

Student Financial Aid Guide



**Award Year
2019-2020**

STATEMENT OF PURPOSE

The *Student Financial Aid Guide* is provided as a supplement to the *ACOM Student Handbook*, *ACOM Academic Catalog*, and the ACOM website in order to better acquaint enrolled and prospective students with financial aid policies and procedures in place at ACOM. Its intended purpose is to assist individuals who are exploring their financial aid options by explaining the most commonly encountered terms, policies, and other related items in an easy to understand format.

The guide is not intended to be a comprehensive handbook covering all aspects of federal student aid, and information is subject to change without notice. If you have questions regarding any information contained within or omitted from this guide, we encourage you to contact the Office of Financial Aid for assistance.

It is the responsibility of all ACOM students who are considering their financial aid options to familiarize themselves with the information contained within this guide.

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SECTION 1: Introduction

Office of Financial Aid Mission Statement

The Office of Financial Aid supports the endeavors of the Alabama College of Osteopathic Medicine and empowers future physicians to fulfill their dreams by providing quality advisory services and assistance in selecting and obtaining student financial aid. We promote a student-centered culture which emphasizes continuous learning, efficiency, responsiveness, and open communication in order to provide quality, personalized service. We provide our staff with the technology and training required to exceed our high expectations and pursue professional excellence. Focused on the best interests of the student, institution, and taxpayer, our judicious recommendations adhere to the highest ethical, social, and professional standards.

Philosophy of Financial Assistance

The administration of financial aid programs at ACOM complements and serves the educational programs of the institution by facilitating student access to medical education. The services provided by the Office of Financial Aid are necessary for the operation of the college and will be provided through a cooperative relationship with other departments within ACOM. The needs of the student will remain paramount in all decisions.

The college shares the U.S. Department of Education's philosophy that the responsibility of meeting educational costs lies with the student and the student's family. It is the Office of Financial Aid's duty to utilize funds from all available federal, state, and local resources to facilitate support for students, who without such assistance would not be able to attend ACOM. ACOM accepts the Federal Need Analysis Methodology as a fair and equitable means of determining the student's or the family's ability to contribute to the student's educational expenses.

Financial Aid Code of Conduct

The Higher Education Opportunity Act, Public Law 110-315, August 14, 2008 requires institutions which participate in the Title IV loan program to develop, publish, administer and enforce a code of conduct with which the institution's officers, employees and agents shall comply.

ACOM is committed to providing students and their families with the best information and processing alternatives available regarding student borrowing. In support of this and in an effort to rule out any perceived or actual conflict of interest between ACOM officers, employees or agents and education loan lenders, ACOM has adopted the following student lending code of conduct.

- ACOM does not participate in any revenue-sharing arrangements with any lender.
- ACOM does not permit any officer, employee or agent who is employed in the financial aid office or is otherwise involved in the administration of education loans to accept any gifts of greater than a nominal value from any lender, guarantor or servicer.
- ACOM does not permit any officer, employee or agent who is employed in the financial aid office or is otherwise involved in the administration of education loans to accept any fee, payment or other financial benefit (including a stock purchase option) from a lender as compensation for any type of consulting arrangement or contract to provide services to a lender or on behalf of a lender relating to education loans.
- ACOM does not permit any officer, employee or agent who is employed in the financial aid office or is otherwise involved in the administration of education loans to accept anything of value from a lender, guarantor or group of lenders and/or guarantors in exchange for service on an advisory board, commission or other group established by such a lender, guarantor group of lenders and/or guarantors. ACOM does allow for the reasonable reimbursement of expenses associated with participation on such boards, commissions or groups by lenders, guarantors or groups of lenders and/or guarantors.
- ACOM does not assign a lender to any first-time borrower through financial aid packaging or any other means.
- ACOM recognizes that a borrower has the right to choose any lender from which to borrow to finance his/her education. ACOM will not refuse to certify or otherwise deny or delay certification of a loan based on the borrower's selection of a lender and/or guarantor.
- ACOM will not request or accept any offer of funds to be used for private education loans to students from any lender in exchange for providing the lender with a specified number or volume of Title IV loans, or a preferred lender arrangement for Title IV loans.
- ACOM will not request or accept any assistance from lenders with call center or financial aid office staffing.

Policy and Statement of Non-Discrimination

The Alabama College of Osteopathic Medicine does not discriminate on the basis of age, race, color, sex, gender, gender identity, sexual orientation, religion or creed, national or ethnic origin, or disability in its programs, activities, hiring, or the admission of students.

This policy applies in recruitment and admission of students, employment of faculty and staff, and scholarship and loan programs. This policy is also followed in the operation of all other programs, activities and services of the College.

FERPA

Annual Notification of Rights Under FERPA Alabama College of Osteopathic Medicine

The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) affords students certain rights with respect to their education records. They are as follows:

The right to inspect and review education records within 45 days of the day Alabama College of Osteopathic Medicine receives a request for access.

Students may request to inspect records by completing a Request to Review Education Records form. Completed forms must be sent to the Registrar's office to make pertinent arrangements. The Alabama College of Osteopathic Medicine must provide the records for review within 45 days of receipt of request. ACOM is not required to provide access to records of applicants for admission who are denied acceptance or who, if accepted, do not attend.

The right to request amendment of education records that students believe are inaccurate or misleading.

Students may challenge information in their educational records that they believe to be incorrect, inaccurate, or inappropriate. This challenge must be made in writing and must be submitted to the appropriate records custodian within one year of the term of the records in question. The records custodian must decide within a reasonable period of time as to whether corrective action is warranted and must provide written notification to the student and the Registrar of any corrective action approved. Students who are not provided full resolution sought by their challenge must be referred to the Dean of Student Services, who will inform them of their right to a formal hearing. All requests for a formal hearing must be made in writing to the Dean, and the Dean of Student Services.

The right to provide written consent before ACOM discloses personally identifiable information contained in education records, except to the extent that FERPA authorizes disclosure without consent.

Alabama College of Osteopathic Medicine may disclose, without consent, "directory" information. The College has declared the following information to be "directory": name, address, telephone listing, date and place of birth, major field of study, dates of attendance, degrees and awards received, participation in student activities, photographs, educational institutions attended, enrollment status, anticipated graduation date, class level, residency program matched, and e-mail address. Student social security numbers will be provided as requested in the registration process for the COMLEX and USMLE testing. For this purpose only, the social security number will be considered directory information, subject to disclosure without prior consent from the student. Students have the right to request that the school refrain from disclosing some or all directory information. This will prevent ACOM however, from printing your name in certain publications (i.e. commencement program) or disclosing directory information requested by third parties including spouses and parents. A student

can complete a “Request to Opt Out of Directory Information” form and submit it to the Registrar’s office.

The following exceptions permit disclosure without consent:

1. School officials with legitimate educational interest*;
2. Other schools to which a student is transferring;
3. Specified officials for audit or evaluation purposes;
4. Appropriate parties in connection with financial aid to a student;
5. Organizations conducting certain studies for or on behalf of the school;
6. Accrediting organizations;
7. To comply with a judicial order or lawfully issued subpoena;
8. Appropriate officials in cases of health and safety emergencies;

* “School officials with legitimate educational interest” are those officials who are performing a task specified in his or her position description or by a contract agreement, performing a task related to a student’s education, or performing a task related to the discipline of a student. Alabama College of Osteopathic Medicine has determined that the following school officials have legitimate educational interests: counselors, instructors, preceptors, contractors, site directors, site coordinators, administrators, board of directors, professional and clerical staff who directly relate to the administrative tasks of the College, College law enforcement officials, College attorneys, the National Board of Osteopathic Medical Examiners (NBOME), and students who serve on certain College committees.

The right to file a complaint with the U.S. Department of Education concerning alleged failures by the Alabama College of Osteopathic Medicine to comply with the requirements of FERPA.

Complaints regarding FERPA may be made with the following agency:

Family Policy Compliance Office

U.S. Department of Education

400 Maryland Avenue, SW Washington, D.C. 20202-5920

Phone: 1-800-USA-LEARN (1-800-872-5327)

Student Rights

1. Know the criteria for continued student eligibility under each program. (see [Sections III & VIII](#))
2. Know the satisfactory progress standards that a student must meet to receive financial assistance and the criteria by which a student who has failed to maintain satisfactory progress may re-establish his or her eligibility for financial assistance. (see [Section IX](#))
3. Know the method by which financial disbursements will be made to students and the frequency of those disbursements. (see [Section VI](#))
4. Know the terms of any loan received as part of the financial assistance package (including Direct Loans), a sample loan repayment schedule for sample loans, and the necessity for repaying loans. (see [Section VIII](#))
5. Know the exit counseling information that the school provides and collects. (see [Section VIII](#))

Student Responsibilities

1. Be familiar with the content of the Student Financial Aid Guide.
2. Refer to the published disbursement schedule BEFORE inquiring about refund status.
3. Secure adequate funding to cover all education related expenses.
4. Keep your personal contact information up-to-date with the [Registrar](#).
5. Submit and update as often as necessary, the appropriate authorization/release form(s) if you wish to allow the Office of Financial Aid to discuss your records with a particular third-party.
6. Monitor your student and private email accounts and voicemails on a daily basis.
7. Be responsive to all communications sent from the Office of Financial Aid.
8. Seek out, maintain awareness of, and meet all deadlines.
9. On an annual basis, complete the FAFSA, and utilize the IRS data retrieval tool (when possible). Once complete, make no changes to your FAFSA unless instructed to do so by the Office of Financial Aid.
10. If requested, submit documentation to support your application for financial aid.
11. Submit all requested documents together, not piecemeal.
12. Maintain a file with copies of all aid applications, award notices, scholarship agreements, promissory notes, and other documents pertaining to your financial aid.
13. Report all sources of funding, including outside scholarships, grants, and loans, to the Office of Financial Aid. Per federal regulations, all sources of financial assistance must be considered when awarding federal student aid. Failure to follow this directive may result in cancellation or reduction of your award.
14. [Maintain Satisfactory Academic Progress](#) as defined in this guide.
15. Contact the Office of Financial Aid to request assistance BEFORE making any changes to enrollment.
16. Minimize borrowing and monitor your federal student loan records via [NSLDS.ed.gov](https://www.nsls.ed.gov).

17. Comply with the provisions of any promissory note(s) and all other agreements you sign.
18. Upon leaving school or dropping below half time attendance, complete the Dept. of Education's [Federal Exit Counseling](#).
19. Use federal student financial assistance you receive for authorized educational expenses incurred, and immediately repay any financial assistance that cannot be attributed to educational expenses for attendance on at least a half-time basis at the Alabama College of Osteopathic Medicine.

SECTION II: Financial Planning

Standard Cost of Attendance (COA)				
Academic Year 2019 - 2020				
Budget Category	Preclinical		Clinical	
Year in Program	Year 1	Year 2	Year 3	Year 4
Standard Enrollment Pattern	10 Months	10 Months	11 Months	10 Months
Tuition & Fees	\$52,800	\$52,800	\$52,800	\$52,800
Books & Supplies	\$3,000	\$3,000	\$3,300	\$3,000
Room & Board	\$16,280	\$16,280	\$17,908	\$16,280
Transportation	\$3,500	\$3,500	\$5,632	\$5,120
Miscellaneous	\$4,460	\$4,460	\$4,906	\$4,460
Est. Loan Fees	\$1,740	\$1,740	\$1,914	\$1,740
Estimated COA	\$81,780	\$81,780	\$86,460	\$83,400

*The table reflects the Standard Tuition Rate and the Standard Enrollment Pattern for each year in the Osteopathic Medicine program. A student who is subject to the Extended Time Tuition Rate or whose expected enrollment differs from the Standard Enrollment Pattern associated with his or her year in the program will have a COA that differs from the Standard COA shown above.

Cost of Attendance (COA)

Overview

The Cost of Attendance (COA) is an estimate of a student's educational expenses for a period of enrollment. It is established annually and used to determine a student's maximum financial aid eligibility for an academic year. In accordance with regulations governing federal student aid programs, a student's total financial aid package, including loans, may never exceed the COA.

The COA includes a student's actual school expenses (tuition, fees) and estimates of the cost of required supplies and basic living expenses (housing, food, transportation, health insurance, loan fees, and other miscellaneous personal expenses).

Figures included in the COA are based upon full time enrollment for the whole duration of the corresponding periods and may be adjusted according to a student's actual dates of enrollment. A student whose expected enrollment differs from the Standard Enrollment Pattern associated with his or her year in the program will have a COA that differs from the Standard COA shown above.

The COA is subject to change without notice.

Tuition & Fees

The tuition/fee charges listed are based upon attendance during the 2019-2020 academic year and reflect the Standard Tuition Rate. A student who is subject to the Extended Time Rate of \$8,800 per term will have the tuition portion of the COA reduced accordingly.

Supplies and Other Expenses

Supplies and other expenses listed are estimates and included for the purpose of determining student eligibility for financial aid. A student whose expected enrollment differs from the Standard Enrollment Pattern associated with his or her year in the program will have a COA that differs from the Standard COA shown above.

Restrictions

Expenses Not Covered

Federal regulations state that the COA must only include education-related expenses. Examples of costs that will not be included in the COA are:

- Spousal expenses.
- Moving or relocation expenses.
- Vehicle purchase or lease.
- Consumer debt, such as monthly credit card, vehicle, or student loan payments.

Periods of Non-Enrollment

Federal student loans are not available to cover expenses incurred during vacations or summer breaks. They may be borrowed during eligible periods of enrollment only. **There are no exceptions to this rule.**

Setting and Adhering to a Budget

Establishing and adhering to a budget based upon the standard allowances included in the COA can be a challenge for some. Some expenses, such as tuition and health insurance premiums, are established annually, making planning relatively simple. However, expenditures for monthly living expenses often fluctuate and, if not closely tracked, can cause students to exceed their budget. In order to avoid financial pitfalls, minimize stress, and achieve your goal of becoming a physician, it is imperative that you develop good spending habits and exercise self-discipline by creating and adhering to a lean personal budget.

Students who are receiving financial aid are encouraged to live as inexpensively as possible while enrolled at ACOM. Plan your living expenses carefully, and don't assume that you need the full amount of funding permitted based upon your COA. You may be able to live for much less than the available allowances. Itemizing what you actually spend may help you to see where to cut costs. The [Federal Student Aid](#) website provides excellent resources to help you calculate your expenses and identify areas in which you may be able to reduce your spending. In addition, we encourage you to utilize the many financial management resources available at <http://www.cashcourse.org/>, such as their [Monthly Budget Worksheet](#).

We have listed a few suggestions for lowering your expenses while in school.

- Live with roommates in order to reduce the amount you pay in rent.
- Turn off lights and electronic devices when they are not in use to reduce energy costs.
- Learn to cook. You can eat healthy, delicious meals at home for a fraction of the price of dining out.
- Evaluate your wireless plan and eliminate unnecessary options.
- Shop in bulk, buy generic brands, and take advantage of coupons and store specials.
- Take advantage of loan deferment options.
- Walk or bike whenever possible.
- Plan all of your trips in advance and accomplish as many tasks as possible in a single trip. This will help to minimize your vehicle fuel and maintenance costs.
- When asked for gift ideas, ask for gift certificates to the places where you often shop.
- Avoid library fines, speeding tickets, and other needless expenses.
- Avoid snack and soda machines.
- Limit your purchases of expensive specialty coffee.
- Pay with cash or your debit card. Avoid using credit cards whenever possible.

COA Increases

Dependent Children

If you have children or other legal dependents who reside in your household and are under twelve years of age as of the first day of the academic year, you may be eligible to have an allowance for dependent care added to your COA. The allowance may be used to cover care during periods that include but are not limited to class time, study time, field work, internships, and commuting time. The amount of the allowance will be based on the number and age of eligible dependents and should not exceed reasonable costs in the community for the type of care provided. This allowance is subject to a cap of \$10,000 per student per academic year. Requests should be submitted no later than 30 days prior to the end of the term in which the costs are incurred. Requests will be reviewed on a case-by-case basis and are subject to the approval of the Director of Financial Aid.

Major Vehicle Repairs

If your vehicle requires a Major Repair in order to remain operational for the purpose of commuting to and from ACOM, we may be able to increase your COA. For the purpose of this policy, Major Repair is defined as the repair of a vehicle's engine, transmission, drivetrain, axles, exhaust system or other major component. To be eligible for consideration under this policy, the repair costs must be incurred by the student during a period of enrollment at ACOM. This allowance is subject to a cap of \$2,500 per student per academic year. Additional allowances for general vehicle maintenance costs are not permitted. Requests should be submitted no later than 30 days prior to the end of the term in which the costs are incurred. Requests will be reviewed on a case-by-case basis and are subject to the approval of the Director of Financial Aid.

COMLEX-USA Level 2-PE

Because passage of the COMLEX-USA Level 2-PE is required in order to graduate from the Osteopathic Medicine Program, you may be eligible to have an allowance for the exam fee and costs associated with travel to the testing center added to your COA. To be eligible for consideration under this policy, the costs must be incurred during (not after) a period of enrollment, even if the exam is after the end of the period. This allowance may only be provided one time per student per program and is subject to a cap of \$2,000. Requests should be submitted no later than 30 days prior to the end of the term in which the costs are incurred. Requests will be reviewed on a case-by-case basis and are subject to the approval of the Director of Financial Aid.

Residency Interview Travel

If you attend interviews for medical residency programs, you may be eligible to have an allowance for the costs incurred in travelling to the interviews added to your COA. To be eligible for consideration under this policy, the costs must be incurred during (not after) a period of enrollment, even if the interviews occur after the end of the period. This allowance may only be provided one time per student per program and is subject to a cap of \$5,000. Requests should be submitted no later than 30 days prior to the end of the term in which the costs are incurred. Requests will be reviewed on a case-by-case basis and are subject to the approval of the Director of Financial Aid.

Manage and Protect Your Credit

For students who rely upon student loans to pay for the cost of their education, attaining and protecting a strong credit rating is paramount. While Federal Direct Unsubsidized Loans are available to most students and are not based upon credit, they will not provide enough funding to cover all of a typical student's educationally related costs. Students who wish to use loans to cover all of their expenses may need to borrow supplemental funds from additional sources such as credit-based Federal Direct PLUS Loans and private education loans. For aspiring physicians seeking these types of loans, credit management will play a major role in determining whether an application is approved.

Use a common-sense approach to maintaining a healthy credit report. Pay your bills on time. When possible, use cash or debit cards, and keep credit balances low. Don't close old credit accounts, and don't open new ones. Keep borrowing to a minimum, and always budget your funds carefully.

In addition, make a habit of monitoring your credit report. By law, you are entitled to one free copy of your report every year from each of the three credit reporting agencies. You can choose to access all three reports at once, or place three separate requests throughout a given year. Reports may be requested at <https://www.annualcreditreport.com/cra/index.jsp>.

SECTION III: FAFSA - Free Application for Federal Student Aid

Federal Student Aid Principles

1. The primary obligation for financing a medical education lies with the student.
2. A student's need for financial assistance does not affect his or her chances for admission.
3. Financial assistance is awarded in a nondiscriminatory manner without regard to age, race, color, sex, gender, sexual orientation, religion or creed, national or ethnic origin, disability or any other characteristic protected by law.
4. Financial aid is not awarded for periods of non-enrollment.
5. ACOM will award federal student aid to students who apply, meet the Dept. of Education's eligibility criteria, and have not reached applicable annual or aggregate borrowing limits.
6. The amount(s) and type(s) of federal student aid awarded are based upon an analysis of data included on the individual's FAFSA as well as program award limits.
7. ACOM accepts the Federal Need Analysis Methodology as a fair and equitable means of determining the student's or the family's ability to contribute to the student's educational expenses.
8. The Cost of Attendance (COA) is an estimate of a student's educational expenses for a period of enrollment. The COA/Student Budget includes tuition, fees and related educational expenses. Related educational expenses can include room and board, books and supplies, personal expenses, health insurance premiums and transportation costs.
9. Need is defined as Cost of Attendance (COA) minus a student's Expected Family Contribution (EFC) as determined by the FAFSA. EFC is defined as a measure of how much the student and his or her family can be expected to contribute to the cost of the student's education for the year.
10. Financial need is a prerequisite for the awarding of some financial aid. The type(s) and amount of assistance awarded may be limited by the recipient's financial need.
11. A student's total financial aid package cannot exceed the Cost of Attendance.
12. Federal student aid is awarded for one award-year at a time. Students who wish to receive aid in subsequent years must reapply each year and continue to meet applicable eligibility requirements.
13. Completing the FAFSA is only one step in the application process (see [Application Checklist](#)).
14. Completing the FAFSA does not guarantee that a student will receive federal student aid.
15. All students who wish to borrow from a private student loan are advised to complete the FAFSA and Federal Entrance Counseling. This will ensure that the borrower is fully aware of the availability of federal student loans and is able to make fully informed borrowing decisions.

What is the FAFSA?

FAFSA stands for [Free Application for Federal Student Aid](#). It is the Department of Education's official application for federal student aid programs.

When a student submits a FAFSA, the information is sent to the Department of Education's Central Processing System (CPS). CPS generates two reports, a Student Aid Report (SAR) and an Institutional Student Information Report (ISIR). The SAR is sent to the student, and the ISIR is sent to institutions selected by the student on the FAFSA. The school uses the ISIR to determine a student's eligibility for various financial aid programs.

What is ACOM's Federal School Code?

The College's Federal School Code is 042267.

Who should complete the FAFSA?

All students who wish to apply for federal student loans should complete the FAFSA. Those who are considering borrowing private student loans should also complete the FAFSA in order to review federal student loan options and make fully informed borrowing decisions.

Who is eligible to receive federal student aid?

In order to qualify for federal student aid, students are required to meet certain [federal requirements](#) which include but are not limited to the following:

1. Be a U.S. citizen or an eligible noncitizen. Eligible noncitizen is defined as a U.S. national (includes natives of American Samoa or Swains Island), U.S. permanent resident (who has an I-151, I-551 or I-551C [Permanent Resident Card]), or an individual who has an Arrival-Departure Record (I-94) from U.S. Citizenship and Immigration Services (USCIS) showing one of the following designations:
 1. "Refugee"
 2. "Asylum Granted"
 3. "Cuban-Haitian Entrant (Status Pending)"
 4. "Conditional Entrant" (valid only if issued before April 1, 1980)
 5. Victims of human trafficking, T-visa (T-2, T-3, or T-4, etc.) holder
 6. "Parolee" (You must be paroled into the United States for at least one year and you must be able to provide evidence from the USCIS that you are in the United States for other than a temporary purpose and that you intend to become a U.S. citizen or permanent resident.)
2. Have 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).
3. Most male students must be registered with Selective Service to receive federal student aid. You also must register if you are a male and are not currently on active duty in the U.S. armed forces. If you are a citizen of the Federated States of Micronesia, the Republic of the Marshall Islands or the Republic of

Palau, you are exempt from registering. You can call Selective Service toll-free at 1-888-655-1825 for general information about registering, or register online at www.sss.gov or via the [FAFSA](#).

4. Be enrolled or accepted for enrollment as a regular student in an eligible degree or certificate program. A regular student is someone who is enrolled or accepted for enrollment at an institution for the purpose of obtaining a degree, certificate, or other recognized education credential offered by that institution.
5. Be enrolled at least half-time to be eligible for Direct Loan Program funds.
6. Maintain Satisfactory Academic Progress.
7. Possess a high school diploma or its recognized equivalent.
8. You must not be in default on a federal student loan, and you cannot owe money on a federal student grant.
9. You must not be convicted of the sale or possession of illegal drugs while receiving federal student aid.
10. If applying for a Federal Direct Grad PLUS loan, you must not have an adverse credit history.
11. Sign a statement on the Free Application for Federal Student Aid (FAFSA) certifying that you will use federal student aid only for educational purposes.

Drug Convictions & Title IV Eligibility

Students convicted of a federal or state offense of selling or possessing illegal drugs may not be eligible for federal student aid (grants, loans, and work-study). Students who answer "Yes" to the drug conviction question on the FAFSA will be sent a worksheet by the federal processing center to determine if the conviction affects eligibility for aid. In addition, if the Financial Aid Office is notified that a student has been convicted of possession or sale of illegal drugs during the academic year, all federal student aid will be suspended immediately.

Convictions only count against a student for aid eligibility purposes (FAFSA question 23c) if they were for an offense that occurred during a period of enrollment for which the student was receiving federal student aid—they do not count if the offense was not during such a period, unless the student was denied federal benefits for drug trafficking by a federal or state judge. Also, a conviction that was reversed, set aside, or removed from the student's record does not count, nor does one received when the student was a juvenile, unless the student was tried as an adult.

The chart below illustrates the period of ineligibility for federal student aid funds, depending on whether the conviction was for sale or possession and whether the student had previous offenses. (A conviction for sale of drugs includes convictions for conspiring to sell drugs.)

	Possession of Illegal Drugs	Sale of Illegal Drugs
1st Offense	1 year from date of conviction	2 years from date of conviction
2nd Offense	2 years from date of conviction	Indefinite period
3rd Offense	Indefinite period	Indefinite period

If the student was convicted of both possessing and selling illegal drugs, and the periods of ineligibility are different, the student will be ineligible for the longer period.

A student regains eligibility the day after the period of ineligibility ends (i.e., for a 1st or 2nd offense); or when he or she successfully completes a qualified drug rehabilitation program that includes passing two unannounced drug tests given by such a program. Further drug convictions will make him ineligible again.

Students denied eligibility for an indefinite period can regain eligibility after completing any of the following 3 options:

1. Successfully completing a rehabilitation program, as described below, which includes passing two unannounced drug tests from such a program);
2. Having the conviction reversed, set aside, or removed from the student's record so that fewer than two convictions for sale or three convictions for possession remain on the record; or
3. Successfully completing two unannounced drug tests which are part of a rehab program (the student does not need to complete the rest of the program).

In such cases, the nature and dates of the remaining convictions will determine when the student regains eligibility. **It is the student's responsibility to certify to the Financial Aid Office the date of the conviction and if (s)he has completed a drug rehabilitation program.**

When should I submit the FAFSA?

The FAFSA application cycle opens on October 1st of each year. Students should submit their applications as soon as possible after the application becomes available.

Which version of the FAFSA should I complete?

Students should complete the version that covers the award year for which they are seeking to obtain student financial aid. An award year begins on July 1 and ends on June 30 of the following calendar year.

Example: A student files her 2017 Federal Income Tax Return on February 1, 2018. The student wishes to apply for federal student aid to cover costs incurred between the Fall semester of 2019 and the Spring semester of 2020. This student needs to complete the 2019-2020 FAFSA using the data from her 2017 Federal Income Tax Return.

NOTE: The student in this example should NOT make any changes to her 2018-2019 FAFSA without first contacting the Office of Financial Aid. Changes will create an updated Student Aid Report and potentially result in a suspension of federal student aid disbursements until the issue is resolved.

I submitted the FAFSA, so am I finished with the application process?

NO! A common misconception among students is that applying for federal student aid is completed by simply submitting the FAFSA. However, the FAFSA is only one component of your application. For a complete listing of requirements, please refer to the section entitled [Application Checklist](#). The list is simple, easy-to-understand, and provides all of the information needed to submit a complete application for federal student aid.

I submitted my application, so what happens next?

Typically, ACOM will begin processing applications by mid-spring. Once the Office of Financial Aid begins processing 19/20 applications, your FAFSA will be imported and reviewed. If there are any issues to resolve, you will be contacted and asked to submit additional documentation. Once all issues have been addressed, your Application Review will be marked as “received” and you will receive an award notice via email. The notice will include instructions regarding how to accept/decline your award(s). For more information regarding this process, refer to [Notification and Acceptance of Awards](#).

SECTION IV: How to Apply

Federal Student Aid

Students who wish to apply for federal student aid, including Direct Unsubsidized and PLUS loans, should read the previous section, [FAFSA](#), and complete all steps listed on the [Application Checklist](#).

For more information on these programs, please refer to [Federal Loans](#).

Private Student Loans

After selecting a lender, students should complete the following steps:

1. Complete the FAFSA.*
2. Visit <https://studentloans.gov/> and complete:
 - o Federal Entrance Counseling*
 - o Financial Awareness Counseling*
3. If, after consideration of your Federal Student Aid options, you decide to borrow a private student loan, continue to Step 4.
4. Contact the lender and complete the loan application.
5. Once you have been approved by the lender, submit a [Third-Party Financial Aid Reporting Form](#) to the Office of Financial Aid. Be sure to list your loan ID number on the form.

*If you are ineligible for Federal Student Aid, you may skip items 1 and 2.

NOTE: We recommend that medical students utilize available Federal Student Aid options before borrowing private loans. For more information, please contact the Office of Financial Aid.

ACOM Scholarships

Students who wish to apply should visit <https://www.acom.edu/scholarships/> to review the list of [Scholarship Opportunities](#). Complete applications, including all required documentation, may be submitted to the Office of Financial Aid. Applications will be forwarded to the appropriate committee for review.

In order to be considered for one of these awards, students should apply early and follow the application instructions provided by the awarding organization. Unless a scholarship specifically states that it is automatically awarded, scholarships are awarded competitively, and consideration does not guarantee that a scholarship will be approved. To ensure maximum consideration, it is imperative that students are knowledgeable of the specific requirements and deadlines associated with all scholarship programs.

Outside Scholarships & Grants

Generally, students who wish to apply for scholarships or grants provided by an outside source must apply directly with the source. In some instances, the school must certify student enrolment to the aid

provider. If the award you are applying for requires school certification, please contact the Office of Financial Aid for assistance.

Once you have been approved for an outside scholarship or grant, you are required to submit the [Financial Aid Reporting Form](#) along with documentation of your award to the Office of Financial Aid. This reporting requirement is enforced by federal regulations. Failure to follow this directive may result in cancellation or reduction of your award(s).

Students are encouraged to review ACOM's online list of [Scholarship Opportunities](#) and to conduct their own searches as well.

In order to be considered for one of these awards, students should apply early and follow the application instructions provided by the awarding organization. Unless a scholarship specifically states that it is automatically awarded, scholarships are awarded competitively, and consideration does not guarantee that a scholarship will be approved. To ensure maximum consideration, it is imperative that students are knowledgeable of the specific requirements and deadlines associated with all scholarship programs.

Application Checklist

Students who wish to apply for federal student aid to be disbursed during the **2019-2020 academic year (19/FA – 20/SP terms)** should complete the following steps in sequence:

Note: The FAFSA now requires applicants to provide income information from the tax year **two** years prior to the academic year—the “prior-prior” year. This means that the 2019-2020 FAFSA will require 2017 student income information. Parent information is not required.

- 1.** If you are required to file but have not already done so, file a **2017** Federal Income Tax Return. If you are not required to file a return, skip to step 2. See IRS Publication 17 at <https://www.irs.gov/forms-pubs/prior-year> to determine whether you are required to file. Please note that ACOM cannot provide tax or legal advice.
- 2. Apply for an FSA ID at** <https://fsaid.ed.gov/npas/index.htm>. If you already have an FSA ID, skip to step 3.
- 3.** Complete the **2019-2020** Free Application for Federal Student Aid (FAFSA) at <https://studentaid.ed.gov/>. When prompted, elect to use the IRS Data Retrieval Tool (DRT) option. Note that the DRT option will not become available until 2-3 weeks after your tax return has been accepted by the IRS. If the application does not permit you to use the DRT, complete the financial section of the FAFSA manually, referencing the data listed on your **2017** Federal Income Tax Return. If you are married, you must also include your spouse’s income information. ACOM students are **not** required to include parental information on the FAFSA. **!!DO NOT MODIFY THE 2018-19 FAFSA!!**
- 4.** If you have not previously borrowed a Federal Student Loan at ACOM but plan to do so during the 2019-2020 academic year, complete the Entrance Counseling that applies to Subsidized, Unsubsidized, and PLUS loans at <https://studentloans.gov/myDirectLoan/index.action>. Otherwise, skip to step 5.
- 5. Optional Step:** We recommend but do not require that you complete the Financial Awareness Counseling at <https://studentloans.gov/myDirectLoan/index.action>. Note that during this counseling session, you will be presented with information related to your current level of indebtedness, managing your budget, planning for loan repayment, and tips for making financial decisions.
- 6.** If you have not previously borrowed a Direct Unsubsidized Loan at ACOM but plan to do so during the 2019-2020 academic year, complete your Unsubsidized Master Promissory Note (MPN) at <https://studentloans.gov/myDirectLoan/index.action>. Otherwise, skip to step 7.
- 7.** If you have not previously borrowed a Graduate PLUS Loan at ACOM but plan to do so during the 2019-2020 academic year, complete your Graduate PLUS Master Promissory Note (MPN) at <https://studentloans.gov/myDirectLoan/index.action>. Otherwise, skip to step 8.
- 8.** If you plan to borrow a Graduate Plus Loan for the 2019-2020 academic year, complete the PLUS Loan Request at <https://studentloans.gov/myDirectLoan/index.action>. (Available on or shortly after April 7th) Otherwise, skip to step 9.

Note that during this step, the U.S. Department of Education (ED) will conduct review of your credit history. If ED determines that you have an adverse credit history, you will be presented with the option to either obtain an endorser or document extenuating circumstances related to the adverse credit history. Make a selection, and follow the instructions provided. In addition, if you have an adverse credit history, you **MUST** complete the PLUS Counseling (different from the Entrance Counseling for PLUS loans listed in Step 4) online at <https://studentloans.gov/myDirectLoan/index.action>.
- 9. Submit a** Certification of Expected Enrollment Form.
- 10. Submit a** Financial Aid Questionnaire. Disclaimer: FSA awards are not conditioned upon receipt of this document. The form is used to gather supplemental information.
- 11.** If an organization other than ACOM or the U.S. Dept. of Veterans Affairs awarded you with a loan, scholarship, grant, stipend, tuition assistance, or other form of financial aid for the 2019-2020 academic year, submit a Financial Aid Reporting Form.
- 12.** Monitor your email account for updates, announcement, and additional application instructions. **The Office of Financial Aid will begin to issue student award notices by late spring.**

Award Notice

Once your Application Review has been marked as “received,” you will receive an award notice via email. The notice will include instructions regarding how to accept/decline your award(s).

During the 19/20 award year, the Office of Financial Aid expects to begin issuing award notices by early May.

SECTION VI: Disbursement and Credit Balance Payments

Disbursements

What are disbursements?

The term "disbursement" refers to the process of crediting funds to a student's school account. Per federal regulations, ACOM has up to three business days after receiving funds to make disbursements.

Generally, federal student loans will be disbursed in at least two equal instalments after the student has attended at least one day of class. Loans will be disbursed at the beginning of each term or at the beginning and midpoint if the student is only attending one term. Projected standard disbursement dates are as shown in the table below. All dates are subject to change.

Term	Cohort	Projected Standard Disbursement Dates
19/Fall	OMS I	July 24, 2019
	OMS II & III	July 31, 2019
	OMS IV	July 2, 2019
20/Spring	OMS I - IV	January 9, 2020

Disbursement Requirements

Prior to funds being authorized for disbursement, ACOM will confirm that the student:

- is making Satisfactory Academic Progress
- is enrolled at least half time
- has completed their Entrance Counseling
- has completed their MPN(s)
- has completed verification (if required)
- has received all required loan disclosures due from the school

Disbursement Notifications

A student will receive an electronic notification of the disbursement of Direct Loans to their student account no earlier than 30 days prior and no later than 30 days after the disbursement date. The notification will include the amount of the disbursement, the right to cancel all or part of a loan, and the timeframe in which to do so.

Credit Balance Payments

What are credit balance payments?

A credit balance on a student's school account is created when the account is funded with disbursements of financial aid which are in excess of the student's financial obligation to ACOM. Subsequently, the excess funds are paid to the student to be used to cover educationally related expenses. These types of payments, sometimes referred to as refunds, are called "credit balance payments."

Who issues credit balance payments?

The Bursar's Office is responsible for issuing credit balance payments. The Office of Financial Aid neither receives financial aid funding nor makes credit balance payments.

When will ACOM issue credit balance payments?

Credit balances will be paid to the student as soon as possible but no later than fourteen days after disbursement. Payments will be made via direct deposit.

I called my servicer and was told that my funds have already been disbursed. So, where's my credit balance payment?

In this context, the term "disburse" refers to the process of crediting funds to a student's school account, NOT the process of paying a credit balance payment to a student. Per federal regulations, upon receiving funds from the Dept. of Education, ACOM has up to three business days to make disbursements, and up to 14 additional days to make credit balance payments.

How will I receive my credit balance payments?

All payments will be sent to your U.S. bank account via direct deposit. If you do not have direct deposit set up with the Bursar's Office at the time a particular payment is made, a paper check will be mailed to the address that is currently on file with the Registrar's Office. The Bursar may also permit students to pick up their checks in-person from the Bursar's Office.

Purpose of This Section

A detailed description of the payment process is being provided in order to help you understand the commonly used terms associated with payments of aid and establish realistic expectations about the delivery of your fund. Through clear and open communication, uncertainty as to the timing of payments can be greatly reduced or eliminated. The overall objective is to ensure that during payment windows, the Financial Aid and Bursar's Offices are not inundated with unnecessary payment status inquiries and are able to devote 100% of their available resources to delivering on-time payments to students.

SECTION VII: Summary of the Financial Aid Process

Sequence of Events

- ✓ The applicant is admitted to ACOM.
- ✓ The student completes all items listed on the Application Quick Reference.
- ✓ The Central Processing System (CPS) performs matches and edits, and calculates a student's EFC.
- ✓ The student receives a CPS generated Student Aid Report (SAR)
- ✓ ACOM imports the student's application documents, including a CPS generated version of the SAR called the ISIR.
- ✓ If the student's application must be verified, the Office of Financial Aid requests additional documentation from the student via email.
- ✓ Once a student's application has been reviewed for completeness, the Office of Financial Aid sends the student an award notice via email.
- ✓ Following the instructions on the award notice, the student responds to the notice, accepting/declining offers of aid.
- ✓ The Office of Financial Aid schedules loans, scholarships, and grants accepted by the student.
- ✓ On the scheduled disbursement date(s), the Office of Financial Aid confirms that the student is still eligible for aid and authorizes the disbursement of funds by the Bursar. Funds from the appropriate programs are posted to the student's ACOM account. Disbursement is now complete.
- ✓ If the disbursement creates a credit balance on the student's account, ACOM will issue a credit balance payment within the corresponding payment window, but not later than 14 days from the disbursement date. If appropriate documentation is on file, ACOM's Student Accounts Office will send an ACH payment to the student's chosen financial institution. Otherwise, a check will be issued to the student.

*Timelines provided are estimates and included to assist students with planning. They do not constitute guarantees as countless factors may affect the financial aid processes described above.

SECTION VIII: Student Loans & Scholarships

Important Notice to Potential Borrowers

Student loans, unlike grants and work-study, are borrowed money that must be repaid, with interest, just like car loans and home mortgages. Loans cannot be canceled because of dissatisfaction with the education you receive, inability to secure a job in your field of study, or financial difficulty. Loans are legal obligations which must be repaid. Defaulting on your student loans can lead to serious consequences including the loss of eligibility for federal student aid, collection fees, damage to your credit, and IRS garnishment of your state and federal tax refunds. If you are having difficulty making your monthly payments, do not hesitate to ask for help from your loan servicer or the Office of Financial Aid. Early intervention is critical. Many options are available which may help you to avoid default.

Federal Loans

Federal Direct Unsubsidized Loan Program

Federal Direct Unsubsidized Loans from the William D. Ford Federal Direct Loan (Direct Loan) Program are low-interest loans for undergraduate and graduate students. Eligibility is not based upon need. The student is responsible for paying all interest charges, and interest begins to accrue the day the loan is disbursed. Repayment of the unsubsidized loan may be deferred during in-school, grace, and deferment periods; however, the accrued interest may be capitalized. Interest rates and fees are shown in the chart below.

Eligible medical students may borrow up to \$47,167 per twelve-month academic year from the Federal Direct Unsubsidized Loan program.

The combined Direct Subsidized/Unsubsidized aggregate loan limit for eligible medical students is \$224,000. The aggregate loan amounts include any Federal Stafford Loans, Guaranteed Student Loans, Federal Direct Loans and Federal Consolidation Loans received as an undergraduate and/or graduate student.

Federal Direct Graduate PLUS Loan

PLUS loans are federal loans that graduate or professional degree students can use to help pay education expenses not covered by other financial aid. Eligibility is not based upon need. The student is responsible for paying all interest charges, and interest begins to accrue the day the loan is disbursed. Repayment of the PLUS loan may be deferred during in-school and deferment periods; however, the accrued interest may be capitalized. Interest rates and fees are shown in the chart below.

A credit check will be performed during the application process. If you have an adverse credit history, you may still receive a Direct PLUS Loan by obtaining an endorser who does not have an adverse credit history or documenting, to the U.S. Department of Education's satisfaction, extenuating circumstances relating to your adverse credit history. See **Adverse Credit History & PLUS Loans** for more information.

Annually, eligible medical students may borrow up to the Cost of Attendance minus any other financial aid received. There is no aggregate limit.

For more information on Federal Direct Unsubsidized and Graduate PLUS loans, please visit <http://studentaid.ed.gov/>.

Adverse Credit History & PLUS Loans

A professional student with an adverse credit history is prohibited from obtaining a PLUS Loan unless he or she meets additional criteria. The Department of Education obtains a credit report for each loan applicant from at least one national credit bureau. Your credit history may be considered adverse if you are experiencing any of the following credit conditions:

- Bankruptcy (Chapters 7, 11, or 12 within the past 5 years).
Note: Department Policy does not consider Chapter 13 bankruptcy as adverse credit.
- Voluntary surrender within the last 5 years.
- Repossession within the last 5 years.
- Foreclosure proceedings started.
- Foreclosure within the last 5 years.
- Deed in lieu of foreclosure.
- Accounts currently 90 days or more delinquent.
- Collection accounts (open or closed) that have been placed in collection during the two years preceding the date of the credit report with a balance greater than zero.
- Charge off/write-off accounts (open or closed) that have been charged off during the two years preceding the date of the credit report with a balance greater than zero.
- Wage garnishment within the last 5 years.
- Defaulted loan that has been claim paid.
- Lease or contract terminated by default.
- County/State/Federal tax lien, within the past 5 years.

Applicants cannot be rejected for a PLUS Loan because they have no credit history—i.e., the absence of a credit history cannot be construed as an adverse credit history. For more details on adverse credit history, go to <https://studentloans.gov/myDirectLoan/faqs.action>, click “credit check,” and click “what is considered adverse credit.”

Someone with an adverse credit history can qualify for a PLUS Loan by securing an endorser who doesn't have an adverse credit history. Instead of securing an endorser, an applicant may appeal a determination of adverse credit history to the Department by documenting extenuating circumstances (see <https://studentloans.gov/myDirectLoan/whatYouNeed.action?page=credit>). Note: The Department makes the final decision on whether to make a loan to a student.

A student with an adverse credit history must also complete the Department's credit counseling for borrowers called PLUS Counseling (see below).

Interest Rates and Fees

If you receive a federal student loan, you will be required to repay that loan with interest. It is important that you understand how interest is calculated and the fees associated with your loan. Both of these factors will impact the amount you will be required to repay.

Interest is money paid to the *lender* in exchange for borrowing money. Interest is calculated as a percentage of the unpaid principal amount (loan amount) borrowed.

The amount of interest that accrues (accumulates) on your loan from month to month is determined by a simple daily interest formula. This formula consists of multiplying your loan balance by the number of days since the last payment times the interest rate factor. The interest rate factor is determined by dividing your loan's interest rate by the number of days in the year.

Simple daily interest formula:

Outstanding principal balance
 x number of days since last payment
x interest rate factor
 = interest amount

Most federal student loans have loan fees that are a percentage of the total loan amount. The loan fee is deducted proportionately from each loan disbursement you receive. This means the money you receive will be less than the amount you actually borrow. You're responsible for repaying the entire amount you borrowed and not just the amount you received.

Interest Rates for Direct Loans First Disbursed on or After July 1, 2019, and Before July 1, 2020		
<u>Loan Type</u>	<u>Borrower Type</u>	<u>Fixed Interest Rate</u>
Direct Unsubsidized Loan	Graduate or Professional	6.08%
Direct PLUS Loan	Parents and Graduate or Professional Students	7.08%
Fees for Direct Loans First Disbursed on or After October 1, 2018		
<u>Loan Type</u>	<u>First Disbursement Date</u>	<u>Loan Fee</u>
Direct Unsubsidized Loan	On or after 10/1/19 and before 10/1/20	1.059%
	On or after 10/1/18 and before 10/1/19	1.062%
Direct PLUS Loan	On or after 10/1/19 and before 10/1/20	4.236%
	On or after 10/1/18 and before 10/1/19	4.248%
*Loans first disbursed prior to Oct. 1, 2018, have different loan fees.		

Enrollment Requirements

In order to qualify for federal student aid funds, a student must be enrolled as a regular student in an eligible program of study. Enrollment in a program of study abroad approved for credit by the home institution may be considered enrollment in the home institution for purposes of applying for federal student aid. The student must be carrying an academic workload that is at least one-half of the minimum program requirements for a full-time student.

The National Student Loan Data System

As a consumer, you need to know that the U.S. Department of Education will post your Federal Direct Loan data on the National Student Loan Data System (NSLDS) which is accessible by guarantee agencies, lenders, and institutions which the Department of Education has authorized access to this data.

The National Student Loan Data System (NSLDS) is the national database of information about loans and grants awarded to students under Title IV of the Higher Education Act (HEA) of 1965. NSLDS provides a centralized, integrated view of Title IV loans and grants during their complete life cycle, from aid approval through disbursement, repayment, deferment, delinquency, and closure. At any time, students can obtain a free report of their federal student aid history by logging into <https://www.nsls.ed.gov/npas/index.htm> and clicking on "My Data."

Direct Loan Entrance Counseling

The Entrance Counseling explains your rights and responsibilities as a federal student loan borrower for these loan programs. At ACOM, you will be required to complete loan counseling before receiving a loan to ensure that you understand your responsibilities and the obligations you are assuming.

To complete Entrance Counseling for Direct Subsidized/Unsubsidized Loans and Direct PLUS Loans, sign into the <https://studentloans.gov/> web site using your Federal Student Aid ID, and select the "Complete Entrance Counseling" option found in the navigation bar. The Office of Financial Aid will be notified by the processing center of the completion of your counseling and will contact you if further action is required.

PLUS Counseling

PLUS Counseling must be completed by Direct PLUS Loan applicants with an adverse credit history who qualify for a Direct PLUS Loan by obtaining an endorser who does not have an adverse credit history, or who document to the satisfaction of the Department that there are extenuating circumstances related to the adverse credit information.

To complete PLUS Counseling for, sign into the <https://studentloans.gov/> web site using your Federal Student Aid ID, and select the "Complete PLUS Counseling" option found in the navigation bar. The Office of Financial Aid will be notified by the processing center of the completion of your counseling and will contact you if further action is required.

Direct Loan Exit Counseling

Direct Loan Exit Counseling is required before you withdraw, graduate, or drop below half-time attendance (even if you plan to transfer to another school). Its purpose is to help you understand your

rights and responsibilities as a student borrower. In addition, it provides useful tips and information to help you manage your loans as you enter repayment.

To complete Exit Counseling, please visit <https://studentloans.gov/>. NOTE: Exit Counseling must be conducted as a component of the school's official withdrawal procedures.

Financial Awareness Counseling

Financial Awareness Counseling provides tools and information to help you understand your financial aid and assist you in managing your finances. At ACOM, you will be encouraged, though not required, to complete Financial Awareness Counseling annually, before receiving a loan, to ensure that you understand your responsibilities and the obligations you are assuming. Topics include:

- Understand Your Loans
- Managing Your Spending
- Planning to Repay
- Avoiding Default
- Making Finances a Priority

To complete Financial Awareness Counseling, sign-in to the <https://studentloans.gov/> site using your Federal Student Aid ID, and select the "Complete Financial Awareness Counseling" option on the navigation bar.

Master Promissory Note (MPN)

The MPN is a promissory note that can be used to make one or more loans for one or more academic years (up to 10 years). There are two types of MPNs in the Direct Loan Program: one for Direct Subsidized/Unsubsidized Loans and one for Direct PLUS Loans.

To complete an electronic MPN:

- From the <https://studentloans.gov/> home page, click on the "Sign In" button located in the "Manage My Direct Loan" box. The Sign In page will appear.
- Once signed in, click on the "Complete MPN" option located under the "Master Promissory Note" heading on the left menu bar. The Master Promissory Note (MPN) page will appear.
- Select the type of loan you would like to receive.
- Follow the instructions to complete, sign, and submit your MPN.

The Office of Financial Aid will be notified by the processing center of the completion of your MPN and will contact you if further action is required.

Copies of both types of MPNs are included at the end of this section. Though you should review the documents and familiarize yourself with the information presented, you are **NOT** required to print or submit these copies.

Other Loans

Private/Alternative Loans

Students who are not eligible for federal student loans, scholarships, or other aid programs, or those who wish to supplement their financial aid package may opt to apply for funding through a private lender. While private loans, sometimes referenced as "alternative loans," may be a good option in some circumstances, students should be aware that these types of loans are not subject to the same oversight and regulations which cover federal loans, and they do not qualify for the same benefits as federal loans. The terms and conditions of loans made under Title IV may be more favorable than those of private education loans. In many cases, it is advisable for students to exhaust their federal eligibility before borrowing from a private lender. Please note that a student's total financial aid package, including loans, may never exceed the Student Budget.

Comparing Options

The Department of Education provides a free resource to assist students with identifying the differences between [federal and private student loans](#). In addition, all students should review the Dept.'s publication, [Do You Need Money For College: The Guide to Federal Student Aid](#). Students are also encouraged to review Office of Financial Aid's list of  [private loan guidelines](#) before applying to a private lender.

Any student who wishes to borrow from a private student loan should complete the federal student aid application process and review their award notice before submitting a private loan application. This will ensure that the borrower is fully aware of their eligibility for federal student loans and is able to make fully informed borrowing decisions.

For students who conclude that private loans are the right option, we recommend that you review many lenders and compare costs and terms before borrowing. Our office will process a private loan application with the lender of your choice. However, we cannot recommend any particular private lender. All borrowing decisions are the responsibility of the student.

Scholarships

A list of scholarships and grants provided by third-party organizations is available online at <https://www.acom.edu/scholarships/>. Please note that most of the aid information shown on the list, such as program descriptions, eligibility requirements, deadlines, and award amounts, has been obtained from external sources and is subject to change without notice. If you discover a broken link or information that has become outdated, please notify the Office of Financial Aid by sending an email to financialaid@acom.edu.

Federal Direct Unsubsidized Master Promissory Note



Master Promissory Note
Direct Subsidized Loans and Direct Unsubsidized Loans
William D. Ford Federal Direct Loan Program

OMB No. 1845-0007
 Form Approved
 Exp. Date 04/30/2019

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.

BEFORE YOU BEGIN

Before you begin, read the **Instructions** on page 14 of this Master Promissory Note.

BORROWER INFORMATION

1. Name and Permanent Address (see Instructions)

2. Social Security Number

3. Date of Birth (mm-dd-yyyy)

4. Driver's License State and Number

5. Email Address (optional)

6. Area Code/Telephone Number

REFERENCE INFORMATION

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.

7. First Name: _____ Middle Initial: _____ Last Name: _____

Permanent Address (Street, City, State, Zip Code):

Email Address (optional): _____

Area Code/Telephone Number: (_____) _____ - _____

Relationship to You: _____

8. First Name: _____ Middle Initial: _____ Last Name: _____

Permanent Address (Street, City, State, Zip Code):

Email Address (optional): _____

Area Code/Telephone Number: (_____) _____ - _____

Relationship to You: _____

SCHOOL INFORMATION – TO BE COMPLETED BY THE SCHOOL

9. School Name and Address

10. School Code/Branch

11. Identification No.

Borrower's Name: _____ Social Security Number: _____ - _____ - _____

BORROWER REQUEST, CERTIFICATIONS, AUTHORIZATIONS, AND UNDERSTANDINGS

12. 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 the MPN Terms and Conditions section of this MPN under Governing Law). My school will notify me of the loan type and loan amount that I am eligible to borrow. Within certain timeframes, I may cancel a loan or request a lower amount by contacting my school, or by refusing to accept or returning all or a portion of a loan disbursement that is made to me. The Borrower's Rights and Responsibilities Statement that accompanies this MPN and the disclosure statements that will be provided to me contain additional information about my right to cancel a loan or request a lower amount.

13. 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 provided in good faith.

B. I will use the money I receive from any loan made under this MPN only to pay for my authorized educational expenses for attendance at the school that determined I was eligible to receive the loan. I will immediately repay any loan money that cannot be attributed to educational expenses for attendance on at least a half-time basis at that school.

C. If I owe an overpayment on a Federal Perkins Loan, Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), 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.

D. If I am in default on any loan I 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 loan holder to repay the amount owed.

E. If I have been convicted of, or if I have pled *nolo contendere* (no contest) or guilty to, a crime involving fraud in obtaining funds under a program authorized under Title IV of the Higher Education Act of 1965, as amended (HEA), I have fully repaid 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. The Title IV, HEA programs include the

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.

17. 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 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.

20. Borrower's Signature _____

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

Federal Pell Grant, FSEOG, ACG, SMART Grant, Leveraging Educational Assistance Partnership Grant, Teacher Education Assistance for College and Higher Education (TEACH) Grant, Federal Work-Study (FWS), Federal Perkins Loan, Direct Loan, and FFEL programs.

14. For each Direct Subsidized Loan and Direct Unsubsidized Loan I receive under this MPN:

A. I authorize my school to certify my eligibility for the loan.

B. I authorize my school to credit my loan money to my student account at the school, and to pay to ED any refund that may be due up to the full loan amount.

C. I authorize ED and its agents and contractors to investigate my credit record and report information about my loan status to persons and organizations permitted by law to receive that information.

D. I authorize ED to defer repayment of principal on my loan while I am enrolled at least half-time at an eligible school, unless I notify ED differently.

E. I authorize my schools, ED, and their agents and contractors to release information about my loan to the references I provide and to my immediate family members unless I submit written directions otherwise.

F. I authorize my schools, ED, and their agents and contractors to share information about my loan with each other.

G. I authorize my schools, ED, and their agents and contractors to contact me regarding my loan request or my loan, including repayment of my loan, at any cellular telephone number I provide now or in the future using automated dialing equipment or artificial or prerecorded voice or text messages.

15. I understand that:

A. ED will give me the opportunity to pay the interest that accrues on each loan made under this MPN during grace, in-school, deferment (including in-school deferment), forbearance, and other periods as provided under the Act. If I do not pay the interest that accrues during these periods, 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 grace, deferment, forbearance, or other period. Capitalization will increase the principal balance on my loan and the total amount of interest I must pay.

B. ED has the authority to verify information reported on this MPN with other federal agencies.

18. 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.

19. 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, the MPN Terms and Conditions, the Notice About Subsequent Loans Made Under this MPN, and the Borrower's Rights and Responsibilities Statement.

GOVERNING LAW

The terms of this Master Promissory Note (MPN) will be interpreted in accordance with the HEA (20 U.S.C. 1070 et seq.), ED's regulations, any amendments to the HEA and the regulations in accordance with the effective date of those amendments, and other applicable federal laws and regulations. Throughout this MPN, we refer to these laws and regulations collectively as the "Act".

Under applicable state law, except as preempted by federal law, you may have certain borrower rights, remedies, and defenses in addition to those stated in this MPN and the Borrower's Rights and Responsibilities Statement.

DISCLOSURE OF LOAN TERMS

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

Each loan made under this MPN is separately enforceable based on a true and exact copy of this MPN. At or before the time of the first disbursement of each loan, you will receive a disclosure statement identifying the amount of the loan and additional terms of the loan. The Borrower's Rights and Responsibilities Statement accompanying this MPN contains important additional information. The Borrower's Rights and Responsibilities Statement and any disclosure statement you receive in connection with any loan under this MPN are hereby incorporated into this MPN.

The Act specifies annual and aggregate limits on the amount of loans you may receive under this MPN. You may request additional loan funds to pay for your educational costs up to the annual and aggregate loan limits by contacting your school's financial aid office. Your school will determine if you are eligible for any additional loan funds. You will be notified of any increase or other change in the amount of your loan.

The amount of Direct Subsidized Loans and Direct Unsubsidized Loans you are eligible to receive may increase or decrease based on changes in your financial circumstances. Your school will notify you of any changes in your eligibility. You will be notified of any increase or decrease in the amount of your loan.

We may use a servicer to handle billing and other communications related to your loan.

TIME LIMITATION ON DIRECT SUBSIDIZED LOAN ELIGIBILITY FOR FIRST-TIME BORROWERS ON OR AFTER JULY 1, 2013

If you are a first-time borrower on or after July 1, 2013 (see Note), there is a limit on the maximum period of time (measured in academic years) for which you can receive Direct Subsidized Loans. In general, you may not receive Direct Subsidized Loans for more than 150% of the published length of your program of study. This is called your "maximum eligibility period."

After you have received Direct Subsidized Loans for your maximum eligibility period, you are no longer eligible to receive additional Direct Subsidized Loans, and if you are enrolled in school you may become responsible for paying interest on your Direct Subsidized Loans. You may continue to receive Direct Unsubsidized Loans.

With certain exceptions as provided under the Act (such as if you graduate from your program of study before you receive or at the time you receive Direct Subsidized Loans for your maximum eligibility period), you will become responsible for paying the interest that accrues on your Direct Subsidized Loans during all periods if you:

- Continue to be enrolled in any undergraduate program after you have received Direct Subsidized Loans for your maximum eligibility period, or

- Enroll in another undergraduate program that is the same length as or shorter than your previous program.

The Borrower's Rights and Responsibilities Statement that accompanies this MPN provides additional information concerning the limitation on Direct Subsidized Loan eligibility for first-time borrowers on or after July 1, 2013.

Note: You are considered to be a first-time borrower on or after July 1, 2013 if you had no outstanding balance on a Direct Loan or a Federal Family Education Loan (FFEL) Program loan on July 1, 2013, or if you have no outstanding balance on a Direct Loan or FFEL program loan on the date you obtain a Direct Loan Program loan after July 1, 2013.

LOAN CANCELLATION

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

INTEREST

Unless we notify you in writing that a different rate will apply, the interest rate for any loan you receive under this MPN is a fixed rate that is calculated in accordance with a formula specified in the Act. The interest rate for Direct Subsidized Loans and Direct Unsubsidized Loans is calculated each year. When the rate is calculated, it applies to Direct Subsidized Loans and Direct Unsubsidized Loans for which the first disbursement is made during the period beginning on July 1 of one year and ending on June 30 of the following year. Different interest rates may apply to different loans you receive under this MPN, depending on when the loan is first disbursed and whether you are an undergraduate student or a graduate or professional student. The maximum interest rate for Direct Subsidized Loans and Direct Unsubsidized Loans made to undergraduate students is 8.25%. The maximum interest rate for Direct Unsubsidized Loans made to graduate or professional students is 9.5%. We will notify you of the interest rate on each of your loans.

If you are in the military and the interest rate on your loan is greater than 6%, you may qualify to have the rate limited to 6% during your period of service. In addition, under the no accrual of interest benefit for active duty service members, you are not required to pay the interest that accrues on any type of Direct Loan Program loan first disbursed on or after October 1, 2008 during periods of qualifying active duty military service (for up to 60 months).

Except as explained below, you are not required to pay the interest that accrues on a Direct Subsidized Loan during an in-school, grace, or deferment period, and during certain periods of repayment under the Revised Pay As You Earn Repayment Plan (REPAYE Plan), the Pay As You Earn Repayment Plan (PAYE Plan), and the Income-Based Repayment Plan (IBR Plan). You must pay the interest that accrues on a Direct Subsidized Loan during all other periods (including forbearance periods), starting on the day after your grace period ends.

If you are a first-time borrower on or after July 1, 2013, under certain conditions you may become responsible for paying the interest that accrues on your Direct Subsidized Loans during all periods, as described under the heading "Time Limitation on Direct Subsidized Loan Eligibility for First-Time Borrowers on or after July 1, 2013."

Except during certain periods of repayment under the REPAYE Plan, you must pay the interest that accrues on a Direct Unsubsidized Loan during all periods (including in-school, grace, deferment, and forbearance periods), starting on the date of the first disbursement of the loan.

MPN TERMS AND CONDITIONS (CONTINUED)

You agree to pay all interest that accrues on your Direct Loan(s) during the periods described above. You will be given the opportunity to pay the interest that accrues during in-school, grace, deferment, forbearance, or other periods as provided under the Act. If you do not pay this interest, we may capitalize the interest (add it to the principal balance of your loans) at the end of the grace, deferment, forbearance, or other period.

LOAN FEE

As provided by the Act, we charge a loan fee for each Direct Subsidized Loan and Direct Unsubsidized Loan you receive under this MPN. The loan fee is a percentage of the loan amount and will be deducted proportionately from each disbursement of each of your loans. The specific loan fee you are charged will be shown on disclosure statements that will be sent to you. We may refund the loan fee only as permitted by the Act.

LATE CHARGES AND COLLECTION COSTS

We may collect from you:

- 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 required installment payment within 30 days after it becomes due, and
- Any other charges and fees that are permitted by the Act related to the collection of your loans.

If you default on a loan, you must pay reasonable collection costs, plus court costs and attorney fees.

GRACE PERIOD

You will receive a 6-month grace period on repayment of each loan made under this MPN. The grace period begins the day after you cease to be enrolled at least half-time at an eligible school.

You are not required to make any payments on your loan during the grace period. However, you are responsible for paying the interest that accrues on your Direct Unsubsidized Loan and, in some cases on your Direct Subsidized Loan during the grace period (see "Interest" in this section of the MPN), and this interest will be capitalized at the end of the grace period if you do not pay it.

REPAYMENT

You must repay the full amount of the loans made under this MPN, plus accrued interest. You will repay each loan in monthly installments during a repayment period that begins on the day immediately following your 6-month grace period on that loan. Generally, payments that you make or that someone else makes on your 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. However, any payments made under the REPAYE Plan, the PAYE Plan, or the IBR Plan will be applied first to interest that is due, then to fees that are due, and then to the principal amount.

You have a choice of repayment plans. The Borrower's Rights and Responsibilities Statement includes information on these repayment plans. You must select a repayment plan. If you do not select a repayment plan, we will choose a plan for you in accordance with the Act.

Once you choose a repayment plan, we will provide you with a repayment schedule that identifies your payment amounts and due dates. If you intend to repay your loan but are unable to make your scheduled loan payments, we may grant you a forbearance that allows you to temporarily stop making payments or to temporarily make a smaller payment amount, which extends the time for making payments.

We may adjust payment dates on your loans or may grant you a forbearance to eliminate a delinquency that remains even though you are making scheduled installment payments.

You may prepay all or any part of the unpaid balance on your loans at any time without penalty. We will determine how to apply the prepayment in accordance with the Act.

After you have repaid in full a loan made under this MPN, we will send you a notice telling you that you have paid off your loan.

ACCELERATION AND DEFAULT

At our 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) You do not begin attendance in any classes at the school that determined you were eligible to receive the loan;
- (2) You do not use the loan money solely for your educational expenses;
- (3) You make a false representation that results in your receiving a loan for which you are not eligible; or
- (4) You default on the loan.

You will be considered in default on your loan if:

- (1) The full unpaid balance of the loan becomes immediately due and payable because event (1), (2), or (3) above occurs and you do not pay the amount due;
- (2) You do not make installment payments when due and your failure to make payments has continued for at least 270 days; or
- (3) You do not comply with other terms of the loan, and we reasonably conclude that you no longer intend to honor your repayment obligation.

If you default, we may capitalize all outstanding interest. This will increase the principal balance of your loan, and the full amount of the loan, including the new principal balance and collection costs, will become immediately due and payable.

If you default, the default will be reported to nationwide consumer reporting agencies (credit bureaus) and will significantly and adversely affect your credit history. A default will have additional adverse consequences as explained in the Borrower's Rights and Responsibilities Statement. Following default, you may be required to repay the loan (potentially including amounts in excess of the principal and interest) under the IBR Plan, the PAYE Plan, the REPAYE Plan, or the Income-Contingent Repayment Plan (ICR Plan) in accordance with the Act.

LEGAL NOTICES

Any notice required to be given to you will be effective if it is sent by first-class mail to the most recent address that we have for you, by electronic means to an email address you have provided, or by any other method of notification that is permitted or required by applicable law and regulation. You must immediately notify us of a change in your contact information or status as specified in the Borrower's Rights and Responsibilities Statement under "Information you must report to us after you receive your loan."

If we do not enforce or insist on compliance with any term of this MPN, it does not waive any of our rights. No provision of this MPN may be modified or waived, unless we do so in writing. If any provision of this MPN is determined to be unenforceable, the remaining provisions will remain in force.

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 that we authorize.

NOTICE ABOUT SUBSEQUENT LOANS MADE UNDER THIS MPN

This MPN authorizes us to make multiple loans to you to pay your educational expenses during the multi-year term of this MPN, upon your request and upon your school's annual certification of your 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.

MPN TERMS AND CONDITIONS (CONTINUED)

No subsequent loans will be made under this MPN after the earliest of the following dates:

(1) The date we or your school receive your written notice that no further loans may be made;

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

(2) One year after the date you sign the MPN or the date we receive the MPN if no disbursements are made under the MPN; or

(3) Ten years after the date you sign the MPN or the date we receive the MPN.

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 such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0007. Public reporting burden for this collection of information is estimated to average 30 minutes (0.5 hours) per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain a benefit in accordance with 34 CFR 685.201. If you have comments or concerns regarding the status of your individual submission of this form, write to:

U.S. Department of Education
Common Origination and Disbursement School Relations Center
Attn: Student Loan Support
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 Direct Subsidized Loans and 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 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 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 (HEA), 20 U.S.C. 1070 *et seq.*

You must complete a Free Application for Federal Student Aid (FAFSA) to be eligible for a Direct Subsidized Loan or Direct Unsubsidized Loan.

Direct Loans are made by the U.S. Department of Education. We contract with servicers to process Direct Loan payments, deferment and forbearance requests, and other transactions, and to answer questions about Direct Loans. Your servicer will provide you with its address and telephone number after the school notifies us that the first disbursement of your loan has been made. It is important to keep in contact with your servicer.

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. Under applicable state law, except as preempted by federal law, you may have certain borrower rights, remedies, and defenses in addition to those stated in the MPN and this Borrower's Rights and Responsibilities Statement.

NOTE: Any amendment to the Act that affects the terms of this MPN will be applied to your loans in accordance with the effective date of the amendment.

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.

Direct Subsidized Loans are available only to undergraduate students. Direct Unsubsidized Loans are available to both undergraduate students and graduate or professional students.

To receive a Direct Subsidized Loan, you must have financial need. Except as explained in Item 10 of this Borrower's Rights and Responsibilities Statement ("Payment of interest"), you are not required to pay the interest that accrues on Direct Subsidized Loans while you are in school, during the grace period, during deferment periods, and during certain periods of repayment under the Revised Pay As You Earn Repayment Plan (REPAYE Plan), the Pay As You Earn Repayment Plan (PAYE Plan), and the Income-Based Repayment Plan (IBR Plan).

Direct Unsubsidized Loans are not based on financial need. Except during certain periods of repayment under the REPAYE Plan, you must pay the interest that accrues on Direct Unsubsidized Loans during all periods. For more information on interest charges, see Item 10.

4. TIME LIMITATION ON DIRECT SUBSIDIZED LOAN ELIGIBILITY FOR FIRST-TIME BORROWERS ON OR AFTER JULY 1, 2013

If you are a first-time borrower on or after July 1, 2013, there is a limit on the maximum period of time (measured in academic years) that you can receive Direct Subsidized Loans.

You are a first-time borrower on or after July 1, 2013 if you had no outstanding balance on a Direct Loan or on a Federal Family Education Loan (FFEL) Program loan on July 1, 2013, or if you have no outstanding balance on a Direct Loan or FFEL program loan on the date you obtain a Direct Loan after July 1, 2013.

In general, if you are a first-time borrower on or after July 1, 2013 you may not receive Direct Subsidized Loans for more than 150% of the published length of your program of study. This is called your "maximum eligibility period." For example, if you are enrolled in a 4-year bachelor's degree program, the maximum period for which you can receive Direct Subsidized Loans is 6 years (150% of 4 years = 6 years).

Your maximum eligibility period is based on the published length of the program in which you are currently enrolled. This means that your maximum eligibility period can change if you change programs. If you receive Direct Subsidized Loans for one program and then change to a different program, the period of time for which you received Direct Subsidized Loans for the earlier program will generally count against your new maximum eligibility period.

After you have received Direct Subsidized Loans for your maximum eligibility period, you are no longer eligible to receive additional Direct Subsidized Loans, and if you are enrolled in school, you may become responsible for paying interest on your Direct Subsidized Loans. You may continue to receive Direct Unsubsidized Loans. We will notify you if you are no longer eligible to receive additional Direct Subsidized Loans.

With certain exceptions as provided under the Act (for example, if you graduate from your program of study before or at the time you receive Direct Subsidized Loans for your maximum eligibility period), if you continue to be enrolled in any undergraduate program after you have received Direct Subsidized Loans for your maximum eligibility period, or if you enroll in another undergraduate program that is the same length as or shorter than your previous program, you will become responsible for paying all of the interest that accrues on your Direct Subsidized Loans, during all periods, beginning on the date of the enrollment that causes you to become responsible for paying the interest. You will become responsible for paying all of the interest that accrues on your Direct Subsidized Loans based solely on your enrollment as described above, regardless of whether you apply for, request, or receive federal financial aid. We will notify you if you become responsible for paying all of the interest that accrues on your Direct Subsidized Loans.

Additional information about the limitation on Direct Subsidized Loan eligibility for first-time borrowers on or after July 1, 2013 will be provided during entrance counseling (see Item 13 of this Borrower's Rights and Responsibilities Statement). You may also obtain additional information from your school's financial aid office, or at StudentAid.gov.

5. 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

William D. Ford Federal Direct Loan Program

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

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 your servicer in writing.

6. 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 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 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 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).

8. 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 aggregate loan limits are combined limits that include Direct Subsidized Loans and Direct Unsubsidized Loans, as well as any Subsidized Federal Stafford Loans and Unsubsidized Federal Stafford Loans you may have previously received through the FFEL Program.

The annual and aggregate loan limits for independent undergraduates also apply to dependent undergraduates whose parents are unable to obtain a Direct PLUS Loan because of exceptional circumstances.

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 a Direct Unsubsidized Loan, and must determine your eligibility for a Direct Subsidized Loan before determining your eligibility for a Direct Unsubsidized Loan.

ANNUAL LOAN LIMITS

Dependent Undergraduate Students (except students whose parents cannot obtain Direct PLUS Loans)	
First Year Total (maximum \$3,500 subsidized)	\$5,500
Second Year Total (maximum \$4,500 subsidized)	\$6,500
Third Year & Beyond (Total Each Year) (maximum \$5,500 subsidized)	\$7,500
Independent Undergraduate Students (and dependent students whose parents cannot obtain Direct PLUS Loans)	
First Year Total (maximum \$3,500 subsidized)	\$9,500
Second Year Total (maximum \$4,500 subsidized)	\$10,500
Third Year & Beyond (Total Each Year) (maximum \$5,500 subsidized)	\$12,500
Graduate and Professional Students	
Total Amount (Each Year) (unsubsidized only)	\$20,500

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AGGREGATE LOAN LIMITS

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

9. INTEREST RATE

The interest rate on Direct Subsidized Loans and Direct Unsubsidized Loans is a fixed rate that is calculated in accordance with a formula specified in the Act. The interest rate is calculated each year. When the rate is calculated, it applies to all Direct Subsidized Loans and Direct Unsubsidized Loans for which the first disbursement is made during the period beginning on July 1 of one year and ending on June 30 of the following year. Different fixed interest rates may apply to separate loans made under this MPN depending on when the loan is first disbursed, and whether you are an undergraduate student or a graduate or professional student when the loan is made. The maximum interest rate for Direct Subsidized Loans and Direct Unsubsidized Loans made to undergraduate students is 8.25%. The maximum interest rate for Direct Unsubsidized Loans made to graduate or professional students is 9.5%. We will notify you of the interest rate for each loan you receive in a disclosure statement that we send to you.

Servicemembers Civil Relief Act

If you are in military service, you may qualify for a lower interest rate on your loans.

Under the Servicemembers Civil Relief Act, the interest rate on loans you received before you began your military service may be limited to 6% during your military service. In most cases, your servicer will determine if you are eligible for this benefit based on information from the U.S. Department of Defense, and, if any of your qualifying loans have an interest rate greater than 6%, will automatically reduce that rate to 6% during your military service. If you think you qualify for the 6% interest rate but have not received it, contact your servicer. Your servicer can also provide more information about this benefit.

10. PAYMENT OF INTEREST

In general, you are not required to pay the interest that accrues on Direct Subsidized Loans during certain periods, but you must pay the interest that accrues on Direct Unsubsidized Loans during all periods, as explained below.

Direct Subsidized Loans

Except as explained below, you are not required to pay the interest that accrues 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 REPAYE Plan, the PAYE Plan, and the IBR Plan. Except as discussed below for certain borrowers who are active duty service members, you are responsible for paying the interest that accrues on a Direct Subsidized Loan during all other periods (starting on the day after your grace period ends), including forbearance periods.

You are responsible for paying the interest that accrues during the grace period on any Direct Subsidized Loan for which the first disbursement was

made on or after July 1, 2012 and before July 1, 2014. In addition, if you are a first-time borrower on or after July 1, 2013, under certain conditions you may become responsible for paying the interest that accrues on your Direct Subsidized Loans during all periods, as explained in Item 4 of this Borrower's Rights and Responsibilities Statement ("Time limitation on Direct Subsidized Loan eligibility for first-time borrowers on or after July 1, 2013").

Direct Unsubsidized Loans

Except as explained below for certain borrowers who are active duty service members, and during certain periods of repayment under the REPAYE Plan, you are responsible for paying the interest that accrues on a Direct Unsubsidized Loan during all periods (starting on the date of the first disbursement). 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.

No accrual of interest benefit for active duty service members

Under the no accrual of interest benefit for active duty service members, you are not required to pay the interest that accrues on any type of Direct Loan Program loan first disbursed on or after October 1, 2008 during periods of qualifying active duty military service (for up to 60 months).

Interest capitalization

If you do not pay the interest as it accrues on either a Direct Subsidized Loan or a Direct Unsubsidized Loan (during periods when you are responsible for payment of interest), we will add the accrued interest to the unpaid principal balance of your loan. This is called "capitalization." Capitalization increases the unpaid principal balance of your loan, and interest then accrues on the increased principal balance. We capitalize unpaid interest when you resume payment after periods of deferment or forbearance. We may also capitalize unpaid interest that has accrued since the first disbursement of a Direct Unsubsidized Loan when you enter repayment for the first time.

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 accrues during a 12-month deferment or forbearance period, compared to the amount you would repay if you do not pay the interest and it is capitalized.

	If you pay the interest as it accrues...	If you do not pay the interest and it is capitalized...
Loan Amount	\$15,000	\$15,000
Interest for 12 Months	\$1,238 (paid as accrued)	\$1,238 (unpaid and capitalized)
Principal to be Repaid	\$15,000	\$16,238
Monthly Payment	\$184	\$199
Number of Payments	120	120
Total Repaid	\$23,315	\$23,899

The example in the chart above shows payments made under the Standard Repayment Plan at an interest rate of 8.25%, the maximum interest rate for Direct Unsubsidized Loans made to undergraduate students. In this example, you would pay \$15 less per month and \$584 less altogether if you pay the interest as it accrues during a 12-month deferment or forbearance period.

Federal income tax deduction

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>.

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11. LOAN FEE

For each Direct Subsidized Loan or Direct Unsubsidized Loan that you receive under this MPN, we charge a loan fee that is a percentage of the principal amount of each loan. This fee will be subtracted proportionally from each disbursement of your loan and will be shown on a disclosure statement that we send to you.

12. 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. Your servicer will provide you with information about the automatic withdrawal option. 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 correspondence that your servicer sends you.

13. 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. Your school determines the schedule for disbursing your loan money in accordance with the Act.

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 FFEL Program, you must complete entrance counseling before your school can make the first disbursement of your loan. Your school will tell you if entrance counseling is required, and will provide instructions for completing entrance counseling.

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.

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.

14. 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:

- **You may notify your school (within certain timeframes).** 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 your 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.

If you ask your school to cancel all or part of your loan within the timeframes described above, the school will return the cancelled loan amount to us. 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.

- **You may return all or part of your loan to us.** 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 cancel all or part of your loan by returning all or part of the loan money 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. We will adjust your loan amount to eliminate any interest and loan fee that applies to the amount of the loan that is cancelled or returned.

15. GRACE PERIOD

You will receive a 6-month grace period on repayment of each Direct Subsidized Loan and Direct Unsubsidized Loan that you receive. Your 6-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 6-month grace period at the end of the excluded period.

16. 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. 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.

You must repay all of your Direct Loans under the same repayment plan, unless you want to repay your loans under the REPAYE Plan, the PAYE Plan, the IBR Plan, or the ICR Plan (see below) and you have other Direct Loans that do not qualify for repayment under those plans. In that case, you may select the REPAYE, PAYE, IBR, or ICR plan for the loans that are eligible for repayment under those plans, and may select a different repayment plan for the loans that may not be repaid under the REPAYE, PAYE, IBR, or ICR plan.

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Your Direct Subsidized Loans and Direct Unsubsidized Loans can be repaid under one of the repayment plans listed below. We will ask you to choose a repayment plan before your loans enter repayment. If you do not choose a repayment plan, we will place you on the Standard Repayment Plan.

Standard Repayment Plan

Under the Standard Repayment 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 the Graduated Repayment 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. Your scheduled monthly payment must at least be equal to the amount of interest that accrues each month. No single scheduled payment will be more than three times greater than any other payment.

Extended Repayment Plan

You are eligible for the Extended Repayment Plan only if **(1)** you have an outstanding balance on Direct Loans that exceeds \$30,000, and **(2)** you had no outstanding balance on a Direct Loan as of October 7, 1998 or on the date you obtained a Direct Loan on or after October 7, 1998.

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 (\$600 a year) and will be more, if necessary, to repay the loan within the required time period. If you make graduated payments, your scheduled monthly payment must at least be equal to the amount of interest that accrues each month. No single scheduled payment under the graduated option will be more than three times greater than any other payment.

Revised Pay As You Earn Repayment Plan (REPAYE Plan)

Under the REPAYE Plan, your monthly payment amount is generally 10% of your discretionary income. Discretionary income for this plan is the difference between your adjusted gross income and 150% of the poverty guideline amount for your state of residence and family size, divided by 12.

If you are married, the income used to determine your REPAYE Plan payment amount will generally be the combined income of you and your spouse, regardless of whether you file a joint or separate federal income tax return.

While you are repaying under the REPAYE Plan, you must provide documentation of your income (and, if you are married, your spouse's income) and certify your family size each year so that we may recalculate your payment amount.

Under the REPAYE Plan, if all of the loans you are repaying under the plan were obtained for undergraduate study, any remaining loan amount will be forgiven after you have made the equivalent of 20 years of qualifying monthly payments over a period of at least 20 years. If any of the loans you are repaying under the REPAYE Plan were obtained for graduate or professional study, any remaining loan amount will be forgiven after you have made the equivalent of 25 years of qualifying monthly payments over a period of at least 25 years. You may have to pay federal income tax on the loan amount that is forgiven.

Pay As You Earn Repayment Plan (PAYE Plan)

Under the PAYE Plan, your monthly payment amount is generally 10% of your discretionary income. Discretionary income for this plan is the difference between your adjusted gross income and 150% of the poverty guideline amount for your state of residence and family size, divided by 12.

If you are married and file a joint federal income tax return, the income used to determine your PAYE Plan payment amount will be the combined adjusted gross income of you and your spouse.

If you are married and file a separate federal income tax return from your spouse, only your individual adjusted gross income will be used to determine your PAYE Plan payment amount.

The PAYE Plan is available only to new borrowers. You are a new borrower for the PAYE Plan if:

(1) You had no outstanding balance on a Direct Loan or a FFEL Program loan as of October 1, 2007, or you have no outstanding balance on a Direct Loan or a FFEL Program loan when you obtain a new loan on or after October 1, 2007, and

(2) You receive a disbursement of a Direct Subsidized Loan, Direct Unsubsidized Loan, or student Direct PLUS Loan (a Direct PLUS Loan made to a graduate or professional student) on or after October 1, 2011, or you receive a Direct Consolidation Loan based on an application received on or after October 1, 2011. However, you are not considered to be a new borrower for the PAYE Plan if the Direct Consolidation Loan you receive repays loans that would make you ineligible under part **(1)** of this definition.

In addition to being a new borrower, to initially qualify for the PAYE Plan, the monthly amount you would be required to pay under this plan, based on your income and family size, must be less than the amount you would have to pay under the Standard Repayment Plan.

If you are married and file a joint federal income tax return, the loan amount we use to determine whether you qualify for the PAYE Plan will include your eligible loans and your spouse's eligible loans. If you are married and file a separate federal income tax return from your spouse, the loan amount we use to determine whether you qualify for the PAYE Plan will include only your eligible loans.

While you are repaying under the PAYE Plan, you must provide documentation of your income and certify your family size each year so that we may recalculate your payment amount. If your income increases to the point that the amount you would have to pay under the PAYE Plan based on your income is more than what you would have to pay under the Standard Repayment Plan, you will remain on the PAYE Plan, but your monthly payment will no longer be based on your income. Instead, your monthly payment will be what you would be required to pay under the Standard Repayment Plan.

Under the PAYE Plan, if your loan is not repaid in full after you have made the equivalent of 20 years of qualifying monthly payments over a period of at least 20 years, any remaining loan amount will be forgiven. You may have to pay federal income tax on the loan amount that is forgiven.

Income-Based Repayment Plan (IBR Plan)

Under the IBR Plan, your monthly payment amount is generally 15% (10% if you are a new borrower; see Note below) of your discretionary income. Discretionary income for this plan is the difference between your adjusted gross income and 150% of the poverty guideline amount for your state of residence and family size, divided by 12.

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If you are married and file a joint federal income tax return, the income used to determine your IBR Plan payment amount will be the combined adjusted gross income of you and your spouse.

If you are married and file a separate federal income tax return from your spouse, only your individual adjusted gross income will be used to determine your IBR Plan payment amount.

To initially qualify for the IBR Plan, the monthly amount you would be required to pay under this plan, based on your income and family size, must be less than the amount you would have to pay under the Standard Repayment Plan.

If you are married and file a joint federal income tax return, the loan amount we use to determine whether you qualify for the IBR Plan will include your eligible loans and your spouse's eligible loans. If you are married and file a separate federal income tax return from your spouse, the loan amount we use to determine whether you qualify for the IBR Plan will include only your eligible loans.

While you are repaying under the IBR Plan, you must provide documentation of your income and certify your family size each year so that we may recalculate your payment amount. If your income increases to the point that the amount you would have to pay under the IBR Plan based on your income is more than what you would have to pay under the Standard Repayment Plan, you will remain on the IBR Plan, but your monthly payment will no longer be based on your income. Instead, your monthly payment will be what you would be required to pay under the Standard Repayment Plan.

Under the IBR Plan, if your loan is not repaid in full after you have made the equivalent of 25 years (20 years if you are a new borrower) of qualifying monthly payments over a period of at least 25 years (20 years if you are a new borrower), any remaining loan amount will be forgiven. You may have to pay federal income tax on the loan amount that is forgiven.

Note: You are a new borrower for the IBR Plan if you have no outstanding balance on a Direct Loan or a FFEL Program loan on July 1, 2014, or if you have no outstanding balance on a Direct Loan or a FFEL Program loan on the date you obtain a Direct Loan after July 1, 2014. Your servicer will determine whether you are a new borrower based on the information about your loans in the U.S. Department of Education's National Student Loan Data System.

Income Contingent Repayment Plan (ICR Plan)

Under the ICR Plan, your monthly payment amount will be either 20% of your discretionary income or a percentage of what you would repay under a Standard Repayment Plan with a 12-year repayment period, whichever is less. Discretionary income for this plan is the difference between your adjusted gross income and the poverty guideline amount for your state of residence and family size, divided by 12.

If you are married and file a joint federal income tax return, the income used to determine your ICR Plan payment amount will be the combined adjusted gross income of you and your spouse. If you are married and file a separate federal income tax return from your spouse, only your individual adjusted gross income will be used to determine your ICR Plan payment amount. Until we obtain the information needed to calculate your monthly payment amount, your payment will equal the amount of interest that accrues monthly on your loan unless you request a forbearance.

While you are repaying under the ICR Plan, you must provide documentation of your income and certify your family size each year so that we may recalculate your payment amount.

Under the ICR Plan, if your loan is not repaid in full after you have made the equivalent of 25 years of qualifying monthly payments over a period of at least 25 years, any remaining loan amount will be forgiven. You may have to pay federal income tax on the loan amount that is forgiven.

Additional repayment plan information

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 repayment plans described above are not adequate to meet your exceptional circumstances, we may provide you with an alternative repayment plan.

You can use the Repayment Estimator at [StudentAid.gov/Repayment-Estimator](https://studentaid.gov/Repayment-Estimator) to estimate your monthly and total payment amounts under the different repayment plans and to evaluate your eligibility for the PAYE and IBR plans. The calculators are for informational purposes only. Your servicer will make the official determination of your payment amount and, for the PAYE and IBR plans, your eligibility for the 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 period of less than the number of years your loan has already been in repayment, except that you may change to the REPAYE Plan, the PAYE Plan, the IBR Plan, or the ICR Plan at any time.

If you are making payments under any repayment plan other than the REPAYE Plan, the PAYE Plan, and the IBR Plan, we apply your payments in the following order:

1. Late charges and collection costs,
2. Outstanding interest, and
3. Outstanding principal.

If you are making payments under the REPAYE Plan, the PAYE Plan, or the IBR Plan, we apply your payments in the following order:

1. Outstanding interest,
2. Late charges and collection costs, and
3. Outstanding principal.

There is no penalty if you make loan payments before they are due, or pay more than the amount due each month (prepayments). We apply any prepayments in accordance with the Act. Your servicer can provide more information about how prepayments are applied.

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.

17. TRANSFER OF LOAN

We may transfer the servicing of one or all of your loans to another servicer. If there is a change in the address to which you must send payments or direct communications, we will notify you 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.

18. 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.

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19. 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 do not begin attendance in any classes 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.

20. 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 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 nationwide consumer reporting agencies (see Item 21). This will harm your credit history and may make it difficult for you to obtain credit cards, home or car loans, or other forms of consumer credit.

If you default on your loan, you will not be charged collection costs if you respond within 60 days to the initial notice of default that we send to you, and you enter into a repayment agreement with us, including a loan rehabilitation agreement, and fulfill that agreement.

21. CONSUMER REPORTING AGENCY NOTIFICATION

We will report information about your loan to nationwide consumer reporting agencies (commonly known as "credit bureaus") on a regular basis. This information will include the disbursement dates, amount, and repayment status of your loan (for example, whether you are current or delinquent in making payments). Your loan will be identified as an education loan.

If you default on a loan, we will report this to nationwide 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.

22. DEFERMENT AND FORBEARANCE (POSTPONING PAYMENTS)

General

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

making payments on your loan, temporarily make smaller payments, or extend the time for making payments.

Deferment

You may receive a deferment:

- While you are enrolled at least half-time at an eligible school;
- While you are in a full-time course of study in a graduate fellowship program;
- While you are in an approved full-time rehabilitation program for individuals with disabilities;
- While you are unemployed (for a maximum of three years; you must be diligently seeking, but unable to find, full-time employment);
- While you are experiencing an economic hardship (including Peace Corps service), as defined in 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 based on your enrollment in school on at least a half-time basis if:

- You submit a deferment request to your servicer along with documentation of your eligibility for the deferment, or
- 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 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 to your servicer, along with documentation of your eligibility for the deferment. In certain circumstances, you may not be required to provide documentation of your eligibility if your servicer confirms that you have been granted the same deferment for the same period of time on a FFEL Program loan. Your servicer can provide you with a deferment request form that explains the 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 not responsible for paying the interest on a Direct Subsidized Loan during a period of deferment, except as explained in Item 10 of this Borrower's Rights and Responsibilities Statement. However, you are

William D. Ford Federal Direct Loan Program

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

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 (Direct Loan Program loans, FFEL Program loans, and Federal Perkins Loans) is 20% or more of your total monthly gross income (for a maximum of three years);
- You are serving in a national service position for which you receive a national service education award under the National and Community Service 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 a student loan repayment program 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 explain the eligibility and documentation requirements for the type of forbearance you are requesting. You may also obtain 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); 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.

23. DISCHARGE (HAVING YOUR LOAN FORGIVEN)

Death, bankruptcy, and total and permanent disability

We will discharge (forgive) your loan if:

- You die. Your servicer must receive acceptable documentation (as defined in the Act) of your death.
- Your loan is discharged in bankruptcy after you have proven to the bankruptcy court that repaying the loan would cause undue hardship. Direct Loans are not automatically discharged if you file for bankruptcy.
- You become totally and permanently disabled (as defined in the Act) and meet certain other requirements.

School closure, false certification, identity theft, and unpaid refund

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.

Teacher Loan Forgiveness

We may forgive a portion of eligible 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 or secondary schools, or for certain low-income educational service agencies;
- Meet certain other qualifications; and
- 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.

Public Service Loan Forgiveness

A Public Service Loan Forgiveness (PSLF) program is also available. Under this program, we will forgive the remaining balance due on your eligible Direct Loan Program loans after you have made 120 payments on those loans (after October 1, 2007) under certain repayment plans while you are employed full-time in certain public service jobs. The required 120 payments do not have to be consecutive. Qualifying repayment plans include the REPAYE Plan, the PAYE Plan, the IBR Plan, the ICR Plan, and the Standard Repayment Plan with a 10-year repayment period.

Note: Although the Standard Repayment Plan with a 10-year repayment period is a qualifying repayment plan for PSLF, to receive any loan forgiveness under this program you must make the majority of the required 120 payments under the REPAYE Plan, the PAYE Plan, the IBR Plan, or the ICR Plan.

Additional loan discharge information

The Act may provide for certain loan forgiveness or repayment benefits on your loans in addition to the benefits described above.

For a discharge based on your death, a family member must contact your loan servicer. To request a loan discharge based on one of the other conditions described above (except for a discharge due to bankruptcy), you must complete an application. Your servicer can tell you how to apply.

In some cases, you may assert, under applicable law and regulations, a defense against repayment of your loan on the basis 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. If you believe that you have a defense against repayment of your loan, contact your servicer.

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

24. 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

William D. Ford Federal Direct Loan Program

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

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.

25. 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.

26. 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.

END OF BORROWER'S RIGHTS AND RESPONSIBILITIES STATEMENT

INSTRUCTIONS

MASTER PROMISSORY NOTE FOR DIRECT SUBSIDIZED LOANS AND DIRECT UNSUBSIDIZED LOANS

GENERAL INSTRUCTIONS AND INFORMATION

Type or print using blue or black ink. Do not use pencil. Enter all dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: January 31, 2017 = 01-31-2017.

Throughout the Master Promissory Note (MPN) and the accompanying Borrower's Rights and Responsibilities Statement, the words "we," "us," "our," and "ED" refer to the U.S. Department of Education.

BORROWER INFORMATION

Note: Some of the items in this section 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.

Item 1. Enter your first name, then your middle initial and last name. 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 different from your permanent address, you must list **both** addresses. A temporary school address is not acceptable.

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

Item 3. Enter your date of birth.

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

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.

REFERENCE INFORMATION

Items 7 and 8. Enter the requested information for two adults with different U.S. addresses who have known you for at least three years and who will know how to contact you in the future. The first reference should be a parent or legal guardian. References who live outside the United States are not acceptable. Providing an email address for a reference is optional. If you provide an email address for a reference, we may use it to communicate with

the reference. If a reference does not have a telephone number or email address, or does not wish to provide an email address, enter N/A.

SCHOOL INFORMATION

This section will be completed by the school that determines your eligibility to receive the loan.

BORROWER REQUEST, CERTIFICATIONS, AUTHORIZATIONS, AND UNDERSTANDINGS

Top of Page 2. Enter your name and Social Security Number.

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

PROMISE TO PAY

Items 16, 17, 18, and 19. Read these items carefully.

Items 20 and 21. 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 and the accompanying Borrower's Rights and Responsibilities Statement; and **(2)** agree to repay in full all loans made under this MPN according to the terms and conditions of the MPN.

Federal Direct Grad PLUS Master Promissory Note



Master Promissory Note

Direct PLUS Loans

William D. Ford Federal Direct Loan Program

OMB No. 1845-0068
Form Approved
Exp. Date 04/30/2019

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.

BEFORE YOU BEGIN

Before you begin, read the Instructions on page 14 of this Master Promissory Note.

BORROWER INFORMATION

1. I am a (check one):

- Graduate or Professional Student
- Parent of a Dependent Undergraduate Student

2. Name and Permanent Address (see Instructions)

3. Social Security Number

4. Date of Birth (mm-dd-yyyy)

5. Driver's License State and Number

6. Email Address (optional)

7. Area Code/Telephone Number

8. Citizenship Status (to be completed by parent borrowers only -- check one)

- (1) U.S. Citizen or National
- (2) Permanent Resident/Other Eligible Non-Citizen
If (2), Alien Registration Number

9. Employer's Name and Address

10. Work Area Code/Telephone Number

REFERENCE INFORMATION

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.

11. First Name: _____ Middle Initial: _____ Last Name: _____

Permanent Address (Street, City, State, Zip Code):

Email Address (optional): _____

Area Code/Telephone Number: (_____) _____ - _____

Relationship to You: _____

12. First Name: _____ Middle Initial: _____ Last Name: _____

Permanent Address (Street, City, State, Zip Code):

Email Address (optional): _____

Area Code/Telephone Number: (_____) _____ - _____

Relationship to You: _____

SCHOOL INFORMATION – TO BE COMPLETED BY THE SCHOOL

13. School Name and Address

14. School Code/Branch

15. Identification No.

DEPENDENT UNDERGRADUATE STUDENT INFORMATION – TO BE COMPLETED ONLY IF YOU ARE A PARENT BORROWER

16. Dependent Undergraduate Student's Name (first, middle initial, last)

17. Social Security Number

18. Date of Birth (mm-dd-yyyy)

BORROWER REQUEST, CERTIFICATIONS, AUTHORIZATIONS, AND UNDERSTANDINGS

19. This is a 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. Within certain timeframes, I may cancel a loan or request a lower amount by contacting the school, or by refusing to accept or returning all or a portion of a loan disbursement that is made to me. The Borrower's Rights and Responsibilities Statement that accompanies this MPN and the disclosure statements that will be provided to me contain additional information about my right to cancel a loan or request a lower amount. 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.

20. 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 provided 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 student's parent and I am considered to be a parent in accordance with the instructions on the Free Application for Federal Student Aid (FAFSA) for purposes of reporting my income and assets on the FAFSA.

C. I will use the money I receive from any loans made under this MPN only to pay for my authorized educational expenses for attendance at the school that determined I was eligible to receive the loan or, if I am a parent borrower, the student's authorized educational expenses for attendance at that school. I will immediately repay any loan money that cannot be attributed to educational expenses for attendance on at least a half-time basis at that school.

D. If I owe an overpayment on a Federal Perkins Loan, Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), 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.

E. If I am in default on any loan I 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 loan holder to repay the amount owed.

F. If I have been convicted of, or if I have pled *nolo contendere* (no contest) or guilty to, a crime involving fraud in obtaining funds under a program authorized under Title IV of the Higher Education Act of 1965, as amended (HEA), I have fully repaid 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

PROMISE TO PAY

23. 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.

24. 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.

PLUS Loan for a dependent undergraduate student, and if that student has been convicted of, or has pled *nolo contendere* or guilty to, a crime involving fraud in obtaining funds under a program authorized under Title IV of the HEA, the student has fully repaid the funds to ED, or to the loan holder in the case of a Title IV federal student loan. The Title IV, HEA programs include the Federal Pell Grant, FSEOG, ACG, SMART Grant, Leveraging Educational Assistance Partnership Grant, Teacher Education Assistance for College and Higher Education (TEACH) Grant, Federal Work-Study (FWS), Federal Perkins Loan, Direct Loan, and FFEL programs.

21. For each Direct PLUS Loan I receive under this MPN:

A. I authorize the school to certify my eligibility for the loan.

B. I authorize the school to credit my loan money 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), and to pay to ED any refund that may be due up to the full amount of the loan.

C. I authorize ED and its agents and contractors to investigate my credit record and report information about my loan status to persons and organizations permitted by law to receive that information.

D. I authorize 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, unless I notify ED differently.

E. I authorize the schools, ED, and their agents and contractors to release information about my loan to the references I provide and to my immediate family members, unless I submit written directions otherwise.

F. I authorize the schools, ED, and their agents and contractors to share information about my loan with each other.

G. I authorize the schools, ED, and their agents and contractors to contact me regarding my loan request or my loan, including repayment of my loan, at any cellular telephone number I provide now or in the future using automated dialing equipment or artificial or prerecorded voice or text messages.

22. I understand that:

A. ED will give me the opportunity to pay the interest that accrues on each loan made under this MPN during deferment (including in-school deferment), forbearance, and other periods as provided under the Act. If I do not pay the interest that accrues during these periods, 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.

B. ED has the authority to verify information reported on this MPN with other federal agencies.

25. 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.

26. 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, the MPN Terms and Conditions, the Notice About Subsequent Loans Made Under this MPN, and 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.

27. Borrower's Signature _____

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

GOVERNING LAW

The terms of this Master Promissory Note (MPN) will be interpreted in accordance with the HEA (20 U.S.C. 1070 *et seq.*), ED's regulations, any amendments to the HEA and the regulations in accordance with the effective date of those amendments, and other applicable federal laws and regulations. Throughout this MPN, we refer to these laws and regulations collectively as the "Act".

Under applicable state law, except as preempted by federal law, you may have certain borrower rights, remedies, and defenses in addition to those stated in this MPN and the Borrower's Rights and Responsibilities Statement.

DISCLOSURE OF LOAN TERMS

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

Each loan made under this MPN is separately enforceable based on a true and exact copy of this MPN.

At or before the time of the first disbursement of each loan, you will receive a disclosure statement identifying the amount of the loan and additional terms of the loan. The Borrower's Rights and Responsibilities Statement accompanying this MPN contains important additional information. The Borrower's Rights and Responsibilities Statement and any disclosure statement you receive in connection with any loan under this MPN are hereby incorporated into this MPN.

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

We may use a servicer to handle billing and other communications related to your loan.

LOAN CANCELLATION

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

INTEREST

Unless we notify you in writing that a different rate will apply, the interest rate for any loan you receive under this MPN is a fixed rate that is calculated in accordance with a formula specified in the Act. The interest rate for Direct PLUS Loans is calculated each year. When the rate is calculated, it applies to Direct PLUS Loans for which the first disbursement is made during the period beginning on July 1 of one year and ending on June 30 of the following year. Different interest rates may apply to different loans you receive under this MPN, depending on when the loan is first disbursed. The maximum interest rate for Direct PLUS Loans is 10.5%. We will notify you of the interest rate on each of your loans.

If you are in the military and the interest rate on your loan is greater than 6%, you may qualify to have the rate limited to 6% during your period of service. In addition, under the no accrual of interest benefit for active duty service members, you are not required to pay the interest that accrues on any type of Direct Loan Program loan first disbursed on or after October 1, 2008 during periods of qualifying active duty military service (for up to 60 months).

Interest accrues on the unpaid principal balance of each loan from the date of disbursement until the loan is paid in full, including during deferment, forbearance, or other periods. Except during certain periods of repayment under

the Revised Pay As You Earn Repayment Plan (REPAYE Plan), you agree to pay all interest charges on your loan. (The REPAYE Plan is not available to parent borrowers.) You will be given the opportunity to pay the interest that accrues during a period of authorized deferment or forbearance. If you do not pay this interest, we may capitalize the interest (add it to the principal balance of your loans) at the end of the deferment or forbearance.

LOAN FEE

As provided by the Act, we charge a loan fee for each Direct PLUS Loan you receive under this MPN. The loan fee is a percentage of the loan amount and will be deducted proportionately from each disbursement of each of your loans. The specific loan fee that you are charged will be shown on disclosure statements that will be sent to you. We may refund the loan fee only as permitted by the Act.

LATE CHARGES AND COLLECTION COSTS

We may collect from you:

- 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 required installment payment within 30 days after it becomes due, and
- Any other charges and fees that are permitted by the Act related to the collection of your loans.

If you default on your loans, you must pay reasonable collection costs, plus court costs and attorney fees.

REPAYMENT

You must repay the full amount of the loans made under this MPN, plus accrued interest. You will repay each loan in monthly installments during a repayment period that begins on the day of the final disbursement of that loan. Generally, payments that you make or that someone else makes on your 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. However, any payments made under the REPAYE Plan, the Pay As You Earn Repayment Plan (PAYE Plan), and the Income-Based Repayment Plan (IBR Plan) will be applied first to interest that is due, then to fees that are due, and then to the principal amount. The REPAYE, PAYE, and IBR plans are not available to parent borrowers.

You have a choice of repayment plans. The Borrower's Rights and Responsibilities Statement includes information on these repayment plans. You must select a repayment plan. If you do not select a repayment plan, we will choose a plan for you in accordance with the Act.

Once you choose a repayment plan, we will provide you with a repayment schedule that identifies your payment amounts and due dates. If you intend to repay your loan but are unable to make your scheduled loan payments, we may grant you a forbearance that allows you to temporarily stop making payments or to temporarily make a smaller payment amount, which extends the time for making payments.

We may adjust payment dates on your loans or may grant you a forbearance to eliminate a delinquency that remains even though you are making scheduled installment payments.

You may prepay all or any part of the unpaid balance on your loans at any time without penalty. We will determine how to apply the prepayment in accordance with the Act.

After you have repaid in full a loan made under this MPN, we will send you a notice telling you that you have paid off your loan.

ACCELERATION AND DEFAULT

At our 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) You (or the student) do not begin attendance in any classes at the school that determined you were eligible to receive the loan;

MPN TERMS AND CONDITIONS (CONTINUED)

- (2) You do not use the loan money solely for your or the student's educational expenses;
- (3) You make a false representation that results in your receiving a loan for which you are not eligible; or
- (4) You default on the loan.

You will be considered in default on your loan if:

- (1) The full unpaid balance of the loan becomes immediately due and payable because event (1), (2), or (3) above occurs, and you do not pay the amount due;
- (2) You do not make installment payments when due, and your failure to make payments has continued for at least 270 days; or
- (3) You do not comply with other terms of the loan, and we reasonably conclude that you no longer intend to honor your repayment obligation.

If you default, we may capitalize all outstanding interest. This will increase the principal balance of your loan, and the full amount of the loan, including the new principal balance and collection costs, will become immediately due and payable.

If you default, the default will be reported to nationwide consumer reporting agencies (credit bureaus) and will significantly and adversely affect your credit history. A default will have additional adverse consequences as explained in the Borrower's Rights and Responsibilities Statement. Following default, you may be required to repay the loan (potentially including amounts in excess of the principal and interest) under the IBR Plan, the PAYE Plan, the REPAYE Plan, or the Income-Contingent Repayment Plan (ICR Plan) in accordance with the Act.

LEGAL NOTICES

Any notice required to be given to you will be effective if it is sent by first class mail to the most recent address that we have for you, by electronic means to an email address you have provided, or by any other method of notification that is permitted or required by applicable law and regulation. You must immediately notify us of a change in your contact information or status as specified in the Borrower's Rights and Responsibilities Statement under "Information you must report to us after you receive your loan."

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

If we do not enforce or insist on compliance with any term of this MPN, it does not waive any of our rights. No provision of this MPN may be modified or waived, unless we do so in writing. If any provision of this MPN is determined to be unenforceable, the remaining provisions will remain in force.

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 that we authorize.

NOTICE ABOUT SUBSEQUENT LOANS MADE UNDER THIS MPN

This MPN authorizes us to make multiple loans to you to pay your educational expenses or, if you are a parent borrower, the educational expenses of the student identified in the Dependent Undergraduate Student Information section during the multi-year term of this MPN, upon your request and upon the school's annual certification of your loan eligibility. If you 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.

No subsequent loans will be made under this MPN after the earliest of the following dates:

- (1) The date we or the school receive your written notice that no further loans may be made;
- (2) One year after the date you sign the MPN or the date we receive the MPN if no disbursements are made under the MPN; or
- (3) Ten years after the date you sign the MPN or the date we receive the MPN.

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

IMPORTANT NOTICES (continued)

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 such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0068. Public reporting burden for this collection of information is estimated to average 30 minutes (0.5 hours) per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain a benefit in accordance with 34 CFR 685.201. If you have comments or concerns regarding the status of your individual submission of this form, write to:

U.S. Department of Education
Common Origination and Disbursement School Relations Center
Attn: Student Loan Support
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 Master Promissory Note (MPN) for Direct PLUS 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 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 accompanying 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 (HEA), 20 U.S.C. 1070 *et seq.*

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. Your servicer will provide you with its address and telephone number after the school notifies us that the first disbursement of your loan has been made. It is important to keep in contact with your servicer.

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. Under applicable state law, except as preempted by federal law, you may have certain borrower rights, remedies, and defenses in addition to those stated in the MPN and this Borrower's Rights and Responsibilities Statement.

NOTE: Any amendment to the Act that affects the terms of this MPN will be applied to your loans in accordance with the effective date of the amendment.

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 ("dependent" is defined in the Act and is different from the definition used by the Internal Revenue Service). 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 (that is, if you are the student's stepparent), you may borrow a Direct PLUS Loan if you are considered to be a parent in accordance with the instructions on the Free Application for Federal Student Aid (FAFSA) for purposes of reporting your income and assets on the FAFSA.

- 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 have 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 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) Obtain an endorser who does not have an adverse credit history, or document to our satisfaction that there are extenuating circumstances related to the adverse credit history, and

(2) Complete Direct PLUS Loan credit counseling that we provide.

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 Unsubsidized Loan amount 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 attend or are planning to attend or, if you are a parent borrower, the school the student attends or is 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 the Dependent Undergraduate Student Information section 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 you are a parent requesting more than one Direct PLUS Loan to pay for the educational costs of more than one dependent undergraduate student, you must sign a separate MPN for each student. You must also sign separate MPNs if you are a parent borrowing on behalf of a dependent undergraduate student and you also wish to obtain a Direct PLUS Loan to pay for your own attendance in a graduate or professional degree program.

William D. Ford Federal Direct Loan Program

Direct PLUS Loan Borrower's Rights and Responsibilities Statement

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 your 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 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); or
- 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;
 - 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 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 the 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 that is calculated in accordance with a formula specified in the Act. The interest rate is calculated each year. When the rate is calculated, it applies to all Direct PLUS Loans for which the first disbursement is made during the period beginning on July 1 of one year and ending on June 30 of the following year. Different fixed interest rates may apply to separate loans made under this MPN depending on when the loan is first disbursed. The maximum interest rate for Direct PLUS Loans is 10.5%. We will notify you of the interest rate for each loan you receive in a disclosure statement that we send to you.

Servicemembers Civil Relief Act

If you are in military service, you may qualify for a lower interest rate on your loans.

Under the Servicemembers Civil Relief Act, the interest rate on loans you received before you began your military service may be limited to 6% during your military service. In most cases, your servicer will determine if you are eligible for this benefit based on information from the U.S. Department of Defense, and, if any of your qualifying loans have an interest rate greater than 6%, will automatically reduce that rate to 6% during your military service. If you think you qualify for the 6% interest rate but have not received it, contact your servicer. Your servicer can also provide more information about this benefit.

If you have an adverse credit history and receive a Direct PLUS Loan by obtaining an endorser, you will also qualify for the 6% interest rate limit on that Direct PLUS Loan if the endorser qualifies for the limit based on the endorser's military service (see the Note to Endorser below).

NOTE TO ENDORSER

You may be eligible for the reduced interest rate described above based on the borrower's military service or your own military service if you are the endorser 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, and (for Direct PLUS Loans made to graduate or professional degree students) during certain periods of repayment under the REPAYE Plan, you are responsible for paying the interest that accrues on each Direct PLUS Loan you receive from the date the loan is first disbursed until it is repaid in full, including during periods of deferment or forbearance.

William D. Ford Federal Direct Loan Program

Direct PLUS Loan Borrower's Rights and Responsibilities Statement

No accrual of interest benefit for active duty service members

Under the no accrual of interest benefit for active duty service members, you are not required to pay the interest that accrues on any type of Direct Loan Program loan first disbursed on or after October 1, 2008 during periods of qualifying active duty military service (for up to 60 months).

Interest capitalization

If you do not pay the interest as it accrues on a Direct PLUS Loan, as described above, we will add the accrued interest to the unpaid principal balance of your loan. This is called "capitalization." Capitalization increases the unpaid principal balance of your loan, and interest then accrues on the increased principal balance. 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.

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.

	If you pay the interest as it accrues...	If you do not pay the interest and it is capitalized...
Loan Amount	\$15,000	\$15,000
Interest for 12 Months	\$1,575 (paid as accrued)	\$1,575 (unpaid and capitalized)
Principal to be Repaid	\$15,000	\$16,575
Monthly Payment	\$202	\$224
Number of Payments	120	120
Total Repaid	\$25,863	\$26,839

The example in the chart above shows payments made under the Standard Repayment Plan at an interest rate of 10.5%, the maximum interest rate for a Direct PLUS Loan. In this example, you would pay \$22 less per month and \$975 less altogether if you pay the interest as it is charged during a 12-month deferment or forbearance period.

Federal income tax deduction

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

For each Direct PLUS Loan you receive under this MPN, we charge a loan fee that is a percentage of the principal amount of each loan. This fee will be subtracted proportionally from each disbursement of your loan and will be shown on a disclosure statement that we send to you.

12. 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. Your servicer will provide you with information about the automatic withdrawal option. 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.

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 determines the schedule for disbursing your loan money in accordance with the Act.

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. Your school will tell you if entrance counseling is required, and will provide instructions for completing entrance counseling.

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:

- **You may notify the school (within certain timeframes).** 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).

William D. Ford Federal Direct Loan Program

Direct PLUS Loan Borrower's Rights and Responsibilities Statement

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.

If you ask the school to cancel all or part of your loan within the timeframes described above, 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.

- **You may return all or part of your loan to us.** Within 120 days of the date the school disbursed 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 cancel all or part of your loan by returning all or part of the loan money 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. We will adjust your loan amount to eliminate any interest and loan fee 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 date 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.

You must repay all of your Direct Loans under the same repayment plan, unless you want to repay your loans under the REPAYE Plan, the PAYE Plan, the IBR Plan, or the ICR Plan (see below) and you have other Direct Loans that do not qualify for repayment under those plans. In that case, you may select the REPAYE, PAYE, IBR, or ICR plan for the loans that are eligible for repayment under those plans, and may select a different repayment plan for the loans that may not be repaid under the REPAYE, PAYE, IBR, or ICR plan. Direct PLUS Loans made to a parent borrower may not be repaid under the REPAYE, PAYE, IBR and ICR plans.

Before your Direct PLUS Loan enters repayment, we will ask you to choose one of the repayment plans listed below. If you do not choose a repayment plan, we will place you on the Standard Repayment Plan.

Repayment plans for all Direct PLUS Loan borrowers

The following repayment plans are available to all Direct PLUS Loan borrowers:

Standard Repayment Plan

Under the Standard Repayment 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 the Graduated Repayment 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. Your scheduled monthly payment must be at least equal to the amount of interest that accrues each month. No single scheduled payment will be more than three times greater than any other payment.

Extended Repayment Plan

You are eligible for the Extended Repayment Plan only if **(1)** you have an outstanding balance on Direct Loans that exceeds \$30,000, and **(2)** you had no outstanding balance on a Direct Loan as of October 7, 1998 or on the date you obtained a Direct Loan on or after October 7, 1998.

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 (\$600 a year) and will be more, if necessary, to repay the loan within the required time period. If you make graduated payments, your scheduled monthly payment must be at least equal to the amount of interest that accrues each month. No single scheduled payment under the graduated option will be more than three times greater than any other payment.

Additional repayment plans only for graduate and professional student Direct PLUS Loan borrowers

Note: Parent Direct PLUS Loan borrowers may not repay their Direct PLUS Loans under these plans. However, if a parent Direct PLUS Loan borrower consolidates a Direct PLUS Loan into a Direct Consolidation Loan, the Direct Consolidation Loan may then be repaid under the ICR Plan described below. See Item 23 for information on loan consolidation.

If you are a graduate or professional student Direct PLUS Loan borrower, the following additional repayment plans are available:

Revised Pay As You Earn Repayment Plan (REPAYE Plan)

Under the REPAYE Plan, your monthly payment amount is generally 10% of your discretionary income. Discretionary income for this plan is the difference between your adjusted gross income and 150% of the poverty guideline amount for your state of residence and family size, divided by 12.

If you are married, the income used to determine your REPAYE Plan payment amount will generally be the combined income of you and your spouse, regardless of whether you file a joint or separate federal income tax return.

While you are repaying under the REPAYE Plan, you must provide documentation of your income (and, if you are married, your spouse's income) and certify your family size each year so that we may recalculate your payment amount.

Under the REPAYE Plan, if all of the loans you are repaying under the plan were obtained for undergraduate study, any remaining loan amount will be forgiven after you have made the equivalent of 20 years of qualifying monthly payments over a period of at least 20 years. If any of the loans you are repaying under the REPAYE Plan were obtained for graduate or professional study, any remaining loan amount will be forgiven after you have made the equivalent of 25 years of qualifying monthly payments over a period of at least 25 years. You may have to pay federal income tax on the loan amount that is forgiven.

William D. Ford Federal Direct Loan Program

Direct PLUS Loan Borrower's Rights and Responsibilities Statement

Pay As You Earn Repayment Plan (PAYE Plan)

Under the PAYE Plan, your monthly payment amount is generally 10% of your discretionary income. Discretionary income for this plan is the difference between your adjusted gross income and 150% of the poverty guideline amount for your state of residence and family size, divided by 12.

If you are married and file a joint federal income tax return, the income used to determine your PAYE Plan payment amount will be the combined adjusted gross income of you and your spouse.

If you are married and file a separate federal income tax return from your spouse, only your individual adjusted gross income will be used to determine your PAYE Plan payment amount.

The PAYE Plan is available only to new borrowers. You are a new borrower for the PAYE Plan if:

(1) You had no outstanding balance on a Direct Loan or a FFEL Program loan as of October 1, 2007, or you have no outstanding balance on a Direct Loan or a FFEL Program loan when you obtain a new loan on or after October 1, 2007, and

(2) You receive a disbursement of a Direct Subsidized Loan, Direct Unsubsidized Loan, or student Direct PLUS Loan (a Direct PLUS Loan made to a graduate or professional student) on or after October 1, 2011, or you receive a Direct Consolidation Loan based on an application received on or after October 1, 2011. However, you are not considered to be a new borrower for the PAYE Plan if the Direct Consolidation Loan you receive repays loans that would make you ineligible under part **(1)** of this definition.

In addition to being a new borrower, to initially qualify for the PAYE Plan, the monthly amount you would be required to pay under this plan, based on your income and family size, must be less than the amount you would have to pay under the Standard Repayment Plan.

If you are married and file a joint federal income tax return, the loan amount we use to determine whether you qualify for the PAYE Plan will include your eligible loans and your spouse's eligible loans.

If you are married and file a separate federal income tax return from your spouse, the loan amount we use to determine whether you qualify for the PAYE Plan will include only your eligible loans.

While you are repaying under the PAYE Plan, you must provide documentation of your income and certify your family size each year so that we may recalculate your payment amount. If your income increases to the point that the amount you would have to pay under the PAYE Plan based on your income is more than what you would have to pay under the Standard Repayment Plan, you will remain on the PAYE Plan, but your monthly payment will no longer be based on your income. Instead, your monthly payment will be what you would be required to pay under the Standard Repayment Plan.

Under the PAYE Plan, if your loan is not repaid in full after you have made the equivalent of 20 years of qualifying monthly payments over a period of at least 20 years, any remaining loan amount will be forgiven. You may have to pay federal income tax on the loan amount that is forgiven.

Income-Based Repayment Plan (IBR Plan)

Under the IBR Plan, your monthly payment amount is generally 15% (10% if you are a new borrower; see Note below) of your discretionary income. Discretionary income for this plan is the difference between your adjusted gross income and 150% of the poverty guideline amount for your state of residence and family size, divided by 12.

If you are married and file a joint federal income tax return, the income used to determine your IBR Plan payment amount will be the combined adjusted gross income of you and your spouse.

If you are married and file a separate federal income tax return from your spouse, only your individual adjusted gross income will be used to determine your IBR Plan payment amount.

To initially qualify for the IBR Plan, the monthly amount you would be required to pay under this plan, based on your income and family size, must be less than the amount you would have to pay under the Standard Repayment Plan.

If you are married and file a joint federal income tax return, the loan amount we use to determine whether you qualify for the IBR Plan will include your eligible loans and your spouse's eligible loans.

If you are married and file a separate federal income tax return from your spouse, the loan amount we use to determine whether you qualify for the IBR Plan will include only your eligible loans.

While you are repaying under the IBR Plan, you must provide documentation of your income and certify your family size each year so that we may recalculate your payment amount. If your income increases to the point that the amount you would have to pay under the IBR Plan based on your income is more than what you would have to pay under the Standard Repayment Plan, you will remain on the IBR Plan, but your monthly payment will no longer be based on your income. Instead, your monthly payment will be what you would be required to pay under the Standard Repayment Plan.

Under the IBR Plan, if your loan is not repaid in full after you have made the equivalent of 25 years (20 years if you are a new borrower) of qualifying monthly payments over a period of at least 25 years (20 years if you are a new borrower), any remaining loan amount will be forgiven. You may have to pay federal income tax on the loan amount that is forgiven.

NOTE: You are a new borrower for the IBR Plan if you have no outstanding balance on a Direct Loan or a FFEL Program loan on July 1, 2014, or if you have no outstanding balance on a Direct Loan or a FFEL Program loan on the date you obtain a Direct Loan after July 1, 2014. Your servicer will determine whether you are a new borrower based on the information about your loans in the U.S. Department of Education's National Student Loan Data System.

Income Contingent Repayment Plan (ICR Plan)

Under the ICR Plan, your monthly payment amount will be either 20% of your discretionary income or a percentage of what you would repay under a Standard Repayment Plan with a 12-year repayment period, whichever is less. Discretionary income for this plan is the difference between your adjusted gross income and the poverty guideline amount for your state of residence and family size, divided by 12.

If you are married and file a joint federal income tax return, the income used to determine your ICR Plan payment amount will be the combined adjusted gross income of you and your spouse.

If you are married and file a separate federal income tax return from your spouse, only your individual adjusted gross income will be used to determine your ICR Plan payment amount.

Until we obtain the information needed to calculate your monthly payment amount, your payment will equal the amount of interest that accrues monthly on your loan unless you request a forbearance.

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While you are repaying under the ICR Plan, you must provide documentation of your income and certify your family size each year so that we may recalculate your payment amount.

Under the ICR Plan, if your loan is not repaid in full after you have made the equivalent of 25 years of qualifying monthly payments over a period of at least 25 years, any remaining loan amount will be forgiven. You may have to pay federal income tax on the loan amount that is forgiven.

Additional repayment plan information

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 repayment plans described above are not adequate to meet your exceptional circumstances, we may provide you with an alternative repayment plan.

You can use the Repayment Estimator at [StudentAid.gov/Repayment-Estimator](https://studentaid.gov/Repayment-Estimator) to estimate your monthly and total payment amounts under the different repayment plans and to evaluate your eligibility for the PAYE and IBR plans. The calculators are for informational purposes only. Your servicer will make the official determination of your payment amount and, for the PAYE and IBR plans, your eligibility for the 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 period of less than the number of years your loan has already been in repayment, except that you may change to the REPAYE Plan, the PAYE Plan, the IBR Plan, or the ICR Plan at any time.

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.

If you are making payments under any repayment plan other than the REPAYE Plan, the PAYE Plan, and the IBR Plan, we apply your payments in the following order:

1. Late charges and collection costs,
2. Outstanding interest, and
3. Outstanding principal.

If you are making payments under the REPAYE Plan, the PAYE Plan, or the IBR Plan, we apply your payments in the following order:

1. Outstanding interest,
2. Late charges and collection costs, and
3. Outstanding principal.

There is no penalty if you make loan payments before they are due, or pay more than the amount due each month (prepayments). We apply any prepayments in accordance with the Act. Your servicer can provide more information about how prepayments are applied.

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

We may transfer the servicing of one or all of your loans to another servicer. If there is a change in the address to which you must send payments or direct communications, we will notify you 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 begin attendance in any classes 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 MPN 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 will lose eligibility for other federal student aid and assistance under most federal benefit programs.
- You will lose eligibility for loan deferments.
- We will also report your default to nationwide consumer reporting agencies (see Item 20). This will harm your credit history and may make it difficult for you to obtain credit cards, home or car loans, or other forms of consumer credit.

If you default on your loan, you will not be charged collection costs if you respond within 60 days to the initial notice of default that we send to you, and you enter into a repayment agreement with us, including a loan rehabilitation agreement, and fulfill that agreement.

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.

20. CONSUMER REPORTING AGENCY NOTIFICATION

We will report information about your loan to nationwide consumer reporting agencies (commonly known as "credit bureaus") on a regular basis. This information will include the disbursement dates, amount, and repayment status of your loan (for example, whether you are current or delinquent in making payments). Your loan will be identified as an education loan.

If you default on a loan, we will report this to nationwide consumer reporting agencies. We will notify you at least 30 days in advance that we

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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)

General

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 Direct PLUS 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 defined in 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:

- You submit a deferment request to your servicer along with documentation of your eligibility for the deferment, or
- 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 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 to your servicer, along with documentation of your eligibility for the deferment. In certain circumstances, you may not be required to provide documentation of your eligibility if your servicer confirms that you have been granted the same deferment for the same period of time on a FFEL Program loan. Your servicer can provide you with a deferment request form that explains the 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 (Direct Loan Program loans, FFEL Program loans, and Federal Perkins Loans) is 20% or more of your total monthly gross income (for a maximum of three years);
- You are serving in a national service position for which you receive a national service education award under the National and Community Service 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 a student loan repayment program 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 explain the eligibility and documentation requirements for the type of forbearance you are requesting. You may also obtain 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:

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- 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

You may request a forbearance.

22. DISCHARGE (HAVING YOUR LOAN FORGIVEN)

Death, bankruptcy, and total and permanent disability

We will discharge (forgive) your loan if:

- You die, or the child on whose behalf you obtained a Direct PLUS Loan dies. Your servicer must receive acceptable documentation (as defined in the Act) of your death or the child's death.
- Your loan is discharged in bankruptcy after you have proven to the bankruptcy court that repaying the loan would cause undue hardship. Direct Loans are not automatically discharged if you file for bankruptcy.
- You become totally and permanently disabled (as defined in the Act) and meet certain other requirements.

School closure, false certification, identity theft, and unpaid refund

In certain cases, we may also discharge all or a portion of your loan if:

- You (or the child on whose behalf you obtained a Direct PLUS Loan) 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.

Public Service Loan Forgiveness

A Public Service Loan Forgiveness (PSLF) program is also available. Under this program, we will forgive the remaining balance due on your eligible Direct Loan Program loans after you have made 120 payments on those loans (after October 1, 2007) under certain repayment plans while you are employed full-time in certain public service jobs. The required 120 payments do not have to be consecutive. Qualifying repayment plans include the REPAYE Plan, the PAYE Plan, the IBR Plan, the ICR Plan, and the Standard Repayment Plan with a 10-year repayment period.

Note: Although the Standard Repayment Plan with a 10-year repayment period is a qualifying repayment plan for PSLF, to receive any loan forgiveness under this program you must make the majority of the required 120 payments under the REPAYE Plan, the PAYE Plan, the IBR Plan, or the ICR Plan.

Additional loan discharge information

The Act may provide for certain loan forgiveness or repayment benefits on your loans in addition to the benefits described above.

For a discharge based on your death or the death of the child on whose behalf you obtained a Direct PLUS Loan, a family member must contact your loan servicer. To request loan discharge or forgiveness based on one of the other conditions described above (except for a discharge due to bankruptcy), you must complete an application. Your servicer can tell you how to apply.

In some cases, you may assert, under applicable law and regulations, a defense against repayment of your loan on the basis 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. 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 reasons described above, you are no longer obligated to make any payments on the loan. However, if the loan is reinstated after a discharge and the borrower does not make the required payments, you will be obligated to make payments on the loan.

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.

END OF BORROWER'S RIGHTS AND RESPONSIBILITIES STATEMENT

INSTRUCTIONS

MASTER PROMISSORY NOTE FOR DIRECT PLUS LOANS

GENERAL INSTRUCTIONS AND INFORMATION

Type or print using blue or black ink. Do not use pencil. Enter all dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: January 31, 2017 = 01/31/2017.

Throughout the Master Promissory Note (MPN) and the accompanying Borrower's Rights and Responsibilities Statement, the words "we," "us," "our," and "ED" refer to the U.S. Department of Education.

BORROWER INFORMATION

Note: Some of the items in this section 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.

Item 1: Check the appropriate box to indicate whether you are a Graduate or Professional Student or a Parent of a Dependent Undergraduate Student.

Item 2. Enter your first name, then your middle initial and last name. 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 different from your permanent address, you must list **both** addresses. A temporary school address is not acceptable.

Item 3. Enter your nine-digit Social Security Number.

Item 4. Enter your date of birth.

Item 5. 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 6. Enter your preferred email address for receiving communications. You are not required to provide this information. If you do, we may use your email address to communicate with you. If you do not have an email address or do not wish to provide one, enter N/A.

Item 7. 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 8. 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 9. Enter your employer's name and address (number, 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 10. Enter your work area code and telephone number. If you are self-employed, enter the area code and telephone number of your business.

REFERENCE INFORMATION

Items 11 and 12. Enter the requested information for two adults with different U.S. addresses who do not live with you, and who have known you for at least three years and will know how to contact you in the future. 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. Providing an email address for a reference is optional. If you provide an email address, we may use it to communicate with the reference. If a reference does not have a telephone number or email address, or does not wish to provide an email address, enter N/A.

SCHOOL INFORMATION

This section will be completed by the school that determines your eligibility to receive the loan.

DEPENDENT UNDERGRADUATE STUDENT INFORMATION

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

Item 16. Enter the student's first name, then middle initial and last name.

Item 17. Enter the student's nine-digit Social Security Number.

Item 18. Enter the student's date of birth.

BORROWER REQUEST, CERTIFICATIONS, AUTHORIZATIONS, AND UNDERSTANDINGS

Top of Page 2. Enter your name and Social Security Number.

Items 19, 20, 21, and 22. Read these items carefully.

PROMISE TO PAY

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

Items 27 and 28. 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 and the accompanying Borrower's Rights and Responsibilities Statement; and **(2)** agree to repay in full all loans made under this MPN according to the terms and conditions of the MPN.

SECTION IX: Miscellaneous Policies

Withdrawals and Return of Title IV Funds

This policy applies to all students who have utilized federal Title IV funding in support of their education-related expenses who then withdraw, take an unapproved leave of absence, or are suspended, dismissed, or expelled from the College.

Title IV funds are awarded to a student under the assumption that the student will attend the Alabama College of Osteopathic Medicine for the entire period for which the assistance is awarded. When a student fails to attend for the duration of the period, the student may no longer be eligible for the full amount of Title IV funds that he/she was originally scheduled to receive.

The Office of Financial Aid is required by federal statute to calculate the earned and unearned portions of Title IV aid based upon the amount of time the student spent in attendance. The percentage of time completed in the period is calculated by dividing the number of days completed by the total number of days in the period.

Until the student has completed 60% of the period, a pro rata schedule is used to determine the amount of Title IV funds the student has earned at the time of withdrawal. After completing 60% of the period, a student has earned 100% of the Title IV funds he or she was scheduled to receive.

For a student who withdraws after completing 60% of the period, there are no unearned funds. However, ACOM must still complete a Return calculation in order to determine whether the student is eligible for a post-withdrawal disbursement.

The official withdrawal date is determined by the Registrar's Office. A student's withdrawal date for R2T4 purposes is the student's last date of attendance at a documented academically related activity.

If the Return of Title IV funds calculation indicates a return to the appropriate federal program(s) from the school greater than the Tuition Refund calculation, the school will return the greater amount. If the R2T4 calculation shows a return of less than the refund calculation, the school will return the difference to the student. ACOM 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.

In accordance with federal regulations, unearned aid shall be returned by ACOM from the student's account to the appropriate programs in the following order:

1. Direct Unsubsidized Loan
2. Direct Subsidized Loan (not available for D.O. students)
3. Direct PLUS Loan

No program can receive a refund if a student did not receive aid from that program.

If ACOM is required to return unearned aid to any federal Title IV program, the student will be responsible for payment of any balance that becomes due to the school. In light of this, we encourage students to contact the Office of Financial Aid for guidance before making any changes to their enrollment status.

Leave of Absence for Financial Aid Recipients

For Title IV purposes, a leave of absence (LOA) may be designated as either unapproved or approved.

An LOA that does not meet all of the conditions for an approved LOA is designated as unapproved and considered a withdrawal. In this case, an R2T4 calculation is required, and the withdrawal date is the date the student begins the LOA.

An approved LOA is treated as a temporary interruption in a student's education instead of being counted as a withdrawal. In this case, no R2T4 calculation is required, and the student remains in an in-school status for Title IV loan repayment purposes.

For an LOA to qualify as an approved LOA –

- the school must have a formal written policy regarding leaves of absence requiring that all requests for leaves of absence be submitted in writing and include the reason for the student's request;
- the student must follow the school's policy in requesting the LOA;
- there must be a reasonable expectation that the student will return from the LOA;
- the school must approve the student's request for an LOA in accordance with the school's policy;
- the institution may not assess the student any additional institutional charges, the student's need may not increase, and therefore, the student is not eligible for any additional Federal Student Aid;
- the LOA, together with any additional leaves of absence, must not exceed a total of 180 days in any 12-month period. This 12-month period begins on the first day of the student's initial LOA;
- a student returning from an LOA must resume training at the same point in the academic program that he or she began the LOA. If a student returns early, the days the student spends in class before the course reaches the point at which the student began his or her LOA must be counted in the 180 days maximum for an approved leave of absence. In addition, a student returning from an LOA must complete the term to be eligible to receive a second or subsequent disbursement.

In the event a student does not return to ACOM at the expiration of an approved LOA, the student will be considered to have withdrawn. In this case, an R2T4 calculation is required, and the withdrawal date is the date the student began the LOA. ACOM will report to the student's loan holders a change in enrollment status as of the withdrawal date. This may result in negative consequences on the student's loan repayment terms, including exhaustion of the student's grace period.

Because of the stringent criteria that must be met, ACOM can grant LOAs that meet the Department of Education's criteria for an approved LOA in a very limited number of cases. Therefore, as part of the prescribed ACOM withdrawal procedures, students are required to meet with the Director of Financial Aid in order to determine the effects of the LOA on their eligibility for federal student aid.

Satisfactory Academic Progress (SAP)

Federal regulations (CFR 668 – Student Assistance General Provisions, Sections 668.16, 668.32, 668.34, and 668.42) state that any student who is receiving financial assistance from Title IV, HEA programs is required to maintain satisfactory academic progress (SAP) according to qualitative and quantitative measures established by the institution.

ACOM's academic progress 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. In terms of stringency, these standards meet or exceed the SAP requirements set forth in the *Federal Student Aid Handbook*.

Eligibility

GPA

Students are expected to make continuous and successful progress toward the requirements for graduation throughout the curriculum. Students must earn a grade point average of 2.0 or higher to maintain financial aid eligibility. Grades of A, B, C, and F will be factored into the GPA calculation. Grades of I, AW, and W do not affect GPA.

Time Frame

Students must complete the D.O. program within a time-frame no longer than 150% of the published length of the program.

Pace

Students are required to complete 66.67% of all attempted credit hours. The calculation is made as follows: $\text{earned credit hours} \div \text{attempted credit hours} = \text{completion rate}$. Grades of A, B, and C are counted as hours attempted and earned. Grades of F, I, AW, and W are counted as hours attempted but not as hours earned.

If it is determined that a student is not on pace to successfully complete all required coursework within the allowed timeframe, he or she will receive no additional federal student aid at ACOM.

Evaluation Process

Annual Review

The Office of Financial Aid (OFA) is responsible for reviewing the progress of students at the end of each academic year in order to determine SAP standing. Any student who is found to not be making SAP by the OFA is not eligible to receive Title IV Federal Student Aid. This rule may also apply to other funding programs.

Students who are not making SAP will be notified by the Office of Financial Aid.

Appeals

Students who fail to make SAP may request reinstatement of eligibility by submitting a SAP appeal to the Director of Financial Aid. The complete appeal will consist of 1) a SAP Appeal Form, 2) a written statement which describes the student's mitigating circumstances, 3) supporting documentation, and 4) an academic plan approved by the SPC. **Incomplete appeals cannot be accepted or reviewed.**

The statement must be typed and signed by the student, and it must clearly describe how mitigating circumstances had a direct and adverse impact on the student's academic performance. The statement must also note that the circumstances which led to unsatisfactory academic performance have improved and will not prevent the student from making SAP by the next evaluation. The statement should be concise, but long enough to adequately address the student's mitigating circumstances; there is no school-defined standard as to length.

Examples of mitigating circumstances and acceptable supporting documentation include but are not limited to:

- Serious Illness (student or close family member) – statement from physician
- Death of a close family member – statement from a minister, family member, or unbiased third party, and a copy of the death certificate or obituary
- Disruptive personal issues – statement from an attorney, counselor, minister, or unbiased third party, court documents, etc.

Each student will receive written notification of the decision from the Office of Financial Aid.

Academic Plans

If a student fails to make SAP, the Student Progress Committee will work with the student to create a written academic plan that is designed to help the student improve his/her performance. Once established, the plan must be submitted **by the student** to the Office of Financial Aid as component of the SAP Appeal.

Financial Aid Probation

If an appeal is approved, the student will be placed on financial aid probation and have eligibility for federal financial aid reinstated for one term. During the probationary period, the student must adhere to the requirements specified in the academic plan approved for them by the Student Progress Committee. A student who fails to adhere to the requirements specified in the plan or fails to achieve the minimum SAP eligibility standards by the end of the probationary period is considered ineligible to receive additional federal student aid disbursements at ACOM.

In some instances, it may be mathematically impossible for a student who is on financial aid probation and in compliance with all requirements of his/her academic plan to achieve the minimum SAP standards by the conclusion of one term. The mathematical impossibility may be related to GPA, pace, or both. If at the end of a probationary period, the student has met all requirements of the academic plan but is still not meeting the minimum SAP standards, he/she will be eligible to receive aid for the next term. Progress will be reviewed at the end of each subsequent term until the student has either achieved SAP or violated the terms of the academic plan and become ineligible to receive additional federal student aid at ACOM.

Other Information

Regaining Eligibility

Any student who has become ineligible to receive federal student aid due to a low GPA or completion rate may regain eligibility once they meet the qualitative and quantitative SAP standards listed in this policy.

Repeat Coursework

Repeated courses are counted as credits attempted and either earned or unearned, but only the highest grade earned is used to calculate GPA.

Remedial Coursework

Noncredit remedial courses have no impact on GPA or pace.

Transfer Credits

Transfer credits which are accepted by the registrar toward the student's current program of study will be factored into the GPA calculation and counted as credits attempted and either earned or unearned when determining SAP. All other transfer credits are excluded.

COMLEX Failures

A student who fails any portion of the COMLEX and is permitted by the SPC to remain enrolled in their program of study, and who also meets all satisfactory academic progress eligibility standards is considered to be making SAP.

Verification

Verification is the process by which the Office of Financial Aid (OFA) checks the accuracy of information submitted by the student on his or her FAFSA. It is intended to reduce errors in the financial information that students submit so that eligible applicants can receive the correct amount of financial assistance.

When a student submits the FAFSA to CPS, CPS may send Verification instructions to ACOM via the student's ISIR. ACOM will review all applications which are selected for Verification by CPS in order to determine whether Verification is required. If Verification is required, the student will be contacted via email and instructed to submit to the Office of Financial Aid additional documentation which may include but is not limited to an IRS tax return transcript and an Independent Verification Worksheet.

If Verification is required, financial aid will not be awarded or disbursed until the process has been completed. If a student is selected after a disbursement has occurred, no additional disbursements will be made until Verification has been completed. A student should submit all documentation deemed necessary for Verification by the OFA within 14 business days, but no later than May 1st of the award year for which they are seeking aid. In the event that a student fails to submit all required documents on time, ACOM cannot and will not guarantee that the student will receive any award of federal student aid due to time constraints associated with processing.

Upon review of applicable Verification documents, the OFA will either make or instruct the student to make necessary corrections in accordance with instructions provided in the Department's annual Application and Verification Guide. Upon completion of the Verification process, the OFA will, when appropriate, provide written notification to the student regarding changes to EFC and Title IV aid.

ACOM will refer to the Department's Office of Inspector General (OIG) any credible information indicating that an applicant for Federal Student Aid may have engaged in fraud or other criminal misconduct in connection with his or her application. Common misconduct includes false claims of independent student status, false claims of citizenship, use of false identities, forgery of signatures of certifications, and false statements of income. Fraud is the intent to deceive as opposed to a mistake.

Voter Registration

The Higher Education Act Amendment of 1998 requires colleges to make a good faith effort to make voter registration forms available to you.

You may request a Federal Voter Registration Form from the Election Assistance Commission website at http://www.eac.gov/voter_resources/register_to_vote.aspx.

You may request an Alabama voter registration form at the website established by the Secretary of the State of Alabama at www.alabamavotes.gov.

Non-resident students should visit their state voter registration websites for information on deadlines and registration form requirements.

If you have questions or need assistance, please call the Office of Student Services at (334) 699-2266.

Availability of Employees for Information Dissemination Purposes

Federal regulations pertaining to Title IV student aid require a school to designate an employee or group of employees who shall be available on a full-time basis to assist enrolled or prospective students in obtaining information on financial assistance, the school, graduation and completion rates, and security policies and crime statistics.

ACOM fulfills this requirement by officially designating the members of the Division of Student Services and Institutional Effectiveness as the parties responsible for dissemination of information. The combined work schedules of Student Services representatives are arranged so that at least one person is available, upon reasonable notice, through the normal administrative working hours of ACOM.

Contact Information

GENERAL INFO

Alabama College of Osteopathic Medicine
445 Health Sciences Boulevard
Dothan, AL 36303

Website: <http://www.acom.edu>

Toll Free: (855) 364-ACOM (2266)

Phone: (334) 699-2266

Fax: (334) 699-2268

Email: info@acom.edu

ADMISSIONS

Director of Admissions

Phone: (334) 699-2266

Email: admissions@acom.edu

STUDENT RECORDS

Registrar & Director of Student Tracking

Phone: (334) 699-2266

Email: registrar@acom.edu

FINANCIAL AID

Director of Financial Aid

Phone: (334) 699-2266

Email: financialaid@acom.edu

STUDENT ACCOUNTS

Bursar

Phone: (334) 699-2266

Email: studentaccounts@acom.edu

Withdrawal Procedures

A student who is considering withdrawing from ACOM should first contact the Associate Dean of Student Services to discuss their situation and determine whether alternatives to withdrawal are available.

Prior to withdrawing from the College, the student should schedule and attend exit interviews with Registrar, Bursar, and Financial Aid Office representatives. A student who withdraws from ACOM is solely responsible for determining the impact, if any, of withdrawal upon their academic record, charges, and financial aid.

A student who elects to withdraw must submit to the Registrar's Office a Withdrawal Request Form along with any additional documentation that is requested.

Important Information

1. The official withdrawal date is determined by the Registrar's Office. A student's withdrawal date is the student's last date of attendance at a documented academically related activity.
2. A student who withdraws prior to the completion of one or more courses will receive a grade of "W" or "Withdrawal" for each course in which they are enrolled at the time of withdrawal. Please contact the Registrar's Office for more information.
3. A student Direct Loan borrower who is graduating, leaving school, or dropping below half-time enrollment is required to complete exit counseling. Please visit <https://studentloans.gov> to complete the U.S. Dept. of Education's online Exit Counseling, and contact the Office of Financial Aid for more information.
4. If a student withdraws, the student and/or the College may be required to return a portion of any federal financial aid received. If ACOM is required to return unearned aid to any federal Title IV program, the student will be responsible for payment of any balance that becomes due to the College.
5. A student who owes a balance to ACOM may have a hold placed on their account by the Bursar, and the College may withhold all records pertaining to the student's attendance.
6. Refunds of tuition are made in accordance with the Tuition Refund Policy. Please contact the Bursar for more information.

Tuition Refund Policy

A student who cancels, withdraws for personal or medical reasons, is suspended or is dismissed will receive a refund of tuition charged for the term based on the following schedule:

*Medical documentation may be submitted for consideration.

**Calculation will be based on first date of enrollment for the term.

Withdrawal	Percentage Refunded
During first week of term	100%
During second week of term	75%
During third week of term	50%
After third week of term	0%

Alabama College of Osteopathic Medicine

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Toll Free - 855-364-ACOM (2266)

www.acomedu.org

The Alabama College of Osteopathic Medicine is a tobacco free campus.

