan amount for the fifth year.

M. Volunteer Service Cancellation - Upon making a properly documented written request to the School, I am entitled to have up to 70 percent of the original principal loan amount of this loan canceled for qualifying service performed after the enrollment period covered by the loan as: • a volunteer under the Peace Corps Act; • a volunteer under the Domestic Volunteer Service Act of 1973 (ACTION programs).

Cancellation Rate - For each completed year of service under the Volunteer Service Cancellation provision, a portion of this loan will be canceled at the following rates:

• 15 percent of the original principal loan amount for each of the first and second 12-month periods of service; and • 20 percent of the original principal loan amount for each of the third and fourth 12-month periods of service.

DISCHARGES - My obligation to repay this loan may be partially or totally discharged for the reasons specified in paragraphs A, B, C, and D below.

A. Death - In the event of my death, the School will discharge the total amount owed on this loan.

B. Total and Permanent Disability - Upon making a properly documented written request to the School, the total amount owed on this loan may be discharged if the U.S. Department of Education determines that I am totally and permanently disabled as defined in the Act and I meet certain other requirements.

Terms and Conditions (cont.)

C. School Closure - Under certain conditions, my total liability will be discharged, including refunding any amounts I have already paid on the loan, if I was unable to complete the program in which I was enrolled because my School closed.

D. Bankruptcy - Under certain conditions, my loan may be discharged in bankruptcy. In order to discharge a loan in bankruptcy, I must prove undue hardship in an adversary proceeding before the bankruptcy court.

Disclosure of Information

STUDENT LOAN OMBUDSMAN - If I dispute the terms of my Federal Perkins Loan in writing to my School, and my School and I are unable to resolve the dispute, I may seek the assistance of the Department of Education's Student Loan Ombudsman. The Student Loan Ombudsman will review and attempt to informally resolve the dispute.

Notice About Subsequent Loans Made Under This Master Promissory Note

This Note authorizes the School to disburse multiple loans during the multi-year term of this Note upon my request and upon the School's determination of my loan eligibility. Subsequent loans may be made under this Note for the same or subsequent periods of enrollment at this School. The School, however, may, at its discretion, close this Note at any time and require me to sign a new Note for additional disbursements. I understand that if my School chooses to make subsequent loans under this Note, no such loans will be made after the earliest of the following dates: (i) the date the School receives my written notice that no further loans may be disbursed under this Note; (ii) twelve months after the date of my signature on this Note if no disbursement is made during such twelve-month period; or (iii) ten years after the date of my signature on this Note, or the date the School receives this Note.

Any amendment to the Act governs the terms of any loans disbursed on or after the effective date of such amendment, and such amended terms are hereby incorporated into this Note.

Important Notices

Privacy Act Notice

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you: The authority for collecting the requested information from and about you is §461 et seq. of the Higher Education Act (HEA) of 1965, as amended (20 U.S.C. 1087aa 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 Federal Perkins Loan (Perkins) 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 Perkins 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 efficiently to 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), the U.S. Department of Education will have access to financial records in your student loan file maintained by the lender in compliance with the administration of the Federal Perkins 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 1845-0074. The time required to complete this information is estimated to average 0.5 hours (30 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:**

U.S. Department of Education
Washington, DC 20202-4537

If you have any comments or concerns regarding the status of your individual submission of this form, write directly to the lender.

WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION (COMMISSION)
MEDICAL STUDENT LOAN PROGRAM

MASTER PROMISSORY NOTE

NAME:

S.S. NUMBER:

STUDENT ID #:

I, , hereinafter called the borrower, promise to pay to the order of the West Virginia School of Osteopathic Medicine the sum of such amounts that have been advanced to me and endorsed hereon together with all attorneys' fees and other costs and charges for the collection of any amount not paid when due according to the terms of this note.

INTEREST: The rate of interest charged shall be the prevailing rate for graduate subsidized Federal Stafford Loans in effect at the beginning of the repayment period and such rate shall be in force for the duration of the repayment period. Interest shall not accrue during the grace period or authorized periods of deferment as described within this promissory note.

REPAYMENT: The borrower shall be allowed a maximum of ten (10) years to repay the loan (principal and interest). Periods of authorized deferment (approved additional medical training, including internships, residencies, and fellowships, or required military service, not to exceed five years) are not included as part of the ten-year repayment period. However, payments must be at least \$50 a month and will be more if necessary to repay the loan within the required time period.

The first payment shall not be due and payable until one (1) year following the date that the borrower ceases to be a full-time student at a school of medicine eligible to participate in the Medical Student Loan Program. Payments are not due for periods of authorized deferment.

PREPAYMENT: The borrower may, without penalty, repay all or any part of the principal and accrued interest at any time.

EXIT INTERVIEW: The borrower agrees to an exit interview at the time they graduate or otherwise terminate enrollment. Borrowers are obligated during the period that the loan is active to maintain a current address record with the institution.

DEATH or PERMANENT and TOTAL DISABILITY: In the event of the borrower's death or permanent and total disability, the unpaid balance remaining on the note (principal and interest) shall be cancelled.

FORBEARANCE: The borrower may request from the institutional financial aid officer or designated representative a forbearance resulting from a documented disability, unemployment or other economic hardship. The approval will allow for a temporary cessation of payments, an extension of time for making payments or a temporary acceptance of smaller payments than previously scheduled for a period not to exceed twelve (12) months per hardship. Interest shall continue to accrue on the loan during the forbearance period with payment the responsibility of the borrower. Should the borrower fail to pay the accrued interest, it will be capitalized at the end of the forbearance period. Loan payments shall resume within sixty (60) days of the forbearance end date. The exact amount of monthly payments shall be calculated in accordance with the original loan agreement.

LOAN FORGIVENESS: The borrower may receive cancellation of the outstanding principal and accumulated interest on the loan in return for the actual performance of full-time service in West Virginia as a physician (M.D. or D.O.) in an approved designated medically underserved area or in an approved designated medical specialty in which there is a shortage of physicians.

The Commission, after consultation with the Bureau of Public Health, shall determine qualifying medically underserved geographic areas and qualifying medical specialties in which there is a shortage of physicians. An approved listing of designated medically underserved areas and designated medical

specialties shall be published and distributed to the financial aid offices of each participating state school of medicine. At the borrower's request, additional medically underserved geographic areas and qualifying medical specialties may be considered by the Commission after consultation with the Bureau for Public Health. Among the criteria are such factors as: locations where a physician currently in practice will retire creating a shortage or a population shift which will justify additional physicians.

To be eligible for loan forgiveness, the applicant must apply annually for and receive Commission approval for practice in a specific designated medically underserved area or designated medical specialty in which there is a shortage of physicians. Such approval shall include deferral of loan repayment during the period the practitioner is performing in service authorized for loan forgiveness. The practitioner must notify the lending institution of the date that such practice commences and terminates.

To be eligible for loan forgiveness, the applicant must have Commission approval to practice in a specific designated medically underserved area or designated medical specialty in which there is a shortage of physicians. In addition, the applicant must subsequently provide evidence to support the fact that full-time physician services were rendered. Such evidence shall be presented on a form provided by the Commission for that purpose. The Commission shall be the authority that grants loan forgiveness and shall notify the appropriate lending institution of all loan forgiveness which is granted.

The borrower shall be eligible for loan forgiveness only upon application and upon acceptance of duly certified evidence of full-time medical or osteopathic practice in a designated medically underserved area or in a designated medical specialty in which there is a shortage of physicians.

The borrower shall receive cancellation of the outstanding principal for sums not to exceed \$10,000 per year plus accumulated interest during each period of twelve (12) consecutive calendar months of full-time practice in West Virginia commencing on or after July 1, 2008. No forgiveness shall be granted for less than twelve (12) consecutive calendar months of full-time practice.

It shall be the responsibility of the borrower to secure a current list of designated medically underserved areas and designated medical specialties in which there is a shortage of physicians. A current list may be obtained from the Commission.

Borrower's Signature

Date

Current Street Address

Current City, State, Zip Code

COMMUNICATION

It is your responsibility to maintain good communication with your lenders. Effective communication between you and your lenders can often prevent delinquency and/or default.

Good communications starts with contact. You must notify the Department of Education when you graduate or leave school, begin and complete an authorized deferral period and change your address or name. **Should you find yourself unable to meet fully your payment obligations, you must contact the Department of Education immediately to discuss your situation.**

Your payment record on your student loans will become a part of your credit history. A good record will contribute to building a positive credit history and will enhance your eligibility to borrow for major purchases and investments, while a record which includes delinquency and default will have the opposite effect.

LOAN CONSOLIDATION

Current loan consolidation information is available online at www.loanconsolidation.ed.gov