Important Notice: This Borrower's Rights and Responsibilities Statement provides additional information about the terms and conditions of the loans you receive under the accompanying Master Promissory Note (MPN) for Federal Direct Stafford/Ford Loans (Direct Subsidized Loans) and Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans). Please keep this Borrower's Rights and Responsibilities Statement for your records. You may request another copy of this Borrower's Rights and Responsibilities Statement at any time by contacting your servicer. Throughout this Borrower's Rights and Responsibilities Statement, the words "we," "us," and "our" refer to the U.S. Department of Education. The word "loan" refers to one or more loans made under the accompanying MPN.

1. The William D. Ford Federal Direct Loan Program. The William D. Ford Federal Direct Loan (Direct Loan) Program includes the following types of loans, known collectively as "Direct Loans":
   - Federal Direct Stafford/Ford Loans (Direct Subsidized Loans)
   - Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans)
   - Federal Direct PLUS Loans (Direct PLUS Loans)
   - Federal Direct Consolidation Loans (Direct Consolidation Loans)

   The Direct Loan Program is authorized by Title IV, Part D, of the Higher Education Act of 1965, as amended (HEA), 20 U.S.C. 1070 et seq.

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

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

2. Laws that apply to this MPN. The terms and conditions of loans made under this MPN are determined by the HEA and other applicable federal laws and regulations. These laws and regulations are referred to as "the Act" throughout this Borrower's Rights and Responsibilities Statement. Under applicable state law, except as preempted by federal law, you may have certain borrower rights, remedies, and defenses in addition to those stated in the MPN and this Borrower's Rights and Responsibilities Statement.

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

3. Direct Subsidized Loans and Direct Unsubsidized Loans. Direct Subsidized Loans and Direct Unsubsidized Loans are made to students to help pay for the cost of education beyond high school.

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

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

   Direct Unsubsidized Loans are not based on financial need. You must pay the interest that accrues on Direct Unsubsidized Loans during all periods. For more information on interest charges, see Item 10.

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

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

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

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

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

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

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

5. About the MPN. You may receive more than one loan under this MPN over a period of up to 10 years to pay for your educational costs, as long as the school you are attending is authorized to use the multi-year feature of the MPN to assist you in doing so.

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

6. Use of your loan money. You may use the loan money you receive only to pay for your authorized educational expenses for attendance at the school that determined you were eligible to receive the loan. Authorized expenses include the following:

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

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

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

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

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

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

8. Amount you may borrow. The charts that follow show the maximum amounts of Direct Subsidized Loans and Direct Unsubsidized Loans that you may borrow for a single academic year (annual loan limits), and the maximum amounts that you may borrow in total for undergraduate and graduate study (aggregate loan limits).

   The aggregate loan limits are combined limits for Direct Subsidized Loans and Direct Unsubsidized Loans, and any Subsidized Federal Stafford Loans and Unsubsidized Federal Stafford Loans you may have previously received through the Federal Family Education Loan (FFEL) Program.

   The annual and aggregate loan limits for independent undergraduates also apply to dependent undergraduates whose parents are unable to borrow under the Direct PLUS Loan Program.

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

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

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

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

   If you are an undergraduate student, your school must determine your eligibility for a Federal Pell Grant before you may receive a Direct Subsidized Loan or a Direct Unsubsidized Loan, and must determine your eligibility for a Direct Subsidized Loan before determining your eligibility for a Direct Unsubsidized Loan.
are enrolled in school at least half-time, during your grace period, during deferment periods, and during certain periods of payment under the Income-Based Repayment Plan and the Pay As You Earn Repayment plan. Except as discussed below for certain borrowers who are active duty service members, you must pay the interest that accrues on a Direct Subsidized Loan during all other periods (starting on the day after your grace period ends), including forbearance periods. You must pay the interest that accrues during the grace period on any Direct Subsidized Loan for which the first disbursement is made on or after July 1, 2012 and before July 1, 2014. In addition, if you are a first-time borrower on or after July 1, 2013, under certain conditions, you may become responsible for paying the interest that accrues on your Direct Subsidized Loans during all periods, as explained in Item 4 of this Borrower’s Rights and Responsibilities Statement ("Time limitation on Direct Subsidized Loan eligibility for first-time borrowers on or after July 1, 2013").

**Direct Unsubsidized Loans**

Except as provided below for certain borrowers who are active duty service members, you must pay the interest that accrues on a Direct Unsubsidized Loan during all periods, as explained in Item 4 of this Borrower’s Rights and Responsibilities Statement ("Time limitation on Direct Subsidized Loan eligibility for first-time borrowers on or after July 1, 2013").

**No accrual of interest benefit for active duty service members**

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

**Interest capitalization**

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

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

<table>
<thead>
<tr>
<th>Interest Rate Conditions</th>
<th>If you pay the interest as it accrues...</th>
<th>If you do not pay the interest and it is capitalized...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Amount</td>
<td>$15,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Interest for 12 Months</td>
<td>$1,238 (paid as accrued)</td>
<td>$1,238 (unpaid and capitalized)</td>
</tr>
<tr>
<td>Principal to be Repaid</td>
<td>$15,000</td>
<td>$16,238</td>
</tr>
<tr>
<td>Monthly Payment</td>
<td>$184</td>
<td>$199</td>
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<tr>
<td>Number of Payments</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Total Repaid</td>
<td>$23,315</td>
<td>$23,899</td>
</tr>
</tbody>
</table>

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

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

**12. Repayment incentive programs.** A repayment incentive is a benefit that we offer to encourage you to repay your loan on time. The repayment incentive program described below may be available to you.

**Interest Rate Reduction for Automatic Withdrawal of Payments**

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

**13. Disbursement (how your loan money will be paid out).**

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

In most cases, if the Direct Subsidized Loan or Direct Unsubsidized Loan that you are receiving is your first student loan under either the Direct Loan Program or the FFEL Program, you must complete entrance counseling before your school can make the first disbursement of your loan. Your school will tell you if entrance counseling is required, and will provide instructions for completing entrance counseling. Your school may disburse your loan money by crediting it to your account at the school, or may give some or all of it to you directly by check or other means. If your school credits your loan money to your account and the amount credited is more than the amount of your tuition and fees, room and board, and other authorized charges, the excess amount is called a credit balance. Unless you authorize your school to hold the credit balance for you, your school must pay you the credit balance within the following timeframes:

- If the credit balance occurs after the first day of class of a payment period, your school must pay you the credit balance no later than 14 days after the date the balance occurs.

If the credit balance occurs on or before the first day of class of a payment period, your school must pay you the credit balance no later than 14 days after the first day of class of the payment period.

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

- You may notify your school (within certain timeframes). If you notify your school within 120 days of the date the school notifies you of your right to cancel all
or part of the loan, or by the first day of your school’s payment period, whichever is later (your school can tell you the first day of the payment period).

If your school does not obtain your written confirmation of the types and amounts of loans you want to receive before crediting the loan money to your account, you may cancel all or part of that loan by informing the school within 30 days of the date the school notifies you of your right to cancel all or part of the loan.

If you ask your school to cancel all or part of your loan within the timeframes described above, the school will return the cancelled loan amount to us. If you ask your school to cancel all or part of your loan outstanding within the timeframes described above, your school may process your cancellation request, but it is not required to do so.

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

You do not have to pay interest or the loan fee on the part of your loan that is cancelled or returned within the timeframes described above. We will adjust your loan amount to eliminate any interest and loan fee that applies to the amount of the loan that was cancelled or returned.

15. Grace period. You will receive a 6-month grace period on repayment of each Direct Subsidized Loan and Direct Unsubsidized Loan that you receive. Your 6-month grace period begins the day after you stop attending school or drop below half-time enrollment. You do not have to begin making payments on your loan until after your grace period ends.

If you are called or ordered to active duty for more than 30 days from a reserve component of the U.S. Armed Forces, the period of your active duty service and the time necessary for you to re-enroll in school after your active duty ends are not counted as part of your grace period. However, the total period that is excluded from your grace period may not exceed three years. If the call or order to active duty occurs while you are in school and requires you to drop below half-time enrollment, the start of your grace period will be delayed until after the end of the excluded period. If your active duty occurs during your grace period, you will receive a full 6-month grace period at the end of the excluded period.

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

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

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

Your Direct Subsidized Loans and Direct Unsubsidized Loans can be repaid under the following repayment plans:

**Standard Repayment Plan**

Under this plan, you will make fixed monthly payments and repay your loan in full within 10 years (not including periods of deferment or forbearance) from the date the loan entered repayment. Your monthly payment must at least be $50 a month ($600 a year), will be adjusted annually, and may not be lower than the amount required to repay the loan within the required time period.

**Graduated Repayment Plan**

Under this plan, you will usually make lower payments at first, and your payments will gradually increase over time. You will repay your loan in full within 10 years (not including periods of deferment or forbearance) from the date the loan entered repayment. Your monthly payment must at least be $50 a month ($600 a year), will be adjusted annually, and may not be lower than the amount required to repay the loan within the required time period.

includes the following:

- Your Direct Subsidized Loan and Direct Unsubsidized Loan Borrower’s Rights and Responsibilities Statement
- William D. Ford Federal Direct Loan Program
- Direct Subsidized Loan and Direct Unsubsidized Loan Borrower’s Rights and Responsibilities Statement
- 15. Grace period. You will receive a 6-month grace period on repayment of each Direct Subsidized Loan and Direct Unsubsidized Loan that you receive. Your 6-month grace period begins the day after you stop attending school or drop below half-time enrollment. You do not have to begin making payments on your loan until after your grace period ends.
- If you are called or ordered to active duty for more than 30 days from a reserve component of the U.S. Armed Forces, the period of your active duty service and the time necessary for you to re-enroll in school after your active duty ends are not counted as part of your grace period. However, the total period that is excluded from your grace period may not exceed three years. If the call or order to active duty occurs while you are in school and requires you to drop below half-time enrollment, the start of your grace period will be delayed until after the end of the excluded period. If your active duty occurs during your grace period, you will receive a full 6-month grace period at the end of the excluded period.
- 16. Repaying your loan. The repayment period for each Direct Subsidized Loan and Direct Unsubsidized Loan that you receive begins on the day after your grace period ends. Your servicer will notify you of the date your first payment is due.
- You must make payments on your loan even if you do not receive a bill or repayment notice.
- You must repay all of your Direct Loans under the same repayment plan, unless you want to repay your loans under the IBR Plan, the Pay As You Earn Plan, or the ICR Plan (see below) and you have other Direct Loans that do not qualify for repayment under those plans. In that case, you may select the IBR, Pay As You Earn, or ICR plan for the loans that are eligible for repayment under those plans, and may select a different repayment plan for the loans that may not be eligible for repayment under the IBR Plan, Pay As You Earn, or ICR plans.
- Your Direct Subsidized Loans and Direct Unsubsidized Loans can be repaid under the following repayment plans:

**Income-Based Repayment Plan (IBR Plan)**

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

To initially qualify for the IBR Plan and to continue to make payments that are considered to be qualifying monthly payments and at least 20 years have passed, you must continue to have a partial financial hardship. Your monthly payment amount may be less than the amount you would have to pay under the Standard Repayment Plan. If your IBR Plan payment amount is less than the amount you would have to pay under the Standard Repayment Plan, you are considered to have a “partial financial hardship.”

If you are married and file a joint federal income tax return, the loan amount we use to determine whether you have a partial financial hardship will include your eligible loans and your spouse’s eligible loans.

While you are repaying under the Pay As You Earn Plan, you must annually provide documentation of your income and certify your family size so that we may determine whether you continue to have a partial financial hardship. Your monthly payment amount may be adjusted annually based on the updated income and family size information that you provide. If we determine that you no longer have a partial financial hardship, you may remain on the Pay As You Earn Plan, but your monthly payment will no longer be based on your income. Instead, your monthly payment will be what you would have been required to pay under the Standard Repayment Plan, based on the amount you would have to pay under the Standard Repayment Plan, you are considered to have a partial financial hardship.

If you are married and file a joint federal income tax return, the loan amount we use to determine whether you have a partial financial hardship will include your eligible loans and your spouse’s eligible loans.

While you are repaying under the Pay As You Earn Plan, you must annually provide documentation of your income and certify your family size so that we may determine whether you continue to have a partial financial hardship. Your monthly payment amount may be adjusted annually based on the updated income and family size information that you provide. If we determine that you no longer have a partial financial hardship, you may remain on the Pay As You Earn Plan, but your monthly payment will no longer be based on your income. Instead, your monthly payment will be what you would have been required to pay under the Standard Repayment Plan, based on the amount you would have to pay under the Standard Repayment Plan, you are considered to have a partial financial hardship.

1. Under the Pay As You Earn Plan, your monthly payment amount is generally 10% of your annual discretionary income, the amount you would be required to pay under the Pay As You Earn Plan if the Direct Consolidation Loan you receive repays loans that would make you ineligible under part (1) of this definition.

In addition to being a new borrower, to initially qualify for the Pay As You Earn Plan and to continue to make payments that are based on your income, the amount you would be required to pay under your eligible student loans under the Pay As You Earn Plan (as described above) must be less than the amount you would have to pay under the Standard Repayment Plan. If your Pay As You Earn Plan payment amount is less than the amount you would have to pay under the Standard Repayment Plan, you are considered to have a partial financial hardship.

If you are married and file a joint federal income tax return, the loan amount we use to determine whether you have a partial financial hardship will include your eligible loans and your spouse’s eligible loans.

While you are repaying under the Pay As You Earn Plan, you must annually provide documentation of your income and certify your family size so that we may determine whether you continue to have a partial financial hardship. Your monthly payment amount may be adjusted annually based on the updated income and family size information that you provide. If we determine that you no longer have a partial financial hardship, you may remain on the Pay As You Earn Plan, but your monthly payment will no longer be based on your income. Instead, your monthly payment will be what you would have been required to pay under the Standard Repayment Plan, based on the amount you would have to pay under the Standard Repayment Plan, you are considered to have a partial financial hardship.

Income Contingent Repayment Plan (ICR Plan)

Under this plan, your monthly payment amount will be either 20% of your discretionary income or a percentage of what you would repay under a Standard Repayment Plan with your remaining balance if you repay under the Pay As You Earn Plan is less than the amount you would have been required to pay under the Pay As You Earn Plan.

Discretionary income for this plan is the difference between your adjusted gross income and the poverty guideline amount for your state of residence and family size. 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.

While you are repaying under the ICR Plan, you must annually provide documentation of your income and certify your family size. Your monthly payment amount may be
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adjustment annually based on the updated income and family size information that you provide.

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

20. Deferring on your loan. If you do not make payments as scheduled, we may also require you to pay a late charge. This charge will not be

21. Consumer reporting agency notification. We will report

22. Deferment and forbearance (postponing payments).

Forbearance

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

• You are serving in a medical or dental internship or residency program, and you meet specific requirements;
• The total amount you owe each month for all of the student loans you received under Title IV of the Act (Direct Loan Program loans, FFEL Program loans, and Federal Perkins Loans) is 20% or more of your total monthly gross income (for a maximum of three years);
• You are serving in a national service position for which you receive a national service award under the National and Community Service Trust Act of 1993. In some cases, the interest that accrues on a qualified loan during the service period will be paid by the Corporation for National and Community Service;
• You are performing service that would qualify you for loan forgiveness under the Teacher Loan Forgiveness program that is available to certain Direct Loan and FFEL program borrowers;
• You qualify for partial repayment of your loans under a student loan repayment program administered by the Department of Defense; or
• You are called to active duty in the U.S. Armed Forces.

To request a forbearance, contact your servicer. Your servicer can explain the eligibility and documentation requirements for the type of forbearance you are requesting. You may also obtain information on forbearance eligibility requirements from your servicer’s website.

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

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

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

23. Discharge (having your loan forgiven).

**Loan discharge due to death, bankruptcy, total and permanent disability, school closure, false certification, identity theft, or unpaid refund**

We will discharge (forgive) your loan if:

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

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

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

**Teacher Loan Forgiveness**

We may forgive a portion of eligible student loans you received under the Direct Loan or FFEL program after October 1, 1998 if you:

- Teach full time for five consecutive years in certain low-income elementary or secondary schools, or for certain low-income educational service agencies;
- Meet certain other qualifications; and
- If you did not owe a Direct Loan or FFEL program loan as of October 1, 1998, or as of the date you obtain a loan after October 1, 1998.

**Public Service Loan Forgiveness**

A Public Service Loan Forgiveness program is also available. Under this program, we will forgive the remaining balance due on your eligible Direct Loan Program loans after you have made 120 payments on those loans (after October 1, 2007) under certain repayment plans while you are employed full-time in certain public service jobs. The required 120 payments do not have to be consecutive.

**Additional loan discharge information**

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

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

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

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

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

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

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

26. **AmeriCorps program education awards.** Under the National and Community Service Act of 1990, you may receive an education award that can be used to repay a Direct Subsidized Loan or Direct Unsubsidized Loan if you successfully complete a term of service in an AmeriCorps program. For more information, contact an official of your program.
## Repaying Your Loans: Standard, Graduated, and Extended Repayment Plans

<table>
<thead>
<tr>
<th>Debt</th>
<th>Standard Repayment Plan (10-year repayment period)</th>
<th>Graduated Repayment Plan (10-year repayment period)</th>
<th>Extended-Fixed Repayment Plan (25-year repayment period)</th>
<th>Extended-Graduated Repayment Plan (25-year repayment period)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Payment</td>
<td>Total Paid</td>
<td>Minimum Payment</td>
<td>Maximum Payment</td>
</tr>
<tr>
<td>$10,000</td>
<td>$123</td>
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</tr>
<tr>
<td>$30,000</td>
<td>$368</td>
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<td>$216</td>
<td>$647</td>
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<tr>
<td>$40,000</td>
<td>$491</td>
<td>$58,873</td>
<td>$287</td>
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<td>$1,227</td>
<td>$147,183</td>
<td>$719</td>
<td>$2,156</td>
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</table>

**Notes:**
- All estimated payments shown in the chart above are calculated using a fixed interest rate of 8.25%.
- The payment amounts shown in this chart are estimates. Your actual payment amount may differ from these estimates depending on factors such as the interest rate(s) of your loans and the amount of your loan debt. Your loan servicer will provide you with your actual monthly payment amount after you select a repayment plan.
- For the Extended Repayment Plan, an entry of "N/A" means that you are not eligible for this plan based on the amount owed when your loan enters repayment.
- You may use the Repayment Estimator at [StudentAid.gov/Repayment-Estimator](http://StudentAid.gov/Repayment-Estimator) to estimate payment amounts based on your actual loan debt.

### Repaying Your Loans: Income-Based Repayment Plan (IBR Plan) for Borrowers Who Are Not New Borrowers on or after July 1, 2014

<table>
<thead>
<tr>
<th>Debt</th>
<th>Starting income of $25,000</th>
<th>Starting income of $40,000</th>
<th>Starting income of $60,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Initial Payment</td>
<td>Final Payment</td>
<td>Total Paid</td>
</tr>
<tr>
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<td>$97</td>
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<tr>
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<tr>
<td>$100,000</td>
<td>$97</td>
<td>$642</td>
<td>$94,175</td>
</tr>
</tbody>
</table>
### Repaying Your Loans: Pay As You Earn Repayment Plan (Pay As You Earn Plan) for Eligible Borrowers and IBR Plan for New Borrowers on or after July 1, 2014

<table>
<thead>
<tr>
<th>Debt ($000)</th>
<th>Starting income of $25,000</th>
<th>Starting income of $40,000</th>
<th>Starting income of $60,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Initial Payment</td>
<td>Final Payment</td>
<td>Total Paid</td>
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</tr>
<tr>
<td>$100,000</td>
<td>$65</td>
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</table>

### Repaying Your Loans: Income-Contingent Repayment Plan (ICR Plan)

<table>
<thead>
<tr>
<th>Debt ($000)</th>
<th>Starting income of $25,000</th>
<th>Starting income of $40,000</th>
<th>Starting income of $60,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Initial Payment</td>
<td>Final Payment</td>
<td>Total Paid</td>
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<tr>
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<tr>
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<td>$423</td>
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<tr>
<td>$80,000</td>
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<tr>
<td>$100,000</td>
<td>$225</td>
<td>$1,018</td>
<td>$163,256</td>
</tr>
</tbody>
</table>

### Notes:
- For the IBR Plan, the Pay As You Earn Plan, and the ICR Plan, the estimated payment amounts shown in the charts above are calculated using a fixed interest rate of 8.25% and the 2013 Poverty Guidelines (published by the U.S. Department of Health and Human Services). For the ICR Plan, the calculations also use the 2013 income percentage factors. For all three plans, the calculations are based on an assumption that you are single and do not have any children or anyone else in your household, that you live in one of the 48 contiguous states, and that your income will increase at a rate of 5% per year.
- The payment amounts shown in these charts are estimates. Your actual payment amount may differ from these estimates depending on factors such as the interest rate(s) of your loans, the amount of your loan debt, your income, and whether and how quickly your income increases.
- For the IBR Plan and the Pay As You Earn Plan, an entry of "Not Eligible" means that you would not have a partial financial hardship based on the loan debt and starting income shown and therefore would not be eligible to initially select the plan.
- You may use the Repayment Estimator at StudentAid.gov/Repayment-Estimator to evaluate your eligibility for the IBR and Pay As You Earn plans, and to estimate your payment amounts under the IBR, Pay As You Earn, and ICR plans based on your actual loan debt, income, family size, and state of residence.