



STUDENT FINANCIAL AID GUIDE

AWARD YEAR
2024-2025



ALABAMA COLLEGE OF
OSTEOPATHIC MEDICINE

Alabama College of Osteopathic Medicine

445 Health Sciences Boulevard

Dothan, AL 36303

Main Phone: 334.699.2266 • Security Phone: 334.944.4044

www.acom.edu

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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.

CONTACT INFORMATION

GENERAL INFO

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

Website: <https://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

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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.

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 <https://studentaid.gov/h/manage-loans>.
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 2024-2025					
Budget Category	Preclinical			Clinical	
Year in Program	OMS I	OMS II	Fellowship (Optional)	OMS III	OMS IV
Standard Enrollment Pattern	10 Months	10 Months	12 Months	10 Months	9 Months
Tuition	\$60,576	\$60,576	\$60,576	\$60,576	\$60,576
Technology Fee (Optional)	\$250	\$0	\$0	\$0	\$0
Books, Materials, Supplies, & Equipment	\$6,000	\$2,000	\$1,200	\$2,000	\$1,800
Food & Housing	\$19,980	\$19,980	\$23,976	\$19,980	\$17,982
Transportation	\$4,780	\$4,780	\$5,736	\$6,170	\$5,553
Miscellaneous	\$6,990	\$6,990	\$8,388	\$6,990	\$6,291
Board Exams & Residency Interview Travel	\$0	\$730	\$0	\$730	\$5,000
Est. Loan Fees	\$2,118	\$2,118	\$2,118	\$2,118	\$2,118
Estimated COA	\$100,694	\$97,174	\$101,994	\$98,564	\$99,320

*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). It also includes estimates of the cost of books, materials, supplies, equipment, food, housing, certain transportation and miscellaneous

personal expenses, federal student loan fees, and certain expenses associated with obtaining a first professional license.

Figures included in the Standard COA are based upon full time enrollment for the 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 charges listed are based upon attendance during the 2024-2025 academic year and reflect the Standard Tuition Rate. A student who is subject to the Extended Time Rate will have the tuition portion of the COA reduced accordingly.

Electronic Device Purchases

First-year students who elect to purchase their required electronic devices (laptops/tablets) from ACOM will incur a cost of \$250 and will have this Technology Fee allowance included in their COA. Purchasing the devices from ACOM is optional, and students may choose to purchase the devices from another source. A student who chooses to purchase the devices from another source and provides documentation of their cost may have the cost added to their COA.

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, summer breaks, or periods in which a student is not enrolled. They may be borrowed during eligible periods of enrollment only.

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 do not 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 reduce your spending. In addition, we encourage you to utilize the many financial management resources available at <http://www.cashcourse.org/>.

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 \$12,000 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 for costs that exceed a maintenance allowance included in the COA. 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 of 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. 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. 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

4. Be enrolled at least half-time to be eligible for Direct Loan Program funds.
5. Maintain Satisfactory Academic Progress.
6. Show you're qualified to obtain a college or career school education by
 - a. having a high school diploma or a state-recognized equivalent such as a General Educational Development (GED) certificate;
 - b. completing a high school education in a homeschool setting approved under state law (or— if state law does not require a homeschooled student to obtain a completion credential— completing a high school education in a homeschool setting that qualifies as an exemption from compulsory attendance requirements under state law); or
 - c. enrolling in an eligible career pathway program and meeting one of the [“ability-to-benefit” alternatives](#)
7. You must not be in default on a federal student loan, and you cannot owe money on a federal student grant.
8. If applying for a Federal Direct Grad PLUS loan, you must not have an adverse credit history.
9. Sign a statement on the Free Application for Federal Student Aid (FAFSA) certifying that you will use federal student aid only for educational purposes.

When should I submit the FAFSA?

The FAFSA application cycle opens on October 1st. 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 2022 Federal Income Tax Return on February 1, 2023. The student wishes to apply for federal student aid to cover costs incurred between the Fall Term of 2024 and the Spring Term of 2025. This student needs to complete the 2024-2025 FAFSA using the data from their 2022 Federal Income Tax Return.

NOTE: The student in this example should NOT make any changes to her 2023-2024 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 my application, so what happens next?

Typically, ACOM will begin processing applications by mid-spring. Once the Office of Financial Aid begins processing 24/24 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 a financial aid offer via email. The offer will include instructions regarding how to accept/decline your award(s). For more information regarding this process, refer to [Notification and Acceptance of Loans](#).

SECTION IV: How to Apply

Federal Student Loans

Students who wish to apply for federal student loans, 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://studentaid.gov/> and complete:
 - Federal Entrance Counseling*
 - 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 [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. 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 loans to be disbursed during the **2024-2025 academic year (24/FA – 25/SP terms)** should complete the following steps in sequence:

1. If you are required to file but have not already done so, file a **2022** Federal Income Tax Return. Refer to the IRS's [Interactive Tax Assistant](#) in order to determine whether you are required to file a tax return. Please note that ACOM cannot provide tax or legal advice. If you are not required to file a return, skip to step 2.
2. Create an account (FSA ID) at <https://studentaid.gov>. If you already have an FSA ID, skip to step 3.
3. Complete the **2024-2025** Free Application for Federal Student Aid (FAFSA) at <https://studentaid.gov>. ACOM students are not required to include parental income on the FAFSA.

IMPORTANT – The Financial Aid Direct Data Exchange, which replaced the IRS Data Retrieval Tool starting with the 2024-25 FAFSA, will transfer contributors' federal tax information from the IRS directly into your FAFSA. Even if contributors don't have an SSN, didn't file taxes, or filed taxes outside of the U.S., they will still need to provide consent and approval. If a required contributor doesn't provide consent and approval to have their federal tax information transferred into the FAFSA form, you (the student) will not be eligible for federal student aid –even if the contributor manually enters tax information into the FAFSA form.

4. If you have not previously borrowed a Federal Student Loan at ACOM but plan to do so during the upcoming academic year, complete the version of the Entrance Counseling that applies to Subsidized, Unsubsidized, and PLUS loans at <https://studentaid.gov/app/counselingInstructions.action?counselingType=entrance>. Otherwise, skip to step 5.
5. If you have not previously borrowed a Direct Unsubsidized Loan at ACOM but plan to do so during the upcoming academic year, complete your Unsubsidized Master Promissory Note (MPN) at <https://studentaid.gov/mpn/grad/landing>. Otherwise, skip to step 6.
6. If you have not previously borrowed a Graduate PLUS Loan at ACOM but plan to do so during the upcoming academic year, complete your Graduate PLUS Master Promissory Note (MPN) at <https://studentaid.gov/mpn/grad/landing>. Otherwise, skip to step 7.
7. Submit a [Certification of Expected Enrollment Form](#) by email to financialaid@acom.edu.
8. If you have been awarded with a loan, scholarship, grant, stipend, tuition assistance, or other form of financial assistance for the upcoming academic year, submit a [Financial Aid Reporting Form](#) by email to financialaid@acom.edu.
9. Monitor your email account for updates, announcements, and additional application instructions.
The Office of Financial Aid will begin to issue financial aid offers by late-spring.

SECTION V: Notification and Acceptance of Loans

Financial Aid Offer

Once your Application Review has been marked as “received,” you will receive a financial aid offer via email. The offer will include instructions regarding how to accept/decline your loan(s).

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. Actual disbursement dates may vary. All dates are subject to change.

Term	Cohort	Projected Standard Disbursement Dates
23/Fall	OMS I	July 25, 2024
	OMS II	July 30, 2024
	OMS III	July 30, 2024
	OMS IV	July 3, 2024
24/Spring	OMS I - IV	January 8, 2025

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 Checklist.
- ✓ 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 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 <https://studentaid.gov/>.

Adverse Credit History & PLUS Loans

To qualify for a Direct PLUS Loan, a student cannot have an adverse credit history. A credit check is conducted on all Direct PLUS Loan applicants. A student's credit history is considered adverse if their credit report shows that they are experiencing any of the following credit conditions:

- Accounts with a total outstanding balance greater than \$2,085 that are 90 or more days delinquent as of the date of the credit report, or that have been placed in collection or charged off during the two years preceding the date of the credit report.
- Default determination during the five years preceding the date of the credit report.
- Bankruptcy discharge during the five years preceding the date of the credit report.
- Repossession during the five years preceding the date of the credit report.
- Foreclosure during the five years preceding the date of the credit report.
- Charge-off/write-off of a federal student aid debt during the five years preceding the date of the credit report.
- Wage garnishment during the five years preceding the date of the credit report.
- Tax lien during the five years preceding the date of the credit report.

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://studentaid.gov/sites/default/files/plus-adverse-credit.pdf>.

Someone with an adverse credit history can qualify for a PLUS Loan by securing an endorser who does not 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://studentaid.gov/app/demoAppealCreditDecision.action>). 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 [PLUS Credit 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:

$$\begin{aligned} &\text{Outstanding principal balance} \\ &\times \text{number of days since last payment} \\ &\times \text{interest rate factor} \\ &= \text{interest amount} \end{aligned}$$

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 are 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, 2024, and Before July 1, 2025		
<u>Loan Type</u>	<u>Borrower Type</u>	<u>Fixed Interest Rate</u>
Direct Unsubsidized Loan	Graduate or Professional	8.08%
Direct PLUS Loan	Parents and Graduate or Professional Students	9.08%
*Loans first disbursed prior to July 1, 2024, have different interest rates. More information.		
Fees for Direct Loans First Disbursed on or After October 1, 2020		
<u>Loan Type</u>	<u>First Disbursement Date</u>	<u>Loan Fee</u>
Direct Unsubsidized Loan	On or after 10/1/20 and before 10/1/25	1.057%
Direct Grad PLUS Loan	On or after 10/1/20 and before 10/1/25	4.228%
*Loans first disbursed prior to Oct. 1, 2020, have different loan fees. More information.		

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. A student can view their NSLDS information by logging into <https://studentaid.gov/>.

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://studentaid.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, sign into the <https://studentaid.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://studentaid.gov/>. NOTE: Exit Counseling must be conducted as a component of the school's official withdrawal procedures.

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://studentaid.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 Cost of Attendance.

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 Consumer Protection and Financial Literacy resources online at <https://studentaid.gov/resources>.

Any student who wishes to borrow from a private student loan should complete the federal student aid application process and review their financial aid offer 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 (MPN)
Direct Subsidized Loans and Direct Unsubsidized Loans
William D. Ford Federal Direct Loan Program

OMB No. 1845-0007
 Form Approved
 Exp. Date 07/31/2022

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 MPN.

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. I request a total amount of Direct Subsidized Loans and/or Direct Unsubsidized Loans under this Master Promissory Note (MPN) that cannot be more than the maximum amounts I am eligible to receive, as provided under federal law and explained in the MPN Terms and Conditions and in the Borrower's Rights and Responsibilities Statement that accompanies this MPN.

13. Under penalty of perjury, I certify that:

A. The information I provide on this MPN and that I update from time to time is true, complete, and correct to the best of my knowledge and belief.

B. I will use the loan money I receive only to pay for my authorized educational expenses for attendance at the school that determined I was eligible to receive the loan, and I will immediately repay any loan money that is not used for that purpose.

C. If I owe an overpayment on a Federal Perkins Loan or on a grant made under the federal student aid programs (as defined in the MPN Terms and Conditions), I have made satisfactory arrangements to repay the amount owed.

D. If I am in default on a federal student loan, 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 federal student aid funds, I have fully repaid those funds.

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

A. My schools, the U.S. Department of Education (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 or as otherwise permitted by law.

B. 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.

PROMISES

16. I promise to pay to ED the full amount of all loans that I receive under this MPN in accordance with the terms of the MPN, plus interest and any other charges and fees that I may be required to pay under the terms of the MPN.

17. If I do not make a payment on a loan made under this MPN when it is due, I promise to pay reasonable collection costs, including but not limited to attorney fees, court costs, and other fees.

18. I promise that 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.

15. I understand that:

A. My school is authorized to credit my loan money to my account at the school and to pay to ED any refund that may be due up to the full amount of the loan.

B. I have the option of paying the interest that accrues on my loans during grace, in-school, deferment (including in-school deferment), forbearance, and certain other periods, but if I do not do so, ED may add unpaid interest that accrues on my loans to the principal balance of those loans at the end of the grace, deferment, forbearance, or other period. This is called "capitalization." Capitalization will increase the principal amount owed on the loan and the total amount of interest I must pay.

C. ED has the authority to verify information reported on this MPN with other federal agencies and to report information about my loan status to persons and organizations permitted by law to receive that information.

D. My school will notify me of the type of loan and loan amount that I am eligible to borrow.

E. 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.

F. More than one loan may be made to me under this MPN for the same or different loan periods.

G. I am entitled to an exact copy of 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.

20. Borrower's Signature _____

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

MPN TERMS AND CONDITIONS

This section summarizes some of the major terms and conditions of your loans. You can find more detailed information about the terms and conditions of your loans in the Borrower's Rights and Responsibilities Statement (BRR) that accompanies the MPN. Each topic covered in this section of the MPN is followed by the number of the item in the BRR that provides additional information about that topic. The BRR is considered to be part of the MPN. Whenever we refer to the MPN, the term "MPN" includes the BRR.

We contract with servicers to process Direct Loan payments, deferment and forbearance requests, and other transactions, and to answer questions about Direct Loans. We will provide you with information about how to contact us or our servicers after your school disburses (pays out) your loan. It is important to keep in contact with your servicer.

The words "we," "us," and "our" refer to the U.S. Department of Education or our servicers. The word "loan" refers to one or more loans made under the MPN.

The term "federal student aid" refers to aid awarded under the following programs: the Federal Pell Grant Program; the Federal Supplemental Educational Opportunity Grant (FSEOG) Program; the Federal Work-Study (FWS) Program; the Leveraging Educational Assistance Partnership Grant Program; the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program; the William D. Ford Federal Direct Loan (Direct Loan) Program; the Federal Family Education Loan (FFEL) Program; and the Federal Perkins Loan Program.

LAWS THAT APPLY TO THIS MPN AND OTHER LEGAL INFORMATION (BRR Item 1)

The terms of this MPN are determined in accordance with the Higher Education Act of 1965, as amended (the HEA), our regulations, and other federal laws and regulations. Throughout this MPN, we refer to these laws and regulations as "the Act."

Any notice we are required to send you about your loans, even if you do not receive the notice, will be effective if it is sent by first-class mail to the most recent address that we have for you, emailed to an email address you have provided, or sent by any other method of notification that is permitted or required by the Act. You must immediately notify your servicer of a change in your contact information or status (see BRR Item 14).

If we do not enforce a term of this MPN, that does not waive any of our rights to enforce that term or any other term in the future. No term of your loan may be modified or waived, unless we do so in writing. If any term of your loan is determined to be unenforceable, the remaining terms remain in force.

TYPES OF LOANS YOU CAN RECEIVE UNDER THIS MPN (BRR Item 3)

This MPN is used to make Direct Subsidized Loans and Direct Unsubsidized Loans. Only undergraduate students with financial need are eligible to receive Direct Subsidized Loans. Both undergraduate and graduate or professional students can receive Direct Unsubsidized Loans.

TIME LIMITATION ON YOUR ELIGIBILITY TO RECEIVE DIRECT SUBSIDIZED LOAN IF YOU ARE A FIRST-TIME BORROWER ON OR AFTER JULY 1, 2013 (BRR Item 4)

If you are a first-time borrower on or after July 1, 2013, there is a limit on the maximum period of time for which you can receive Direct Subsidized Loans (this is called your "maximum eligibility period"), and under some circumstances you may become responsible for paying interest on those loans during all periods.

USE OF THE MPN TO MAKE MORE THAN ONE LOAN (BRR Item 5)

This MPN can be used to make multiple loans to you to pay your educational expenses over a period of up to 10 years. If you do not want to receive more than one loan under this MPN, you must notify your school or your servicer in writing.

Each loan you receive under this MPN is separately enforceable. At or before the time of the first disbursement of each loan, we will send you a disclosure statement that tells you the amount of the loan and additional terms of the loan. Any disclosure statement we send to you in connection with a loan made under this MPN is considered to be part of the MPN. You can also find information about the amount of your loan and the disbursement dates in the National Student Loan Data System (NSLDS).

AMOUNT YOU MAY BORROW (BRR Item 6)

There are annual loan limits (the maximum loan amount you can borrow each academic year) and aggregate loan limits (the maximum loan amount you can borrow for undergraduate and graduate or professional study) under this MPN. The annual and aggregate limits vary depending on your academic level (first-year, second-year, etc.) and, for undergraduate students, whether you are a dependent or independent student.

INTEREST RATE (BRR Item 7)

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 (meaning that your interest rate will never change) that is calculated each year. When the rate is calculated, it applies to Direct Subsidized Loans and Direct Unsubsidized Loans with first disbursements made during the period beginning on July 1 of one year and ending on June 30 of the following year. This means that different loans you receive under this MPN may have different interest rates.

The calculated interest rate cannot be more than the maximum rate set by the Act. 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%.

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 any period of active duty service or other qualifying periods.

PERIODS WHEN WE CHARGE INTEREST (BRR Item 8)

Generally, we do not charge interest on Direct Subsidized Loans while you are enrolled at an eligible school on at least a half-time basis, during your 6-month grace period, during deferment periods, or during certain periods of repayment under certain repayment plans that base your monthly payment amount on your income. Generally, we charge interest on Direct Subsidized Loans during all other periods, starting on the day after your grace period ends.

Generally, we charge interest on Direct Unsubsidized Loans during all periods (including while you are in school and during your grace period), starting when your loan is first disbursed.

You are responsible for paying all interest that we charge on your Direct Loans. If you do not pay this interest, we may capitalize the interest (add it to the principal balance of your loan).

LOAN FEE (BRR Item 9)

We charge a loan fee for each loan you receive. The loan fee is a percentage of the loan amount and will reduce the amount of money you receive to pay for your educational expenses. However, you are required to pay the full amount of the loan, including the amount that was taken for the loan fee. The specific loan fee you are charged will be shown on disclosure statements that will be sent to you.

MPN TERMS AND CONDITIONS (CONTINUED)

LATE CHARGES AND COLLECTION COSTS (BRR Item 10)

If you do not make your full monthly loan payment within 30 days of your due date, we may require you to pay a late charge of not more than six cents for each dollar of each late payment.

We may also require you to pay any other charges and fees that are permitted by the Act related to the collection of your loan. If you default on a loan, you must pay reasonable collection costs, plus any court costs and attorney fees.

YOUR RIGHT TO CANCEL ALL OR PART OF A LOAN (BRR Item 11)

Before your loan money is disbursed, you may cancel all or part of the loan at any time by notifying your school. After your loan money is disbursed, you may cancel all or part of the loan within certain timeframes set by the Act. These timeframes and the procedures for cancelling all or part of your loan will be explained in a notice that will be sent to you at the time of each loan disbursement.

HOW YOU WILL RECEIVE YOUR LOAN MONEY (BRR Item 12)

Generally, your school will pay out your loan money in more than one installment (called a "disbursement") according to a schedule determined by your school. In most cases, the loan money will be applied to your school account to pay for tuition, room and board, and authorized school fees. If there is money left after those charges are paid, the school will give the excess amount (this is called a "credit balance") to you directly, unless you authorize the school to hold the credit balance.

GRACE PERIOD (BRR Item 15)

You will receive a 6-month grace period on repayment of your loan. 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, we charge interest during the grace period on Direct Unsubsidized Loans and, in some cases, on Direct Subsidized Loans, and this interest will be capitalized at the end of the grace period if you do not pay it.

REPAYING YOUR LOAN (BRR Item 16)

You must repay each loan you receive under the MPN in monthly installments during a repayment period that begins on the day immediately following your 6-month grace period on that loan. You have a choice of several repayment plans, including plans that base your required monthly payment amount on your income.

If you are temporarily unable to make your monthly loan payments, you can request a deferment or forbearance that allows you to temporarily stop making payments or to temporarily make a smaller payment amount (see BRR Item 20). In some cases, we may grant you a forbearance without a request.

You may prepay all or any part of your loan at any time without penalty.

After you have fully repaid a loan, we will send you a notice telling you that you have paid off your loan. You may fully repay different loans made under this MPN at different times.

DEFAULTING ON YOUR LOAN (BRR Item 17)

You will be considered in default on your loan if:

- You do not make your monthly loan payments for a total of at least 270 days;
- You do not comply with other terms of the loan, and we determine that you do not intend to repay your loan; or
- We accelerate your loan (see "CONDITIONS WHEN WE MAY REQUIRE YOU TO IMMEDIATELY REPAY THE FULL AMOUNT OF YOUR LOAN") and you do not pay the amount due.

If you default, we may:

- Capitalize all outstanding interest, which will increase the principal amount due on the loan and the total amount of interest you will pay;
- Report the default to nationwide consumer reporting agencies (credit bureaus), which will significantly and negatively affect your credit history;
- Demand that you immediately repay the loan in full;
- Order administrative wage garnishment (AWG) of your wages;
- Take (offset) your federal income tax refund or Social Security Administration payments or any other payment authorized for offset under federal law and use that amount to pay off part of your loan;
- File a lawsuit against you to collect on the loan; and
- Require you to pay collection costs, which will increase the total amount you must pay on your loan.

CONDITIONS WHEN WE MAY REQUIRE YOU TO IMMEDIATELY REPAY THE FULL AMOUNT OF YOUR LOAN (BRR Item 18)

We may require you to immediately repay the entire unpaid balance of your loan (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 for; or
- Default on your loan (see "DEFAULTING ON YOUR LOAN").

INFORMATION WE REPORT ABOUT YOUR LOAN (BRR Item 19)

We will report information about your loan to nationwide consumer reporting agencies (credit bureaus) and the National Student Loan Data System (NSLDS) 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). If you default on a loan, we will report this to nationwide consumer reporting agencies. Your loan will be identified as an education loan. Schools may access information in NSLDS for specific purposes that we authorize.

IMPORTANT NOTICES

GRAMM-LEACH-BLILEY ACT NOTICE

The Gramm-Leach-Bliley Act (Public Law 106-102) requires that lenders provide certain information to their customers regarding the collection and use of nonpublic personal information.

We disclose nonpublic personal information to third parties only as necessary to process and service your loan and as permitted by the Privacy Act of 1974. See the Privacy Act Notice below. We do not sell or otherwise make available any information about you to any third parties for marketing purposes.

We protect the security and confidentiality of nonpublic personal information by implementing the following policies and practices. All physical access to the sites where nonpublic personal information is maintained is controlled and monitored by security personnel. Our computer systems offer a high degree of resistance to tampering and circumvention. These systems limit data access to our staff and contract staff on a "need-to-know" basis, and control individual users' ability to access and alter records within the systems. All users of these systems are given a unique user ID with personal identifiers. All interactions by individual users with the systems are recorded.

PRIVACY ACT NOTICE

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authority for collecting the requested information from and about you is §451 *et seq.* of the Higher Education Act (HEA) of 1965, as amended (20 U.S.C. 1087a *et seq.*) and the authorities for collecting and using your Social Security Number (SSN) are §484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) and 31 U.S.C. 7701(b). Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

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

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

agencies. To provide a standardized method for educational institutions to efficiently submit student enrollment status, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies.

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

FINANCIAL PRIVACY ACT NOTICE

Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3421), ED will have access to financial records in your student loan file maintained in compliance with the administration of the Direct Loan Program, and also to the financial records of any account at a financial institution used to disburse Direct Loan funds to you.

PAPERWORK REDUCTION NOTICE

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless the collection displays a valid OMB control number. 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: Applicant Services
PO Box 9002
Niagara Falls, NY 14302

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

ABOUT THE BORROWER'S RIGHTS AND RESPONSIBILITIES STATEMENT (BRR)

This BRR 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 BRR for your records. You may request another copy of the BRR at any time by contacting your loan servicer. You can also obtain a complete copy of the MPN that you signed, including the BRR, on StudentAid.gov.

Throughout this BRR, the words "we," "us," and "our" refer to the U.S. Department of Education or our servicers. The word "loan" refers to one or more loans made under the accompanying MPN.

1. LAWS THAT APPLY TO THIS MPN AND OTHER LEGAL INFORMATION

The terms and conditions of loans made under this MPN are determined by the Higher Education Act of 1965, as amended (the HEA), and other federal laws and regulations. We refer to these laws and regulations as "the Act" throughout this BRR. Under applicable state law (unless federal law preempts a state law), you may have certain borrower rights, remedies, and defenses in addition to those stated in the MPN and this BRR.

Any notice we are required to send you related to a loan made under this MPN, even if you do not receive the notice, will be effective if it is sent by first-class mail to the most recent address that we have for you, sent by electronic means to an email address you have provided, or sent by any other method of notification that is permitted or required by the Act. You must immediately notify your servicer of a change in your contact information or status (see BRR Item 14).

If we do not enforce a term of this MPN, that does not waive our right to enforce that term or any other term in the future. No term of this MPN may be modified or waived, unless we do so in writing. If any term of this MPN is determined to be unenforceable, the remaining terms remain in force.

NOTE: Amendments to the Act may change the terms of this MPN. Any amendment to the Act that changes the terms of this MPN will be applied to your loans in accordance with the effective date of the amendment. Depending on the effective date of the amendment, amendments to the Act may modify or remove a benefit that existed at the time that you signed this MPN.

2. THE WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

The Direct Loan Program (formally known as the William D. Ford Federal Direct Loan Program) includes the following types of loans, known collectively as "Direct Loans":

- Direct Subsidized Loans (formally known as Federal Direct Stafford/Ford Loans)
- Direct Unsubsidized Loans (formally known as Federal Direct Unsubsidized Stafford/Ford Loans)
- Direct PLUS Loans (formally known as Federal Direct PLUS Loans)
- Direct Consolidation Loans (formally known as Federal Direct Consolidation Loans)

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. We will provide you with information about how to contact us or our servicers after your school notifies us that the first disbursement of your loan has been made. It is important to keep in contact with your servicer.

If we transfer one or all of your loans to a new servicer, we will notify you of who your new servicer is, how to contact your new servicer, and when your loans will be transferred. A transfer of the servicing of your loan does not affect any of your rights and responsibilities under that loan. You can find

the name of your servicer in the National Student Loan Data System (NSLDS) (see BRR Item 19).

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 BRR Item 8, we do not charge interest on Direct Subsidized Loans while you are in school on at least a half-time basis, 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).

You can receive a Direct Unsubsidized Loan without showing that you have financial need. Except during certain periods of repayment under the REPAYE Plan, we charge interest on Direct Unsubsidized Loans during all periods. For more information on periods when we charge interest, see BRR Item 8.

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 Program (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 is 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.

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), we will charge interest 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

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

If either of the above events occurs, we will charge interest 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 student 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 to you during entrance counseling (see BRR Item 12). You may also obtain additional information from your school's financial aid office, or at StudentAid.gov.

5. USE OF THE MPN TO MAKE MORE THAN ONE LOAN

You may receive more than one loan under this MPN over a period of up to 10 years to pay for your educational costs, as long as the school you are attending is authorized to use the MPN in this way and chooses to do so. At any school, you can receive more than one loan for the same academic year under this MPN.

If your school is not authorized to use the MPN for multiple loans 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 each time you receive a loan for a new academic year. If you do not want to receive more than one loan under this MPN, you must notify your school or your servicer in writing.

If the school you are attending is authorized to use the MPN for multiple loans and chooses to do so, no additional loans will be made under this MPN after the earliest of the following dates:

- The date we or your school receive your written notice that you do not want to receive any additional loans under the MPN;
- One year after the date you sign the MPN or the date we receive the MPN, if no loan disbursements have been made under the MPN; or
- Ten years after the date you sign the MPN or the date we receive the MPN.

6. 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 actual amount you are eligible to borrow for an academic year may be less than the maximum annual amounts shown in the charts.

If you are enrolled in a program that is less than a full academic year in length, or if the remaining portion of the program you are enrolled in is less than a full academic year in length, the annual loan limits may be lower than those shown in the chart.

If you are enrolled in certain graduate level health professions programs, you may qualify for higher annual and aggregate limits on Direct Unsubsidized Loans.

Your school will determine the actual loan amount you are eligible to receive based on your academic level, dependency status, and other factors such as:

- 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 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.

ANNUAL LOAN LIMITS

Dependent Undergraduate Students (unless your parent is unable to obtain a Direct PLUS Loan)	
First Year Total	\$5,500 (not more than \$3,500 can be subsidized)
Second Year Total	\$6,500 (not more than \$4,500 can be subsidized)
Third Year & Beyond (Total Each Year)	\$7,500 (not more than \$5,500 can be subsidized)
Independent Undergraduate Students (and dependent students, if your parent is unable to obtain a Direct PLUS Loan)	
First Year Total	\$9,500 (not more than \$3,500 can be subsidized)
Second Year Total	\$10,500 (not more than \$4,500 can be subsidized)
Third Year & Beyond (Total Each Year)	\$12,500 (not more than \$5,500 can be subsidized)
Graduate and Professional Students	
Total Amount (Each Year)	\$20,500 (unsubsidized only)

AGGREGATE LOAN LIMITS

Dependent Undergraduate Students (unless your parent is unable to obtain a Direct PLUS Loan)	
Total Amount Cumulative	\$31,000 (not more than \$23,000 can be subsidized)
Independent Undergraduate Students (and dependent students, if your parent is unable to obtain a Direct PLUS Loan)	
Total Amount Cumulative	\$57,500 (not more than \$23,000 can be subsidized)
Graduate and Professional Students	
Total Amount Cumulative	\$138,500 (not more than \$65,500 can be subsidized; includes subsidized and unsubsidized loans received for undergraduate study)

7. INTEREST RATE

The interest rate on Direct Subsidized Loans and Direct Unsubsidized Loans is a fixed rate (meaning that the rate for each loan you receive will never change). The rate is determined according to a formula specified in the Act, and is calculated each year. When the rate is calculated, it applies to all Direct Subsidized Loans and Direct Unsubsidized Loans that have a first disbursement date during the period beginning on July 1 of one year and ending on June 30 of the following year. If you receive more than one loan under this MPN, each loan may have a different fixed interest rate,

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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 interest rate for any loan you receive under this MPN cannot be more than the maximum rate set by the Act. 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. We will determine if you are eligible for this benefit based on information from the U.S. Department of Defense. If you are eligible and have qualifying loans with an interest rate greater than 6%, we will automatically reduce the interest rate on those loans to 6% during your military service. If you think you qualify for the 6% interest rate but have not received it, contact your servicer.

Interest rate reduction for automatic withdrawal of payments

You will receive a 0.25% reduction in the interest rate on your loan if you choose to repay the loan under the automatic withdrawal option. Under the automatic withdrawal option, we automatically deduct your monthly loan payment from your checking or savings account. In addition to lowering your interest rate, automatic withdrawal ensures that your payments are made on time. We will provide you with information about the automatic withdrawal option.

8. PERIODS WHEN WE CHARGE INTEREST

In general, we do not charge interest on Direct Subsidized Loans during certain periods, but we charge interest on Direct Unsubsidized Loans during all periods, as explained below.

Direct Subsidized Loans

We **charge interest** on Direct Subsidized Loans—

- During most periods when you are repaying your loans;
- During forbearance periods; and
- During all periods, if you become responsible for paying all interest on your Direct Subsidized Loans (see BRR Item 4).

We **do not charge interest** on Direct Subsidized Loans—

- While you are enrolled in school at least half-time;
- During your grace period;
- During deferment periods;
- During some periods of repayment under the REPAYE, PAYE, and IBR plans; and
- During periods of active duty military service that qualify you for the no accrual of interest benefit for active duty service members (see below).

Direct Unsubsidized Loans

We **charge interest** on Direct Unsubsidized Loans, starting on the date of the first disbursement—

- While you are enrolled in school at least half-time;
- During your grace period;
- During most periods when you are repaying your loans;

- During most deferment periods; and
- During forbearance periods.

You will pay more interest on a Direct Unsubsidized Loan than on a Direct Subsidized Loan.

We **do not charge** interest on Direct Unsubsidized Loans—

- During some periods of repayment under the REPAYE Plan;
- During periods of active duty military service that qualify you for the no accrual of interest benefit for active duty service members (see below); and
- During periods of deferment for cancer treatment (see BRR Item 20).

No accrual of interest benefit for active duty service members

We do not charge interest on any type of Direct Loan Program loan first disbursed on or after October 1, 2008 during periods while you are on qualifying active military duty in an area of hostilities where your service qualifies you for special pay (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, we will add the accrued interest to the unpaid principal balance of your loan. This is called "capitalization." Capitalization increases the principal amount you owe on the loan and the total amount of interest you will pay. We capitalize unpaid interest when your grace period ends and when you start making payments again 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 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 at the end of the deferment or forbearance period. The example illustrated in the chart assumes the following—

- You owed \$30,000 in Direct Unsubsidized Loans when your loans entered repayment at the end of the 6-month grace period;
- The interest rate on your loans is 6%;
- You are repaying your loans under the Standard Repayment Plan; and
- You received a 12-month deferment or forbearance that began on the day after your grace period ended.

	If you pay the interest as it accrues...	If you do not pay the interest and it is capitalized...
Loan principal amount owed at beginning of deferment or forbearance	\$30,000	\$30,000
Interest for 12 months at an annual interest rate of 6%	\$1,800 (paid as accrued)	\$1,800 (unpaid and capitalized)
Loan principal amount to be repaid at end of deferment or forbearance	\$30,000	\$31,800
Monthly payment	\$333	\$353
Number of payments	120	120
Total repaid	\$41,767*	\$42,365

*The total repaid includes \$1,800 in interest that was repaid as it accrued during the 12-month deferment or forbearance period.

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In this example, you would pay \$20 less per month and \$598 less altogether if you pay the interest as it accrues during the 12-month deferment or forbearance period.

Federal income tax deduction for student loan interest payments

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, available at <https://irs.gov/publications/p970>.

9. LOAN FEE

For each Direct Subsidized Loan or Direct Unsubsidized Loan you receive under this MPN, we charge a loan fee that is a percentage of the amount you initially borrowed. The loan fee will be subtracted from each disbursement of your loan. This means that the actual disbursement amount you receive will be less than the disbursement amount you must repay. However, you are required to pay the full amount of the loan, including the amount that was taken for the loan fee.

The amount of the loan fee may be different for different loans you receive under the MPN, depending on when the loans are first disbursed. The specific loan fee you are charged will be shown on a disclosure statement that we will send to you.

10. 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 6% of each late payment. We may also require you to pay other charges and fees involved in collecting your loan.

11. YOUR RIGHT TO CANCEL ALL OR PART OF A 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:

- **Within certain timeframes you may notify your school that you want to cancel all or part of your loan.** The timeframes for notifying your school are different depending on whether your school requires you to confirm in writing the types and amounts of loans you want to receive. These timeframes range from 14 days to 30 days after your school notifies you of your right to cancel all or part of your loan. Your school will tell you the specific cancellation timeframe that applies to you. If you tell the school that you want to cancel all or part of your loan within the applicable timeframe, your school is required to process your cancellation request.

If you ask your school to cancel all or part of your loan outside the applicable timeframe, 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, you may cancel all or part of your loan by returning all or part of the loan money to us. Contact your servicer for instructions 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.

12. HOW YOU WILL RECEIVE YOUR LOAN MONEY

Generally, your school will disburse (pay out) your loan money in more than one installment. Each installment is called a disbursement.

If your school uses academic terms (for example, semesters or quarters), it will usually make a loan disbursement at the beginning of each academic term.

If your school does not use academic terms or does not have academic terms that meet certain requirements, it will generally pay out your loan in at least two disbursements, 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 the Direct Loan 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. We will notify you in writing each time the school disburses part of your loan money.

If your school credits your loan money to your account and the amount credited is more than the amount of your tuition and fees, room and board, and other authorized charges, the excess amount is called a credit balance. Unless you authorize your school to hold the credit balance for you, your school must give you the credit balance within 14 days after the credit balance occurred or 14 days after classes began, whichever is later.

13. 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

14. 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.

While you are still in 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 period of study that your loan is intended to pay for;
- Do not enroll at the school that determined you were eligible to receive your loan;
- Stop attending school or drop below half-time enrollment;
- Transfer from one school to another school; or

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

- Graduate.

At any time after you receive your loan, you must notify your servicer if you:

- Change your address or telephone number;
- Change your name (for example, maiden name to married name); 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).

15. GRACE PERIOD

You do not need to begin making payments on your loan until 6 months after you stop attending school or drop below half-time enrollment. This 6-month period is called your grace period.

If you are a member of a reserve component of the U.S. Armed Forces and you are called to active duty for more than 30 days while you are enrolled in school on at least a half-time basis or during your grace period, the period of your active duty service and the time necessary for you to re-enroll in school after your active duty ends (up to a maximum of three years) are not counted as part of your grace period. We can provide more information about this benefit.

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. We 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 the principal amount of your loan, plus any interest charged on the loan in accordance with the Act. The principal amount that you owe, and are required to repay, is the total of all loan disbursements that are made (except for any disbursements that you reduce or cancel), plus any unpaid interest that is capitalized and added to the principal balance, as authorized under the Act.

You must generally repay all of your Direct Loans under the same repayment plan.

There are two types of repayment plans: traditional repayment plans and income-driven repayment plans. 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, which may require you to make a higher monthly payment than other repayment plans.

If you choose a repayment plan that reduces your monthly payment amount by extending the period of time you have to repay your loans or by basing your payment on your income, you will likely pay more in interest over time than you would pay on another repayment plan.

TRADITIONAL REPAYMENT PLANS

Under a traditional repayment plan, your required monthly payment amount is based on the loan amount that you owe, the interest rate on your loans, and the length of the repayment period.

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, 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 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 did not have an 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 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.

INCOME DRIVEN REPAYMENT PLANS

Under an income-driven repayment plan, your required monthly payment amount is based on your income and family size, instead of being based on your loan debt, interest rate, and repayment period, as under a traditional repayment plan. Changes in your income or family size will result in changes to your monthly payment amount. If you choose an income-driven plan, you must certify your family size and provide documentation of your income (and, if you are married, your spouse's income) each year so that we can recalculate your payment amount.

Your required monthly payment amount under an income-driven repayment plan is generally a percentage of your discretionary income. For all of the income-driven repayment plans except for the Income-Contingent Repayment Plan, discretionary income is defined as 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. For the Income-Contingent Repayment Plan, discretionary income is defined as the difference between your adjusted gross income and the poverty guideline amount for your state of residence and family size, divided by 12.

Revised Pay As You Earn Repayment Plan (REPAYE Plan)

Under the REPAYE Plan, your monthly payment amount is generally 10% of your discretionary income.

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. However, your payment amount will be reduced if your spouse also has federal student loans.

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

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Pay As You Earn Repayment Plan (PAYE Plan)

Under the PAYE Plan, your monthly payment amount is generally 10% of your discretionary income, but it will never be more than the Standard Repayment Plan amount.

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, but your payment amount will be reduced if your spouse also has federal student loans.

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.

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.

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% of your discretionary income, but it will never be more than the Standard Repayment Plan amount.

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, but your payment amount will be reduced if your spouse also has federal student loans.

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.

Under the IBR 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.

Income Contingent Repayment Plan (ICR Plan)

Under the ICR Plan, your monthly payment amount will be the lesser of—

- 20% of your discretionary income, or
- A percentage of what you would repay under a Standard Repayment Plan with a 12-year repayment period.

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.

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 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. We may also adjust payment dates on your loans or may grant you a forbearance (see BRR Item 20) to eliminate a past delinquency that remains even though you are making your scheduled monthly payments.

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 Loan Simulator at [StudentAid.gov/Loan-Simulator](https://studentaid.gov/loan-simulator) to evaluate your eligibility for the PAYE and IBR plans and to estimate your monthly and total payment amounts under all of the repayment plans. The Loan Simulator is for informational purposes only. We will make the official determination of your eligibility and payment amount.

Generally, you may change from your current repayment plan to any other repayment plan you qualify for at any time after you have begun repaying your loan.

Unless you are required to pay late charges or collection costs, when you make a payment on your loan, we apply the payment first to outstanding interest. If the payment amount is more than the amount of outstanding interest, we apply the remainder of your payment to your loan principal.

If you are required to pay late charges or collection costs, we apply your payment differently depending on your repayment plan. If you are repaying under a traditional repayment plan or the ICR Plan, we apply your payment first to late charges and collection costs, then to outstanding interest, and then to loan principal. If you are repaying under any income-driven repayment plan other than the ICR Plan, we apply your payment first to outstanding interest, then to late charges and collection costs, and then to loan principal.

You can prepay your loans (that is, make loan payments before they are due, or pay more than the amount due in a month) at any time without penalty. 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. 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 (this is called "acceleration").
- We may sue you, take all or part of your federal and state tax refunds and other federal or state payments as authorized by law, and/or administratively garnish your wages so that your employer is required to send us part of your salary to pay off your loan.
- You will have to pay reasonable collection fees and costs, plus court costs and attorney fees in addition to the amount of your loan.
- You will lose eligibility for other federal student financial aid and for assistance under most federal benefit programs.
- You will lose eligibility for loan deferments, forbearances, and repayment plans.

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- We will report your default to nationwide consumer reporting agencies (see BRR Item 19). 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.

18. CONDITIONS WHEN WE MAY REQUIRE YOU TO IMMEDIATELY REPAY THE FULL AMOUNT OF YOUR LOAN

We may require you to immediately repay the entire unpaid amount of your loan (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 (see BRR Item 17).

19. INFORMATION WE REPORT ABOUT YOUR LOAN

We will report information about your loan to nationwide consumer reporting agencies (commonly known as "credit bureaus") and to the National Student Loan Data System (NSLDS) 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). The information in NSLDS will also identify the servicer of your loan. Your loan will be identified as an education loan. Schools may access information in NSLDS for specific purposes that we authorize.

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 a default.

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. We respond to objections submitted to consumer reporting agencies using the methods established by those agencies.

20. 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 and seeking work (for a maximum of three years);
- While you are experiencing an economic hardship, including serving in the Peace Corps (for a maximum of three years);
- While you are serving on active duty or performing qualifying National Guard duty during a war or other military operation or national emergency and for an additional 180-day period following the demobilization date for your qualifying service;
- For a maximum of 13 months following your active duty service, if you are a current or retired member of the National Guard or reserve component of the U.S. Armed Forces and you are called or ordered to active duty while you are enrolled at least half-time at an eligible school or during your grace period; or
- For Direct Loans that were first disbursed on or after September 28, 2018, or for Direct Loans first disbursed before that date that entered repayment on or before September 28, 2018, while you are receiving treatment for cancer and for an additional 6 months after your treatment has ended.

In most cases, you will automatically receive a deferment based on your enrollment in school on at least a half-time basis based on information that we receive from the school you are attending.

If we process 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 National Guard duty, a representative acting on your behalf) must submit a deferment request to your servicer, along with documentation of your eligibility for the 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.

You may also receive a forbearance if:

- You are serving in a qualifying medical or dental internship or residency program;
- The total amount you owe each month for all of your federal student loans is 20% or more of your total monthly gross income (for a maximum of three years);
- You are serving in an AmeriCorps position;
- You are performing service that would qualify you for loan forgiveness under the Teacher Loan Forgiveness program (see BRR Item 21);
- 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.

Under certain circumstances, we may also give you a forbearance without requiring you to submit a request or documentation (for example, while we are determining your eligibility for a loan discharge, or during periods when you are affected by a local or national emergency).

21. DISCHARGE (HAVING YOUR LOAN FORGIVEN)

General

If you meet certain conditions as described below, we may discharge (forgive) some or all of your loans.

For a discharge based on your death, a family member must contact your servicer. To request a loan discharge based on one of the other conditions

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described below (except for a discharge due to bankruptcy), you must complete a loan discharge or forgiveness application and send it to your servicer. Your servicer can tell you how to apply.

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

Death, total and permanent disability, and bankruptcy

We will discharge (forgive) your loan if:

- You die. We must receive acceptable documentation (as defined in the Act) of your death;
- You become totally and permanently disabled; or
- Your loan is discharged in bankruptcy after you have proven to the bankruptcy court that repaying the loan would cause undue hardship.

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

We may also discharge all or a portion of your loan if:

- You could not complete a program of study because your 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 the Act.

Teacher Loan Forgiveness

We may forgive a portion of eligible student loans you received under the Direct Loan Program 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, and meet certain other qualifications.

Eligible teachers of math, science, or special education may receive up to \$17,500 in loan forgiveness. Other teachers may receive up to \$5,000 in loan forgiveness.

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 Direct Loans after you have made 120 payments (after October 1, 2007) on those loans under certain repayment plans while you are employed full-time by a qualifying employer. 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 enter the REPAYE Plan, the PAYE Plan, the IBR Plan, or the ICR Plan, and make the majority of the 120 payments under one of those plans.

Borrower defense to repayment

We may discharge all or a portion of your loan if your school did something or failed to do something related to your loan or to the educational services that the loan was intended to pay for.

The specific requirements to qualify for a borrower defense to repayment discharge vary depending on when you received your loan. Contact your servicer for more information.

22. LOAN CONSOLIDATION

A Direct Consolidation Loan Program is available that allows you to combine 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.

If you have loans that were made under the FFEL Program, consolidating those loans into the Direct Loan Program can make them eligible for benefits that are only available for Direct Loans, such as Public Service Loan Forgiveness and certain repayment plans.

Although consolidation can provide certain benefits, it can also cause you to lose benefits on the loans that you consolidate. Contact your servicer for more information about loan consolidation and for help determining whether consolidation is a good option for you.

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, 2019 = 01-31-2019.

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

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 be able to help us contact you in the future if we are unable to reach you. References are used only for this purpose and are never required to repay your loan. 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.

PROMISES

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 BRR; 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 (MPN)
Direct PLUS Loans
William D. Ford Federal Direct Loan Program

OMB No. 1845-0007
 Form Approved
 Exp. Date 07/31/2022

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 MPN.

BORROWER INFORMATION

- 1. I am a (check one):
 - Graduate or Professional Student
 - Parent of the Dependent Undergraduate Student identified in Item 16 (see the Instructions for information on who qualifies as a parent)
- 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's Name: _____ **Social Security Number:** _____

BORROWER REQUEST, CERTIFICATIONS, AUTHORIZATIONS, AND UNDERSTANDINGS

19. I request a total amount of Direct PLUS Loans under this Master Promissory Note (MPN) that cannot be more than the maximum amount I am eligible to receive, as provided under federal law and explained in the MPN Terms and Conditions and in the Borrower's Rights and Responsibilities Statement that accompanies this MPN. 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 provide on this MPN and that I update from time to time is true, complete, and correct to the best of my knowledge and belief.

B. I am **(1)** a graduate or professional student, **(2)** the biological or legal adoptive parent of the student identified in Item 16, or **(3)** the spouse of the student's biological or legal adoptive 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 loan money I receive 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 is not used for that purpose.

D. If I owe an overpayment on a Federal Perkins Loan or on a grant made under the federal student aid programs (as defined in the MPN Terms and Conditions), I have made satisfactory arrangements to repay the amount owed.

E. If I am in default on a federal student loan, 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 federal student aid funds, I have fully repaid those funds. If I am a parent applying for a Direct PLUS Loan for a dependent undergraduate student, and if that student has been convicted of, or has pled *nolo contendere* or guilty to, a crime involving fraud in obtaining federal student aid funds, the student has fully repaid those funds.

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

A. The U.S. Department of Education (ED) and its agents and contractors to investigate my credit record.

B. 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 or as otherwise permitted by law.

C. 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. The school is authorized to credit my loan money to my account or to the student's account at the school and to pay to ED any refund that may be due up to the full amount of the loan.

B. I have the option of paying the interest that accrues on my loans during deferment (including in-school deferment), forbearance, and certain other periods, but if I do not do so, ED may add unpaid interest that accrues on my loans to the principal balance of those loans at the end of the deferment, forbearance, or other period. This is called "capitalization." Capitalization will increase the principal amount owed on the loan and the total amount of interest I must pay.

C. ED has the authority to verify information reported on this MPN with other federal agencies and to report information about my loan status to persons and organizations permitted by law to receive that information.

D. The school will notify me of the loan amount that I am eligible to borrow.

E. 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.

F. More than one loan may be made to me under this MPN for the same or different loan periods.

G. I am entitled to an exact copy of this MPN and the Borrower's Rights and Responsibilities Statement.

PROMISES

23. I promise to pay to ED the full amount of all loans that I receive under this MPN in accordance with the terms of the MPN, plus interest and any other charges and fees that I may be required to pay under the terms of the MPN.

24. If I do not make a payment on a loan made under this MPN when it is due, I promise to pay reasonable collection costs, including but not limited to attorney fees, court costs, and other fees.

25. I promise that 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 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) _____

26. By signing this MPN, whether electronically or on a paper copy, I promise that I have read, understand, and agree to the terms and conditions of the MPN, including the Borrower Request, Certifications, Authorizations, and Understandings, the MPN Terms and Conditions, and the Borrower's Rights and Responsibilities Statement.

MPN TERMS AND CONDITIONS

This section summarizes some of the major terms and conditions of your loans. You can find more detailed information about the terms and conditions of your loans in the Borrower's Rights and Responsibilities Statement (BRR) that accompanies the MPN. Each topic covered in this section of the MPN is followed by the number of the item in the BRR that provides additional information about that topic. The BRR is considered to be part of the MPN. Whenever we refer to the MPN, the term "MPN" includes the BRR.

We contract with servicers to process Direct Loan payments, deferment and forbearance requests, and other transactions, and to answer questions about Direct Loans. We will provide you with information about how to contact us or our servicers after the school disburses (pays out) your loan. It is important to keep in contact with your servicer.

The words "we," "us," and "our" refer to the U.S. Department of Education or our servicers. The word "loan" refers to one or more loans made under the MPN.

The term "federal student aid" refers to aid awarded under the following programs: the Federal Pell Grant Program; the Federal Supplemental Educational Opportunity Grant (FSEOG) Program; the Federal Work-Study (FWS) Program; the Leveraging Educational Assistance Partnership Grant Program; the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program; the William D. Ford Federal Direct Loan (Direct Loan) Program; the Federal Family Education Loan (FFEL) Program; and the Federal Perkins Loan Program.

LAWS THAT APPLY TO THIS MPN AND OTHER LEGAL INFORMATION (BRR Item 1)

The terms of this MPN are determined in accordance with the Higher Education Act of 1965, as amended (the HEA), our regulations, and other federal laws and regulations. Throughout this MPN, we refer to these laws and regulations as "the Act."

Any notice we are required to send you about your loans, even if you do not receive the notice, will be effective if it is sent by first-class mail to the most recent address that we have for you, emailed to an email address you have provided, or sent by any other method of notification that is permitted or required by the Act. You must immediately notify your servicer of a change in your contact information or status (see BRR Item 13).

If we do not enforce a term of this MPN, that does not waive any of our rights to enforce that term or any other term in the future. No term of your loan may be modified or waived, unless we do so in writing. If any term of your loan is determined to be unenforceable, the remaining terms remain in force.

TYPES OF LOANS YOU CAN RECEIVE UNDER THIS MPN (BRR Item 3)

This MPN is used to make Direct PLUS Loans, which are available to graduate or professional students, or to parents of dependent undergraduate students.

USE OF THE MPN TO MAKE MORE THAN ONE LOAN (BRR Item 4)

This MPN can be used to make multiple loans to you to pay your educational expenses (or, if you are a parent borrower, the dependent student's educational expenses) over a period of up to 10 years. If you do not want to receive more than one loan under this MPN, you must notify the school or your servicer in writing.

Each loan you receive under this MPN is separately enforceable. At or before the time of the first disbursement of each loan, we will send you a disclosure statement that tells you the amount of the loan and additional terms of the loan. Any disclosure statement we send to you in connection with a loan made under this MPN is considered to be part of the MPN. You can also find information about the amount of your loan and the disbursement dates in the National Student Loan Data System (NSLDS).

AMOUNT YOU MAY BORROW (BRR Item 5)

The maximum Direct PLUS Loan amount you can borrow each academic year may not exceed your or (if you are a parent borrower) the student's annual cost of attendance, minus other financial aid received for each academic year.

INTEREST RATE (BRR Item 6)

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 (meaning that your interest rate will never change) that is calculated each year. When the rate is calculated, it applies to Direct PLUS Loans with first disbursements made during the period beginning on July 1 of one year and ending on June 30 of the following year. This means that different loans you receive under this MPN may have different interest rates.

The calculated interest rate cannot be more than the maximum rate set by the Act. The maximum interest rate for Direct PLUS Loans is 10.5%.

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 any period of active duty service or other qualifying periods.

PERIODS WHEN WE CHARGE INTEREST (BRR Item 7)

Generally, we charge interest on Direct PLUS Loans during all periods from the date of the first loan disbursement until the loan is paid in full, including during deferment and forbearance periods, except during certain periods of repayment under the Revised Pay As You Earn Repayment Plan (REPAYE Plan). You will be given the opportunity to pay the interest that accrues during periods of deferment or forbearance. If you do not pay this interest, we may capitalize the interest (add it to the principal balance of your loan).

LOAN FEE (BRR Item 8)

We charge a loan fee for each loan you receive. The loan fee is a percentage of the loan amount and will reduce the amount of money you receive to pay for your (or the dependent student's) educational expenses. However, you are required to pay the full amount of the loan, including the amount that was taken for the loan fee. The specific loan fee you are charged will be shown on disclosure statements that will be sent to you.

LATE CHARGES AND COLLECTION COSTS (BRR Item 9)

If you do not make your full monthly loan payment within 30 days of your due date, we may require you to pay a late charge of not more than six cents for each dollar of each late payment.

We may also require you to pay any other charges and fees that are permitted by the Act related to the collection of your loan. If you default on a loan, you must pay reasonable collection costs, plus any court costs and attorney fees.

YOUR RIGHT TO CANCEL ALL OR PART OF A LOAN (BRR Item 10)

Before your loan money is disbursed, you may cancel all or part of the loan at any time by notifying the school. After your loan money is disbursed, you may cancel all or part of the loan within certain timeframes set by the Act. These timeframes and the procedures for cancelling all or part of your loan will be explained in a notice that will be sent to you at the time of each loan disbursement.

HOW YOU WILL RECEIVE YOUR LOAN MONEY (BRR Item 11)

Generally, the school will pay out your loan money in more than one installment (called a "disbursement") according to a schedule determined by the school. In most cases, the loan money will be applied to your (or the dependent student's) school account to pay for tuition, room and board, and authorized school fees. If there is money left after those charges are paid, the school will give the excess amount (this is called a "credit balance") to you directly, unless you authorize the school to hold the credit balance.

MPN TERMS AND CONDITIONS (CONTINUED)

REPAYING YOUR LOAN (BRR Item 14)

You must repay each loan you receive under the MPN in monthly installments during a repayment period that begins on the day of the final disbursement of that loan. You have a choice of several repayment plans, including (for graduate and professional student borrowers only) plans that base your required monthly payment amount on your income.

If you are temporarily unable to make your monthly loan payments, you can request a deferment or forbearance that allows you to temporarily stop making payments or to temporarily make a smaller payment amount (see BRR Item 18). In some cases, we may grant you a forbearance without a request.

You may prepay all or any part of your loan at any time without penalty.

After you have fully repaid a loan, we will send you a notice telling you that you have paid off your loan. You may fully repay different loans made under this MPN at different times.

DEFAULTING ON YOUR LOAN (BRR Item 15)

You will be considered in default on your loan if:

- You do not make your monthly loan payments for a total of at least 270 days;
- You do not comply with other terms of the loan, and we determine that you do not intend to repay your loan; or
- We accelerate your loan (see "CONDITIONS WHEN WE MAY REQUIRE YOU TO IMMEDIATELY REPAY THE FULL AMOUNT OF YOUR LOAN") and you do not pay the amount due.

If you default, we may:

- Capitalize all outstanding interest, which will increase the principal amount due on the loan and the total amount of interest you will pay;
- Report the default to nationwide consumer reporting agencies (credit bureaus), which will significantly and negatively affect your credit history;
- Demand that you immediately repay the loan in full;

IMPORTANT NOTICES

GRAMM-LEACH-BLILEY ACT NOTICE

The Gramm-Leach-Bliley Act (Public Law 106-102) 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

- Order administrative wage garnishment (AWG) of your wages;
- Take (offset) your federal income tax refund or Social Security Administration payments, or any other payment authorized for offset under federal law and use that amount to pay off part of your loan;
- File a lawsuit against you to collect on the loan; and
- Require you to pay collection costs, which will increase the total amount you must pay on your loan.

CONDITIONS WHEN WE MAY REQUIRE YOU TO IMMEDIATELY REPAY THE FULL AMOUNT OF YOUR LOAN (BRR Item 16)

We may require you to immediately repay the entire unpaid balance of your loan (this is called "acceleration") if:

- You (or the student) receive loan money, but do not begin attendance in any classes at the school that determined you were eligible to receive the loan;
- You 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;
- You make a false statement that causes you to receive a loan that you are not eligible for; or
- You default on your loan (see "DEFAULTING ON YOUR LOAN").

INFORMATION WE REPORT ABOUT YOUR LOAN (BRR Item 17)

We will report information about your loan to nationwide consumer reporting agencies (credit bureaus) and the National Student Loan Data System (NSLDS) 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). If you default on a loan, we will report this to nationwide consumer reporting agencies. Your loan will be identified as an education loan. Schools may access information in NSLDS for specific purposes that we authorize.

Number (SSN) are §§428B(f) and 484(a)(4) of the HEA (20 U.S.C. 1078-2(f) and 1091(a)(4)) and 31 U.S.C. 7701(b). Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

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

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

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, and also to the financial records of any account at a financial institution used to disburse Direct Loan funds to you.

PAPERWORK REDUCTION NOTICE

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless the collection displays a valid OMB control number. 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: Applicant Services
PO Box 9002
Niagara Falls, NY 14302

William D. Ford Federal Direct Loan Program

Direct PLUS Loan Borrower's Rights and Responsibilities Statement

ABOUT THE BORROWER'S RIGHTS AND RESPONSIBILITIES STATEMENT (BRR)

This BRR 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 BRR for your records. You may request another copy of the BRR at any time by contacting your loan servicer. You can also obtain a complete copy of the MPN that you signed, including the BRR, on StudentAid.gov.

Throughout this BRR, the words "we," "us," and "our" refer to the U.S. Department of Education or our servicers. 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 MPN and BRR. We have highlighted important information that applies to you as an endorser.

1. LAWS THAT APPLY TO THIS MPN AND OTHER LEGAL INFORMATION

The terms and conditions of loans made under this MPN are determined by the Higher Education Act of 1965, as amended (the HEA), and other federal laws and regulations. We refer to these laws and regulations as "the Act" throughout this BRR. Under applicable state law (unless federal law preempts a state law), you may have certain borrower rights, remedies, and defenses in addition to those stated in the MPN and this BRR.

Any notice we are required to send you related to a loan made under this MPN, even if you do not receive the notice, will be effective if it is sent by first-class mail to the most recent address that we have for you, sent by electronic means to an email address you have provided, or sent by any other method of notification that is permitted or required by the Act. You must immediately notify your servicer of a change in your contact information or status (see BRR Item 13).

If we do not enforce a term of this MPN, that does not waive our right to enforce that term or any other term in the future. No term of this MPN may be modified or waived, unless we do so in writing. If any term of this MPN is determined to be unenforceable, the remaining terms remain in force.

NOTE: Amendments to the Act may change the terms of this MPN. Any amendment to the Act that changes the terms of this MPN will be applied to your loans in accordance with the effective date of the amendment. Depending on the effective date of the amendment, amendments to the Act may modify or remove a benefit that existed at the time that you signed this MPN.

2. THE WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

The Direct Loan Program (formally known as the William D. Ford Federal Direct Loan Program) includes the following types of loans, known collectively as "Direct Loans":

- Direct Subsidized Loans (formally known as Federal Direct Stafford/Ford Loans)
- Direct Unsubsidized Loans (formally known as Federal Direct Unsubsidized Stafford/Ford Loans)
- Direct PLUS Loans (formally known as Federal Direct PLUS Loans)
- Direct Consolidation Loans (formally known as Federal Direct Consolidation Loans)

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. We will provide you with information about how to contact us or our servicers 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.

If we transfer one or all of your loans to a new servicer, we will notify you of who your new servicer is, how to contact your new servicer, and when your loans will be transferred. A transfer of the servicing of your loan does not affect any of your rights and responsibilities under that loan. You can find the name of your servicer in the National Student Loan Data System (NSLDS) (see BRR Item 17).

3. DIRECT PLUS LOANS

Direct PLUS Loans are made to graduate or professional students or to parents of dependent undergraduate students ("dependent" is defined in the Act and is different from the definition used by the Internal Revenue Service) to help pay for the cost of education beyond high school. To be eligible for a Direct PLUS Loan:

- You must be a graduate or professional student or the biological or legal adoptive parent of the dependent undergraduate student for whom you are borrowing. Other family members of the dependent student (such as grandparents) or legal guardians are not eligible to receive Direct PLUS Loans. 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 federal student aid funds.
- 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:

- 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.

In addition, if you are determined to have an adverse credit history and obtain an endorser or document to our satisfaction that there are extenuating circumstances, you must also complete the Direct PLUS Loan credit counseling that we provide.

An endorser is someone who agrees to repay the Direct PLUS Loan if you do not repay the loan. 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.

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

If you are a graduate or professional student, you must complete a 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.

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.

4. USE OF THE MPN TO MAKE MORE THAN ONE LOAN

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 on the MPN (if you are a parent borrower), as long as the school is authorized to use the MPN in this way and chooses to do so. At any school, you can receive more than one loan for the same academic year under this MPN.

If the school is not authorized to use the MPN for multiple loans 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 each time you receive a loan for a new academic year. 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 the school you are attending (or the school the student is attending) is authorized to use the MPN for multiple loans and chooses to do so, no additional loans will be made under this MPN after the earliest of the following dates:

- The date we or the school receive your written notice that you do not want to receive any additional loans under the MPN;
- One year after the date you sign the MPN or the date we receive the MPN, if no loan disbursements have been made under the MPN; or
- Ten years after the date you sign the MPN or the date we receive the MPN.

If you are a parent requesting Direct PLUS Loans to pay for the educational costs of more than one dependent undergraduate student, you must sign a separate MPN for the loans 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 want a Direct PLUS Loan to pay for your own attendance in a graduate or professional degree program.

If we determine that you have an adverse credit history and you obtain an endorser (see BRR Item 3), 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 later request another Direct PLUS Loan and are determined to have an adverse credit history and obtain an endorser for the new loan, you will have to sign a new MPN for that loan.

5. 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.

6. INTEREST RATE

The interest rate on Direct PLUS Loans is a fixed rate (meaning that the rate for each loan you receive will never change). The rate is determined according to a formula specified in the Act, and is calculated each year. When the rate is calculated, it applies to all Direct PLUS Loans that have a first disbursement date during the period beginning on July 1 of one year and ending on June 30 of the following year. If you receive more than one loan under this MPN, each loan may have a different fixed interest rate, depending on when the loan is first disbursed.

The interest rate for any loan you receive under this MPN cannot be more than the maximum rate set by the Act. 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. We will determine if you are eligible for this benefit based on information from the U.S. Department of Defense. If you are eligible and have qualifying loans with an interest rate greater than 6%, we will automatically reduce the interest rate on those loans to 6% during your military service. If you think you qualify for the 6% interest rate but have not received it, contact your servicer.

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 before the earlier of (1) the beginning date of the borrower's military service or (2) the beginning date of your military service.

Interest rate reduction for automatic withdrawal of payments

You will receive a 0.25% reduction in the interest rate on your loan if you choose to repay the loan under the automatic withdrawal option. Under the automatic withdrawal option, we automatically deduct your monthly loan payment from your checking or savings account. In addition to lowering your interest rate, automatic withdrawal ensures that your payments are made on time. We will provide you with information about the automatic withdrawal option.

7. PERIODS WHEN WE CHARGE INTEREST

Except as explained below, we **charge interest** on Direct PLUS Loans from the date the loan is first disbursed until it is repaid in full, including during periods of deferment or forbearance.

We **do not charge** interest on Direct PLUS Loans—

- During some periods of repayment under the REPAYE Plan (available only to graduate and professional student borrowers);

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

- During periods of active duty military service that qualify you for the no accrual of interest benefit for active duty service members (see below); and
- During periods of deferment for cancer treatment (see BRR Item 18).

No accrual of interest benefit for active duty service members

We do not charge interest on any type of Direct Loan Program loan first disbursed on or after October 1, 2008 during periods while you are on qualifying active military duty in an area of hostilities where your service qualifies you for special pay (for up to 60 months).

Interest capitalization

If you do not pay the interest as it accrues on a Direct PLUS Loan, we will add the accrued interest to the unpaid principal balance of your loan. This is called "capitalization." Capitalization increases the principal amount you owe on the loan and the total amount of interest you will pay. We capitalize unpaid interest when you start making payments again 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 below shows the difference in the total amount you would repay 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 at the end of the deferment or forbearance period. The example illustrated in the chart assumes the following:

- You owed \$30,000 in Direct PLUS Loans when your loans entered repayment;
- The interest rate on your loans is 8%;
- You are repaying your loans under the Standard Repayment Plan; and
- You received a 12-month deferment or forbearance that began when your loans entered repayment.

	If you pay the interest as it accrues...	If you do not pay the interest and it is capitalized...
Loan principal amount owed at beginning of deferment or forbearance	\$30,000	\$30,000
Interest for 12 months at an annual interest rate of 8%	\$2,400 (paid as accrued)	\$2,400 (unpaid and capitalized)
Loan principal amount to be repaid at end of deferment or forbearance	\$30,000	\$32,400
Monthly payment	\$364	\$393
Number of payments	120	120
Total repaid	\$46,078*	\$47,172

*The total repaid includes \$2,400 in interest that was repaid as it accrued during the 12-month deferment or forbearance period.

In this example, you would pay \$29 less per month and \$1,094 less altogether if you pay the interest as it accrues during the 12-month deferment or forbearance period.

Federal income tax deduction for student loan interest payments

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, available at <https://irs.gov/publications/p970>.

8. LOAN FEE

For each Direct PLUS Loan you receive under this MPN, we charge a loan fee that is a percentage of the amount you initially borrowed. The loan fee will be subtracted from each disbursement of your loan. This means that the actual disbursement amount you receive will be less than the disbursement amount you must repay. However, you are required to pay the full amount of the loan, including the amount that was taken for the loan fee.

The amount of the loan fee may be different for different loans you receive under the MPN, depending on when the loans are first disbursed. The specific loan fee you are charged will be shown on a disclosure statement that we will send to you.

9. 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 6% of each late payment. We may also require you to pay other charges and fees involved in collecting your loan.

10. YOUR RIGHT TO CANCEL ALL OR PART OF A 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:

- **Within certain timeframes you may notify the school that you want to cancel all or part of your loan.** The timeframes for notifying the school are different depending on whether the school requires you to confirm in writing the types and amounts of loans you want to receive. These timeframes range from 14 days to 30 days after the school notifies you of your right to cancel all or part of your loan. The school will tell you the specific cancellation timeframe that applies to you. If you tell the school that you want to cancel all or part of your loan within the applicable timeframe, the school is required to process your cancellation request.

If you ask the school to cancel all or part of your loan outside the applicable timeframe, 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, you may cancel all or part of your loan by returning all or part of the loan money to us. Contact your servicer for instructions 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.

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11. HOW YOU WILL RECEIVE YOUR LOAN MONEY

Generally, the school will disburse (pay out) your loan money in more than one installment. Each installment is called a disbursement.

If the school uses academic terms (for example, semesters or quarters), it will usually make a loan disbursement at the beginning of each academic term.

If the school does not use academic terms or does not have academic terms that meet certain requirements, it will generally pay out your loan in at least two disbursements, 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 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. We 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, 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.

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 give you the credit balance within 14 days after the credit balance occurred or 14 days after classes began, whichever is later.

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

12. 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

13. 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.

While you are still in school (or, if you are a parent borrower, while the student is still in 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 period of study that your loan is intended to pay for;
 - Do not enroll at the school that determined you were eligible to receive your loan;
 - Stop attending school or drop below half-time enrollment;
 - Transfer from one school to another school; or
 - Graduate.

At any time after you receive your loan, you must notify your servicer if you:

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

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.

14. 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 BRR Item 18), your first payment on each loan will be due within 60 days of the date of the final disbursement of that loan. We 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 the principal amount of your loan, plus any interest charged on the loan in accordance with the Act. The principal amount that you owe, and are required to repay, is the total of all loan disbursements that are made (except for any disbursements that you reduce or cancel), plus any unpaid interest that is capitalized and added to the principal balance, as authorized under the Act.

You must generally repay all of your Direct Loans under the same repayment plan. However, if you are a parent and have received Direct PLUS Loans to pay for your child's education and other Direct Loans to pay for your own education, you may choose to repay the loans you received for your own education under an income-driven repayment plan and repay the Direct PLUS Loans you received to pay for your child's education under a traditional repayment plan (see below).

There are two types of repayment plans: traditional repayment plans and income-driven repayment plans. Income-driven repayment plans are available only to graduate or professional student Direct PLUS Loan borrowers. 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

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on the Standard Repayment Plan, which may require you to make a higher monthly payment than other repayment plans.

If you choose a repayment plan that reduces your monthly payment amount by extending the period of time you have to repay your loans or by basing your payment on your income, you will likely pay more in interest over time than you would pay on another repayment plan.

TRADITIONAL REPAYMENT PLANS

Under a traditional repayment plan, your required monthly payment amount is based on the loan amount that you owe, the interest rate on your loans, and the length of the repayment period.

The traditional repayment plans described below 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 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 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 did not have an 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 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.

INCOME DRIVEN REPAYMENT PLANS

The income-driven repayment plans described below are available only to graduate and professional student Direct PLUS Loan borrowers

Note: Parent Direct PLUS Loan borrowers may not repay their Direct PLUS Loans under an income-driven repayment plan. 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 BRR Item 20 for information on loan consolidation.

Under an income-driven repayment plan, your required monthly payment amount is based on your income and family size, instead of being based on

your loan debt, interest rate, and repayment period, as under a traditional repayment plan. Changes in your income or family size will result in changes to your monthly payment amount. If you choose an income-driven plan, you must certify your family size and provide documentation of your income (and, if you are married, your spouse's income) each year so that we can recalculate your payment amount.

Your required monthly payment amount under an income-driven repayment plan is generally a percentage of your discretionary income. For all of the income-driven repayment plans except for the Income-Contingent Repayment Plan, discretionary income is defined as 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. For the Income-Contingent Repayment Plan, discretionary income is defined as the difference between your adjusted gross income and the poverty guideline amount for your state of residence and family size, divided by 12.

Revised Pay As You Earn Repayment Plan (REPAYE Plan)

Under the REPAYE Plan, your monthly payment amount is generally 10% of your discretionary income.

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. However, your payment amount will be reduced if your spouse also has federal student loans.

Under the REPAYE Plan, any remaining loan amount will be forgiven after you have made the equivalent of either 20 years of qualifying monthly payments over a period of at least 20 years (if all of the loans you are repaying under the plan were obtained for undergraduate study) or 25 years of qualifying payments over a period of at least 25 years (if any of the loans you are repaying under the plan were obtained for graduate or professional study). 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, but it will never be more than the Standard Repayment Plan amount.

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, but your payment amount will be reduced if your spouse also has federal student loans.

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.

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.

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% of your discretionary income, but it will never be more than the Standard Repayment Plan amount.

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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, but your payment amount will be reduced if your spouse also has federal student loans.

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.

Under the IBR 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.

Income Contingent Repayment Plan (ICR Plan)

Under the ICR Plan, your monthly payment amount will be the lesser of—

- 20% of your discretionary income, or
- A percentage of what you would repay under a Standard Repayment Plan with a 12-year repayment period.

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.

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 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. We may also adjust payment dates on your loans or may grant you a forbearance (see BRR Item 18) to eliminate a past delinquency that remains even though you are making your scheduled monthly payments.

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 Loan Simulator at StudentAid.gov/Loan-Simulator to evaluate your eligibility for the PAYE and IBR plans and to estimate your monthly and total payment amounts under all of the repayment plans. The Loan Simulator is for informational purposes only. We will make the official determination of your eligibility and payment amount.

Generally, you may change from your current repayment plan to any other repayment plan you qualify for at any time after you have begun repaying your loan.

NOTE TO ENDORSER

If you are making payments on the borrower's Direct PLUS Loan, you may change your repayment plan by contacting the servicer.

Unless you are required to pay late charges or collection costs, when you make a payment on your loan, we apply the payment first to outstanding interest. If the payment amount is more than the amount of outstanding interest, we apply the remainder of your payment to your loan principal.

If you are required to pay late charges or collection costs, we apply your payment differently depending on your repayment plan. If you are repaying under a traditional repayment plan or the ICR Plan, we apply your payment first to late charges and collection costs, then to outstanding interest, and then to loan principal. If you are repaying under any income-driven repayment plan other than the ICR Plan, we apply your payment first to outstanding interest, then to late charges and collection costs, and then to loan principal.

You can prepay your loans (that is, make loan payments before they are due, or pay more than the amount due in a month) at any time without penalty. 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.

15. 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 (this is called "acceleration").
- We may sue you, take all or part of your federal and state tax refunds and other federal or state payments as authorized by law, and/or administratively garnish your wages so that your employer is required to send us part of your salary to pay off your loan.
- You will have to pay reasonable collection fees and costs, plus court costs and attorney fees in addition to the amount of your loan.
- You will lose eligibility for other federal student financial aid and for assistance under most federal benefit programs.
- You will lose eligibility for loan deferments, forbearances, and repayment plans.
- We will also report your default to nationwide consumer reporting agencies (see BRR Item 17). 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.

16. CONDITIONS WHEN WE MAY REQUIRE YOU TO IMMEDIATELY REPAY THE FULL AMOUNT OF YOUR LOAN

We may require you to immediately repay the entire unpaid amount of your loan (this is called "acceleration") if you:

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- 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 (see BRR Item 15).

17. INFORMATION WE REPORT ABOUT YOUR LOAN

We will report information about your loan to nationwide consumer reporting agencies (commonly known as "credit bureaus") and to the National Student Loan Data System (NSLDS) 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). The information in NSLDS will also identify the servicer of your loan. Your loan will be identified as an education loan. Schools may access information in NSLDS for specific purposes that we authorize.

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 a default.

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. We respond to objections submitted to consumer reporting agencies using the methods established by those agencies.

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.

18. 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 and seeking work (for a maximum of three years);
- While you are experiencing an economic hardship, including serving in the Peace Corps (for a maximum of three years);
- While you are serving on active duty or performing qualifying National Guard duty during a war or other military operation or national emergency and for an additional 180-day period following the demobilization date for your qualifying service;
- For a maximum of 13 months following your active duty service if you are a current or retired member of the National Guard or reserve component of the U.S. Armed Forces 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; or
- For Direct Loans that were first disbursed on or after September 28, 2018, or for Direct Loans first disbursed before that date that entered repayment on or before September 28, 2018, while you are receiving treatment for cancer and for an additional 6 months after your treatment has ended.

In most cases, you will automatically 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) based on information that we receive from the school you are attending.

If we process a deferment based on information received from the 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 National Guard duty, a representative acting on your behalf) must submit a deferment request to your servicer, along with documentation of your eligibility for the deferment.

NOTE TO ENDORSER

You are not eligible for 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.

You may also receive a forbearance if:

- You are serving in a qualifying medical or dental internship or residency program;
- The total amount you owe each month for all of your federal student loans is 20% or more of your total monthly gross income (for a maximum of three years);
- You are serving in an AmeriCorps position;
- 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.

Under certain circumstances, we may also give you a forbearance without requiring you to submit a request or documentation (for example, while we are determining your eligibility for a loan discharge, or during periods when you are affected by a local or national emergency).

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NOTE TO ENDORSER

You may request a forbearance.

19. DISCHARGE (HAVING YOUR LOAN FORGIVEN)

General

If you meet certain conditions as described below, we may discharge (forgive) some or all of your loans.

For a discharge based on your death (or, if you are a parent borrower, the student's death), a family member must contact your servicer. To request a loan discharge based on one of the other conditions described below (except for a discharge due to bankruptcy), you must complete a loan discharge or forgiveness application and send it to your servicer. Your servicer can tell you how to apply.

We do not guarantee the quality of the academic programs provided by schools that participate in federal student financial aid programs. You cannot have your loan discharged solely because you or the student do not complete the education paid for with your 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 your loan.

Death, total and permanent disability, and bankruptcy

We will discharge (forgive) your loan if:

- You die, or the child on whose behalf you obtained a Direct PLUS Loan dies. We must receive acceptable documentation (as defined in the Act) of your death or the child's death.
- You become totally and permanently disabled; or
- Your loan is discharged in bankruptcy after you have proven to the bankruptcy court that repaying the loan would cause undue hardship.

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

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 the Act.

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 Direct Loans after you have made 120 payments (after October 1, 2007) on those loans under certain repayment plans while you are employed full-time by a qualifying employer. 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 enter the REPAYE Plan, the PAYE Plan, the IBR Plan, or the ICR Plan, and make the majority of the 120 payments under one of those plans.

Borrower defense to repayment

We may discharge all or a portion of your loan if the school did something or failed to do something related to your loan or to the educational services that the loan was intended to pay for.

The specific requirements to qualify for a borrower defense to repayment discharge vary depending on when you received your loan. Contact your servicer for more information.

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.

20. LOAN CONSOLIDATION

A Direct Consolidation Loan Program is available that allows you to combine 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.

If you have loans that were made under the FFEL Program, consolidating those loans into the Direct Loan Program can make them eligible for benefits that are only available for Direct Loans, such as Public Service Loan Forgiveness and certain repayment plans.

Although consolidation can provide certain benefits, it can also cause you to lose benefits on the loans that you consolidate. Contact your servicer for more information about loan consolidation and for help determining whether consolidation is a good option for you.

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.

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, 2019 = 01-31-2019.

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

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 the dependent undergraduate student identified in Item 16. You qualify as a parent for purposes of receiving a Direct PLUS Loan only if you are:

- A biological parent of the dependent undergraduate student;
- A legal adoptive parent of the dependent undergraduate student; or
- The spouse of the biological or legal adoptive parent of the dependent undergraduate student (the student's stepparent), and 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.

If you are not a parent as defined above, you are not eligible to receive a Direct PLUS Loan.

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 all U.S. citizens and 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 for 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 be able to help us contact you in the future if we are unable to reach you. References are used only for this purpose and are never required to repay your loan. 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 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.

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.

PROMISES

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 BRR; 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.

Determining Whether a Student is a Withdrawal

The Osteopathic Medicine program is a term-based credit-hour program offered in modules. The school will determine whether a student enrolled in a series of modules is a withdrawal by asking the following five questions.

1. Did the student cease to attend, or fail to begin attendance in a scheduled course that was included in the institution's calculation of the student's Title IV awards for the payment period or period of enrollment?
 - If yes, go to question 2
 - If no, student is not a withdrawal
2. When the student ceased to attend or failed to begin attendance in a scheduled course, was the student attending other courses in the period?
 - If yes, student is not a withdrawal
 - If no, go to question 3
3. When the student ceased to attend or failed to begin attendance in a scheduled course, did the student complete all the requirements for graduation?
 - If yes, the student qualifies for an exemption and is not a withdrawal
 - If no, go to question 4
4. When the student ceased to attend or failed to begin attendance in a scheduled course, did the student successfully complete by earning a grade of A, B, or C in:
 - a module or combination of modules that contain 49% or more of the number of days of the payment period (excluding scheduled breaks of 5 consecutive days or more and all days between modules); OR
 - coursework equal to or greater than the coursework required for the institution's definition of a half-time student for the payment period?
 - If yes to either question, student qualifies for an exemption and is not a withdrawal

- If no, go to question 5

5. Did the student confirm attendance in a later module in the payment period that begins no later than 45 calendar days after the end of the module the student ceased attending?

- If yes, the student qualifies for an exemption and is not a withdrawal
- If no, student is a withdrawal

Withdrawal Date

The official withdrawal date is determined by the Registrar's Office. A student's withdrawal date for Return To Title IV (R2T4) purposes is the student's last date of attendance at a documented academically related activity. Academically-related activities include but are not limited to the following:

- Attending a synchronous class, lecture, recitation, or field or laboratory activity, physically or online, where there is an opportunity for interaction between the instructor and students;
- Submitting an academic assignment;
- Taking an assessment or an exam;
- Participating in an interactive tutorial, webinar, or other interactive computer-assisted instruction;
- Participating in a study group, group project, or an online discussion that is assigned by the institution; or
- Interacting with an instructor about academic matters.

Academically related activities do NOT include activities where a student may be present but not academically engaged, such as:

- logging into an online class or tutorial without any further participation,
- participating in academic counseling or advisement.

Percentage of Title IV Aid Earned

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 a student was scheduled to complete.

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 they were scheduled to receive.

For a student who withdraws after completing 60% of the period, there are no unearned funds. However, the school must complete an R2T4 calculation in order to determine whether the student is eligible for a post-withdrawal disbursement.

Returning Funds

If the R2T4 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 to the federal program(s). If the R2T4 calculation shows a return of less than the Tuition Refund calculation, the school will return the appropriate unearned amount to the federal program(s) and 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.

Post-Withdrawal Disbursement

If the R2T4 calculation indicates the student qualifies for a post-withdrawal disbursement (PWD) of Title IV loan funds, the student will be provided with written notification of the availability of the PWD. The notice will include instructions for requesting the PWD, and the deadline by which the request must be submitted. A student may elect to accept or decline all or a portion of the funds.

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 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 Division 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 members of the Divisions of Student Services and Student Accounts as the parties responsible for disseminating information. The combined work schedules of these 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

Official 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 may be requested.

Tuition Refund Policy

A student who cancels, withdraws, or is suspended or dismissed will receive a refund of tuition charged for the term based on the table shown below. The calculation will be based on a student's earliest course start date within the term.

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

Alabama College of Osteopathic Medicine

445 Health Sciences Blvd., Dothan, AL 36303

Toll Free - 855-364-ACOM (2266)

www.acomedu.org

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

