Application and Promissory Note for Federal PLUS Loan

OMB No. 1845-0009 Form Approved Exp. Date 10/31/2004

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment under the United States Criminal Code and 20 U.S.C. 1097.

Guarantor or Program Identification

Borrower Section *(To be completed by the parent.)*

Please print neatly or type. Read the instructions carefully.

1. Last Name | First Name | MI

2. Social Security Number

3. Permanent Street Address (If P.O. Box, see instructions.)

4. Telephone Number ( )

5. Loan Period (Month/Year) From: To:

City | State | Zip Code

6. Driver's License Number (List state first.)

7. Date of Birth (Month/Day/Year)

8. Lender Name | City | State | Zip Code

9. Lender Code, if known

10. Requested Loan Amount $

11. U.S. Citizenship Status (Check one and list ID number if applicable.) ❒ a. Citizen/National ❒ b. Eligible Non-Citizen Alien ID #

12. a. State of Legal Residence b. Since (Month/Year)

13. Employer (Name, City, State) Telephone Number ( )

14. Are you currently in default on a federal education loan, or do you owe a refund on a federal student grant? If yes, carefully read instructions and attach required documentation. ❒ a. Yes ❒ b. No

15. If the school your dependent is attending participates in electronic funds transfer (EFT), do you authorize the school to transfer the loan proceeds received by EFT to your dependent's student account? ❒ a. Yes ❒ b. No

16. Do you have an outstanding Federal Stafford, Supplemental Loan for Students, Parent PLUS, or Consolidation Loan which was disbursed before July 1, 1993? ❒ a. Yes ❒ b. No

If you checked "yes", do you want to postpone (defer) payment of the principal of this loan based on the student's in-school status? ❒ c. Yes ❒ d. No

If you checked "yes" to Box (a) and (c), do you want the interest that accrues on this loan deferred and capitalized? If no, you will be required to pay the interest. ❒ e. Yes ❒ f. No

17. References: You must provide two separate references with different U.S. addresses. Both references must be completed fully.

	1.	2.
Name		
Permanent Address		
City, State, Zip Code		
Area Code/Telephone	( )	( )

Promissory Note

Continued on the reverse side.

Promise to Pay: I promise to pay to the lender, or a subsequent holder of this Promissory Note, all sums disbursed (hereafter "loan" or "loans") under the terms of this Note, plus interest and other fees which may become due as provided in this Note. If I fail to make payments on this Note when due, I will also pay reasonable collection costs, including attorney's fees, court costs and collection fees. I understand I may cancel or reduce the size of any loan by refusing to accept any disbursement that is issued. I understand that this is a Promissory Note. I will not sign this Note before reading it, including the writing on the reverse side, even if otherwise advised. I am entitled to an exact copy of this Promissory Note and the Borrower's Rights and Responsibilities. My signature certifies I have read, understand, and agree to the terms and conditions of this Application and Promissory Note, including the Borrower Certification and Authorization, and the accompanying Borrower's Rights and Responsibilities statement.

THIS IS A LOAN THAT MUST BE REPAID.

18. Borrower's Signature _____ Today's Date (Month/Day/Year) _____

Student Section *(To be completed by the student.)*

Please print neatly or type. Read the instructions carefully.

19. Last Name | First Name | MI

20. Social Security Number / /

21. Date of Birth (Month/Day/Year)

22. U.S. Citizenship Status (Check one and list ID number if applicable.) ❒ a. Citizen/National ❒ b. Eligible Non-Citizen Alien ID #

23. Are you currently in default on a federal education loan, or do you owe a refund on a federal student grant? If yes, carefully read instructions and attach required documentation. ❒ a. Yes ❒ b. No

24. My signature certifies that I have read, understand and agree to the conditions in the Student Certification and Authorization printed on the reverse of this Application and Promissory Note.

Student's Signature _____ Today's Date (Month/Day/Year) _____

School Section *(To be completed by an authorized school official.)*

25. School Name

31. School Code/Branch

36. Telephone Number ( )

26. Street Address

32. Cost of Attendance $ .00

37. Recommended Disbursement Date(s) (Month/Day/Year) 1st 2nd 3rd 4th

City | State | Zip Code

33. Estimated Financial Aid $ .00

27. Loan Period (Month/Day/Year) From: To:

28. Grade Level

34. Certified Loan Amount $ .00

29. Enrollment Status (Check one.) ❒ Full Time ❒ At Least Half Time

30. Anticipated Completion (Graduation) Date (Month/Day/Year)

35. Signature of Authorized School Official/Date (See School Certification box on the reverse side.)

Print or Type Name and Title

Check box if electronically transmitted to guarantor: ❒

Lender Section *(To be completed by an authorized lending official.)*

38. Lender Name

39. Lender Code/Branch

40. Telephone Number ( )

41. Amount Approved

Street Address

City | State | Zip Code

42. Signature of Authorized Lending Official

Print or Type Name and Title | Date

43. Lender Use Only

Promissory Note *(continued)*

Disclosure of Terms

This Note applies to the Federal PLUS Loan. I agree that the lender or any subsequent holder may assign my loan.

At or before the time of my first disbursement, the lender will send me a disclosure statement identifying additional terms of the loan. Important additional information is also disclosed in the statement of Borrower's Rights and Responsibilities accompanying this Note.

Interest

Unless my lender notifies me in writing of a lower rate, the rate of interest for my loan is specified in the Higher Education Act of 1965, as amended, and applicable U.S. Department of Education regulations (collectively referred to as the Act). This rate is presented in the statement of Borrower's Rights and Responsibilities.

Interest accrues on the unpaid principal balance of a loan from the date of disbursement by the lender until the entire principal balance is paid in full. This includes interest accruing during any period of deferment or forbearance. I agree to pay all interest charges on my Federal PLUS Loan.

I will begin paying interest upon disbursement of my Federal PLUS Loan to the school. Unless I have agreed to pay the interest that accrues either monthly or quarterly, the interest that accrues shall be added to the principal balance of my loan (capitalization) no more frequently than quarterly.

If I fail to make required payments of interest before the beginning of principal repayment, or during a period of authorized deferment or forbearance, I agree that the holder may capitalize such interest to the extent permitted by the Act.

Origination Fee and Guarantee Fee

For each loan, the federal government charges an origination fee equal to the amount required by the Act. The guaranty agency that guarantees my loan (the guarantor) may charge a guarantee fee not to exceed a maximum amount specified in the Act. I will pay these fees, as identified in the disclosure statement, which will be deducted proportionately from each disbursement of my loan. I understand the origination and guarantee fees are refundable only if a disbursement is cancelled or repaid in full within 120 days of disbursement or returned by a school at any time to comply with the Act or regulations.

Late Charges and Collection Costs

If I fail to make any part of an installment payment within 10 days after it becomes due, the holder may collect from me a late charge not to exceed 6% of each late installment. If I default on a loan, I shall pay reasonable collection fees and costs plus court costs and attorneys fees.

Repayment

The holder of my loan will offer me the option of repaying my loan in accordance with a standard, income-sensitive, graduated, or, in some cases, an extended repayment schedule.

I am obligated to repay the full amount of the loan and accrued interest. I will repay the principal of my loan in periodic installments during a repayment period that begins on the day of the final disbursement. My principal repayment period for each loan, exclusive of any period of deferment or forbearance, generally lasts five years but may not exceed 10 years, unless I am eligible for an extended repayment plan.

The holder of my loan will provide me with a repayment schedule that identifies my payment amounts and due dates. The minimum annual payment required on all my Federal PLUS, Stafford, and SLS Loans is $600 or the amount of interest due and payable, whichever is larger.

My repayment schedule may include all of my Federal Family Education Loans that are owned by the holder of this Note. I agree that the holder may grant me a forbearance for purposes of aligning payment dates on my loans or to eliminate a delinquency that persists even though I am making scheduled payments.

I may prepay all or any part of the unpaid balance on my loans at any time without penalty. If I do not specify which loans I am prepaying, the holder will determine how to apply the prepayment.

Acceleration and Default

At the option of the holder, the entire unpaid balance shall become immediately due and payable upon the occurrence of any one of the following events: **(i)** the student for whom I am borrowing fails to enroll as at least a half-time student at the school that certified my Application, **(ii)** I fail to use the proceeds of the loan solely for educational expenses of the dependent student for whom I borrowed, **(iii)** I make a false representation(s) that results in my receiving a loan for which I am not eligible; or **(iv)** I default on the loan.

The following events shall constitute default on a loan: **(i)** I fail to pay the entire unpaid balance after the holder has exercised its option under the preceding paragraph; or **(ii)** I fail to make installment payments when due, or fail to comply with other terms of the loan, and the guarantor reasonably concludes I no longer intend to honor my repayment obligation, provided my failure has persisted for at least 270 days for payments due monthly or 330 days for payments due less frequently than monthly. If I default, the guarantor may purchase my loan, and capitalize all then-outstanding interest into a new principal balance, and collection fees will become immediately due and payable.

If I default, this will be reported to national credit bureau organizations and will significantly and adversely affect my credit history. I acknowledge that a default shall have additional adverse consequences to me as disclosed in the statement of Borrower's Rights and Responsibilities. Following default, the loan may be subject to income-contingent repayment (including potential collection of amounts in excess of the principal and interest) in accordance with the Act.

Governing Law and Notices

The terms of this Note will be interpreted in accordance with the Higher Education Act of 1965, as amended (20 U.S.C. 1070 et seq.), other applicable federal statutes and regulations, and the guarantor's policies. Applicable state law, except as preempted by federal law, may provide for certain borrower rights, remedies, and defenses in addition to those stated in this Note.

If this loan is made by the school, or if the proceeds of this loan are used to pay tuition and charges of a for-profit school that refers loan applicants to the lender, or that is affiliated with the lender by common control, contract, or business arrangement, any holder of this Note is subject to all claims and defenses which I could assert against the school. My recovery under this provision shall not exceed the amount I paid on this loan.

If I reside in the state in which the principal office of the guarantor is located, the guarantor may sue to enforce this loan in the county in which the guarantor's office is located. However, if I object to being sued there and I mail a written objection to the guarantor that is postmarked no later than 30 days after I am served with the suit, the guarantor will either have the court transfer the suit to the county in which I live or will dismiss the lawsuit.

Any notice required to be given to me will be effective if mailed by first class mail to the latest address I have provided to the holder of this Note, or if the holder reasonably determines that this address is no longer my address, to the latest address secured by the holder from the Department of Education or other reliable source. Failure by the holder to enforce or insist on compliance with any term on this Note shall not be a waiver of any right of the holder. No provision of this Note may be modified or waived except in writing. If any provision of this Note is determined to be unenforceable, the remaining provisions shall remain in force.

Borrower Certification and Authorization

I declare under penalty of perjury that the following is true and correct:

(1) I certify that the information contained in the Borrower Section of the Application is true, complete, and correct to the best of my knowledge and belief and is made in good faith.

(2) I certify that I am the natural or adoptive parent of the student named in the Student Section of this Application and that (s)he is my legal dependent, or that I am the spouse of the natural or adoptive parent and that my income and assets would have been taken into account when calculating the expected family contribution for the student named in the Student Section of this Application.

(3) I certify that loan proceeds will be used for authorized educational expenses incurred by the dependent student named in the Student Section and that I will immediately repay any loan proceeds that cannot reasonably be attributed to educational expenses for attendance on at least a half-time basis at the certifying school for the loan period certified on the Application.

(4) I certify that the total amount of loan I receive under this Note will not exceed the allowable maximums under the Act.

(5) I certify that I do not now owe a refund on a Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, or a Leveraging Educational Assistance Partnership grant and that I am not now in default on any loan received under the Federal Perkins Loan Program (including NDSL loans), the Federal Direct Loan Program, or the Federal Family Education Loan Program (as defined in the statement of Borrower's Rights and Responsibilities) or, if I am in default, I have made payment arrangements that are satisfactory to the holder.

(6) I authorize the lender of my loan, or its agent, to investigate my credit record to determine my eligibility for this loan and report information concerning my loan status to proper persons and organizations.

(7) I authorize my dependent's school to pay to the holder any refund, that may be due to me, up to the amount of the loan.

(8) I authorize the release of information pertinent to this loan: **(i)** by the school, current holder, and the guarantor, or their agents, to members of my immediate family unless I submit written directions otherwise; and **(ii)** by and amongst the schools, lenders, guarantors, subsequent holders, the Department of Education, and their agents.

(9) So that the loan requested can be approved, I authorize the Department of Education to send any information about me that is under its control, including information from the Free Application for Federal Student Aid, to state agencies and nonprofit organizations that administer financial aid programs under the FFELP.

Student Certification and Authorization

I declare under penalty of perjury that the following is true and correct:

(1) I certify that the information contained in the Student Information Section of the Application is true, complete, and correct to the best of my knowledge and belief and is made in good faith.

(2) I certify that the borrower named in the Borrower Section of this Application is my natural or adoptive parent, or is the spouse of my natural or adoptive parent.

(3) I certify that I do not now owe a refund on a Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, or a Leveraging Educational Assistance Partnership grant and that I am not now in default on any loan received under the Federal Perkins Loan Program (including NDSL loans), the Federal Direct Loan Program, or the Federal Family Education Loan Program (as defined in the statement of Borrower's Rights and Responsibilities) or, if I am in default, I have made payment arrangements that are satisfactory to the holder.

(4) I authorize the certifying school to pay to the holder any refund that may be due to me up to the amount of the loan.

(5) I authorize the release of information pertinent to this loan **(i)** by the school, current holder, and the guarantor, or their agents, to members of my immediate family unless I submit written directions otherwise; and **(ii)** by and amongst my schools, lenders, guarantors, subsequent holders, the Department of Education, and their agents.

(6) I authorize the borrower identified in the Borrower Section to borrow on my behalf.

(7) So that the loan requested can be approved, I authorize the Department of Education to send any information about me that is under its control, including information from the Free Application for Federal Student Aid, to state agencies and nonprofit organizations that administer financial aid programs under the FFELP.

School Certification

I hereby certify that the student named on this Application is accepted for enrollment on at least a half-time basis and is making satisfactory progress in a program that is eligible for the loan type certified. I certify that the borrower is an eligible borrower in accordance with the Act and has been determined eligible for a loan in the amount certified. I further certify that the disbursement schedule complies with the requirements of the Act and hereby authorize the guarantor to adjust disbursement dates if necessary to ensure compliance with the Act. I further certify that, based on records available and due inquiry, the student has met the requirements of the Selective Service Act, is not incarcerated and is not liable for an overpayment of any federal grant made under the Act, and that the information provided in the Student and the School sections of the Application (including information supplied in electronic format) is true, complete and accurate to the best of my knowledge and belief. I agree to provide the borrower with confirmation of any transfer of funds through EFT to the borrower's dependent student's account.

Instructions for Completing Federal PLUS Loan Application and Promissory Note

Guarantor or Program Identification

Borrower Section

(Items 1-18 are to be completed by the parent borrower.)

Your lender will perform a standard credit check with a national credit bureau organization before approving this loan. Under federal law you may not have adverse credit. Therefore, under program regulations, if the credit report indicates a bankruptcy, default, repossession, unresolved litigation, or judgment within the most recent five years, the loan will not be approved. You also may not be more than 90 days past due on any scheduled payment. If your loan is denied because of an adverse credit rating, your lender will contact you and explain the appeal process.

Do not complete this form in pencil. Use a black ink ball point pen or typewriter. You are making several copies, so press firmly on a hard surface. If all copies are not legible, your application will be delayed. Incorrect or incomplete information may also cause your application to be delayed.

Item 1: Enter your last name, then your first name and middle initial. If this item has been completed for you and any part of your name is incorrect, cross out all the incorrect information and print the correct information.

> **Note:** ***The legal guardian of a student may no longer borrow a PLUS loan on his or her behalf.***

Item 2: Enter your nine-digit Social Security Number. If this item has been completed for you, review it for correctness. If it is incorrect, cross out the entire incorrect number and print the entire correct Social Security Number in this box. An application without a Social Security Number will not be processed. Read the Privacy Act and the Right to Financial Privacy Act Notices in this booklet before completing this item.

Item 3: Enter your permanent home street address, apartment number, city, state, and zip code. If you have a Post Office Box and a street address, you must list both. If this item has been completed for you and any part of your address is incorrect, cross out the incorrect information and print the correct information.

Item 4: Enter the area code and telephone number for the address listed in Item 3. If you have no telephone, enter N/A.

Item 5: Enter the beginning and ending dates (Month/Year) of the academic period for which this loan is to be used (for example, 9/94 to 6/95). These dates must not be more than 12 months apart.

Item 6: Enter your current driver's license number, listing the state that issued this license, followed by the number. If you do not have a driver's license, enter N/A.

Item 7: Enter the month, day, and year of your birth. Use only numbers. Be careful not to enter the current year.

Item 8: Enter the name and address of the lender from which you wish to borrow this loan. If you do not already have a lender for this loan, contact the lender where you do business, the school's financial aid office, or the guarantor or program listed in the upper right-hand corner.

Item 9: If you know the six-digit lender code, enter it here. Otherwise, leave this item blank.

Item 10: Enter the maximum amount you wish to borrow under the PLUS Loan program for the dependent listed in the Student Section. Apply only for what you will need to pay for your dependent's educational expenses this year, keeping in mind your ability to repay your loan(s). You may borrow up to the student's estimated cost of education at the school the student will attend minus any estimated financial assistance the student has or will be awarded during the period of enrollment. This amount will be disbursed in two or more installments based on the student's academic terms, or at a school without academic terms, at the beginning and midpoint of the student's period of enrollment unless the school is exempt from this requirement. *You must initial any corrections you make in this box.*

> **Note:** ***A disclosure statement will set forth the interest rate and any additional fees. This statement must be presented to you before you receive funds from your lender.***

Item 11: Indicate your U.S. citizenship status. Contact the school's Financial Aid Office if you are unsure of your eligibility.

> **Item 11a:** Check this box if you are a U.S. citizen, U.S. national, or a permanent resident of Palau.
>
> **Item 11b**: Check this box if you are a permanent resident with an Alien Registration Receipt Card (Form I-151 or I-551) or you have a form I-94 showing any one of the following designations: 1) Refugee; 2) Asylum Granted; 3) Indefinite Parole and/or Humanitarian Parole; or 4) Cuban-Haitian entrant. Write in your eight- or nine-digit Alien Registration Number.

Item 12: Indicate your state of residence and the year you established residency.

> **Item 12a:** Write in the two-letter postal abbreviation for your current state/country of legal residence.
>
> **Item 12b:** Write in the month and year you became a resident of the state listed in Item 12a.

Item 13: *It is important that we be able to reach you during the process of making this loan and during repayment.* Enter your employer's name, city, state, and telephone number. If you are not employed, enter N/A.

Item 14: Indicate whether you are in default on a federal education loan or owe a refund on a federal student grant. The definition of default for your loan(s) is included on your Promissory Note(s).

> **Item 14a:** Check this box if you are now in default on any loan received under the Federal Perkins Loan Program (including NDSL Loans), Federal Direct Loan Program, or the Federal Family Education Loan Program (or "FFELP" as defined in the statement of Borrower's Rights and Responsibilities) or, if you are in default, but you have made payment arrangements that are satisfactory to the holder.
>
> Also, check this box if you now owe a refund on a Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, or a Leveraging Educational Assistance Partnership grant.
>
> **Note:** If you answered yes to this question, you must attach a written statement explaining your current status and submit it with your application.
>
> **Item 14b:** Check this box if you are not in default on any loan received under the Federal Perkins Loan Program (including NDSL Loans), Federal Direct Loan Program, or the Federal Family Education Loan Program ("FFELP" as defined in the statement of Borrower's Rights and Responsibilities) ***and*** if you do not now owe a refund on a Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, or a Leveraging Educational Assistance Partnership grant.

Item 15: Your answer to this question determines whether you wish to authorize your dependent's school to transfer your loan proceeds received by electronic funds transfer (EFT) to your dependent's student account at the school, if the school participates in EFT. If the school participates in EFT and you answer no to this question, delivery of the loan proceeds may be delayed.

> **Note:** Federal PLUS loan funds must be delivered to the school your dependent is attending. The loan funds will be disbursed in a prorated amount based on the academic terms (semesters, quarters), or at a school without academic terms at the beginning and midpoint of the student's period of enrollment unless the school is exempt from this requirement. If the funds are disbursed in the form of a check, the check will be made copayable to you and the school.

Borrower Section *(continued)*

Item 15a: Check this box if you authorize the school to transfer your loan proceeds received by EFT to your dependent's student account.

Item 15b: Check this box if you do not wish to authorize the school to transfer the loan proceeds received by EFT to your dependent's student account, and you want the funds sent to you.

Item 16: If you have an outstanding FFELP loan (see Borrower's Rights and Responsibilities) prior to July 1, 1993, you may be eligible for postponement of payment (deferment) of your loan(s) based on your dependent student's enrollment. To be eligible for this deferment, the student for whom you are borrowing must be enrolled in an eligible institution on at least a half-time basis.

Item 16a: If you have an outstanding balance on any FFELP loans disbursed prior to July 1, 1993, check this box.

Item 16b: If you do not have an outstanding balance on any FFELP loans that were disbursed prior to July 1, 1993, check this box.

Item 16c: If you checked Box A and want to defer this and your other outstanding FFELP loans, check this box. If the student is enrolled at least half time, you must have no outstanding FFELP loans disbursed before July 1, 1987 for a period of enrollment beginning before July 1, 1987.

Item 16d: If you checked Box B, you cannot defer this loan based on the student's enrollment status.

Item 16e: If you checked Boxes A and C and want to defer the interest payments due on this and other eligible FFELP loans, check this box.

Note: Interest will accrue on a daily basis from the date the loan funds are disbursed by the lender to the school until this loan is paid in full or cancelled. (See capitalization chart for effect on your loan balance.)

Item 16f: If you checked boxes A and C and do not want to defer the interest, check this box. You must contact your lender to establish an interest payment schedule. If you do not make interest payments when due, the interest will be added to your outstanding principal balance (capitalized) no more frequently than quarterly.

Item 17: Enter the requested information for two adult references with different United States addresses. References with addresses outside the U.S. are not acceptable. All requested items, including telephone number, must be complete or your application will be delayed. If a reference does not have a telephone enter N/A in the appropriate space.

Item 18: Sign your legal name, including your first name, middle initial, and last name. Use a ballpoint pen. You are making several copies, so press firmly.

Enter the date you are signing the Application/ Promissory Note.

By signing, you:

1) Acknowledge that you have read, understand, and agree to the provisions in the Borrower Certification and Authorization section, the Promissory Note, and the accompanying statement of Borrower's Rights and Responsibilities.

2) Agree to repay the loan in full according to the terms and conditions in the Promissory Note.

Note: Borrower signature and date are required. If you fail to sign and date the Promissory Note, your application will not be processed.

Student Section *(Items 19-24 are to be completed by the dependent for whom the parent is borrowing the loan.)*

Do not complete in pencil. Use a black ink ball point pen or typewriter. You are making several copies, so press firmly on a hard surface. If all copies are not legible, your application will be delayed. Incorrect or incomplete information may also cause your application to be delayed.

Item 19: Enter your last name, then your first name, and middle initial. If this item has been completed for you and any part of your name is incorrect, cross out all the incorrect information and print the correct information.

Item 20: Enter your nine-digit Social Security Number. If this item has been completed for you, review it for correctness. If it is incorrect, cross out the entire incorrect number and print the correct Social Security Number in this box. An application without a Social Security Number will not be processed. Read the Privacy Act and the Right to Financial Privacy Act Notices in this booklet before completing this item.

Item 21: Enter the month, day, and year of your birth. Use only numbers. Be careful not to enter the current year.

Item 22: Indicate your U.S. citizenship status. Contact your school's Financial Aid Office if you are unsure of your eligibility.

Item 22a: Check this box if you are a U.S. citizen, U.S. national, or a permanent resident of Palau.

Item 22b: Check this box if you are a permanent resident with an Alien Registration Receipt Card (Form I-151 or I-551) or you have a form I-94 showing any one of the following designations: 1) Refugee; 2) Asylum granted; 3) Indefinite Parole and/or Humanitarian Parole; or 4) Cuban-Haitian entrant. Write in your eight- or nine-digit Alien Registration Number.

Item 23: Indicate whether you are in default on a federal educational loan or owe a refund on a federal student grant. The definition of default for your loan(s) is included on your Promissory Note(s).

Item 23a: Check this box if you are now in default on any loan received under the Federal Perkins Loan Program (including NDSL Loans), Federal Direct Loan Program, or the Federal Family Education Loan Program (or "FFELP" as defined in the statement of Borrower's Rights and Responsibilities) or, if you are in default, ***but*** you have made payment arrangements that are satisfactory to the holder.

Also, check this box if you now owe a refund on a Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, or a Leveraging Educational Assistance Partnership grant.

Note: If you answered yes to this question, you must attach a written statement explaining your current status and submit it with the application.

Item 23b: Check this box if you are not in default on any loan received under the Federal Perkins Loan Program (including NDSL Loans), Federal Direct Loan Program, or the Federal Family Education Loan Program (or "FFELP" as defined in the statement of Borrower's Rights and Responsibilities) ***and*** if you do not now owe a refund on a Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, or a Leveraging Educational Assistance Partnership grant.

Item 24: Sign your legal name, including your first name, middle initial, and last name. Use a ballpoint pen. You are making several copies, so press firmly.

Enter the date you are signing the Application/ Promissory Note.

By signing, you acknowledge that you have read, understand, and agree to the provisions contained in the Student Certification in the Promissory Note.

Note: Student signature and date are required. If you fail to sign and date the form, the application will not be processed.

School Section *(Items 25-37 are to be completed by the Financial Aid Administrator or Other Authorized School Official.)*

If you will be electronically transmitting this data to the guaranty agency, check the Box in Item 35, and leave this section blank. All data fields must be transmitted. Transmission acknowledges that you have read and agree to the provisions in the School Certification.

Only a Financial Aid Administrator or other authorized school official is to complete this section. Improperly certified information can create a financial liability for the school.

Items 25-26: Enter your school name and complete address of the office that certifies this application.

Item 27: Enter the dates covered by the Cost of Attendance shown in Item 32. These dates must coincide with actual term starting and ending dates. At a school without academic terms, these dates must coincide with the student's program of study if that is less than one academic year in length, or the academic year. Please use numbers in a Month, Day, Year format; for example, 9/15/94.

Item 28: Indicate the academic level of the student identified in the Student Section. Select the proper grade level indicator using the standard grade level codes provided:

Code	Grade Level
1	Freshman/First Year *(Including proprietary institution programs that are less than one year in duration.)*
2	Sophomore/Second Year
3	Junior/Third Year
4	Senior/Fourth Year
5	Fifth Year/Other Undergraduate *(Including sixth year undergraduate and continuing education students.)*
A	First Year Graduate/Professional
B	Second Year Graduate/Professional
C	Third Year Graduate/Professional
D	Beyond Third Year Graduate/Professional

Item 29: Indicate whether the dependent student for whom the parent is borrowing is enrolled at least half time or full time. Parents may not borrow for students enrolled less than half time.

Item 30: This is the date the student is expected to complete the program at your institution. Please use numbers in a Month, Day,Year format; for example, 6/15/95. Day date is needed to determine the specific day the borrower ceases to be eligible for a deferment of repayment based on the dependent student's enrollment. If you are unsure of the actual completion (graduation) date in the future, enter the last day of the month.

Item 31: Enter the assigned six-or eight-digit code for your institution. This code is provided by the U.S. Department of Education for the Federal Family Education Loan Programs.

Item 32: Enter the total cost for the dependent student for whom the parent is borrowing for tuition and fees, room and board, books and supplies, transportation, and personal expenses for the period of enrollment covered by this Application.

Item 33: Enter the amount of financial aid, which the school knows the dependent student for whom the parent is borrowing has been or will be awarded for the enrollment period shown in Item 27. Financial aid should include aid from all federal, state or private sources, excluding the loan applied for with this application.

Item 34: Enter the amount of the borrower's eligibility for the Federal PLUS Loan. The borrower's eligibility may be reduced based on professional judgment. If this field is left blank, the application will be delayed.

Item 35: Your signature acknowledges that you have read and agree to the provisions contained in the School Certification in the Promissory Note. You must sign the application, print your name, and provide the date of certification, unless you are submitting the information electronically.

Item 36: Enter the telephone number, including area code, of the school official who can answer questions about this application.

Item 37: Enter the disbursement dates for this loan according to the following requirements: 1) Multiple disbursements are required unless the loan is disbursed more than halfway through the loan period. 2) Schools may not request that the lender disburse loan proceeds earlier than 30 days before the first day of the loan period. 3) Second disbursements, if requested earlier than the mid-point of the period of enrollment, must not be disbursed earlier than 30 days before the beginning of the second term.

Lender Section *(Items 38-43 are to be completed by an authorized lending official.)*

This section need not be completed by the lender if the lender has made alternative arrangements with the guarantor to provide the required information.

Item 38: Enter your Lender name and complete address.

Item 39: Enter the assigned six-digit code for your lending institution. This code has been provided by the U.S. Department of Education for the Federal Family Education Loan Program.

Item 40: Enter the telephone number, including area code, of the lending official who can answer questions about this application.

Item 41: Indicate the approved amount of the Federal PLUS Loan. Unless you wish to reduce the amount certified by the school or if the School Section is marked "Electronically Transmitted" in Box 35, you may leave this field blank. If you leave this field blank, the loan will be approved for the lesser of the amount the school certified or the amount the borrower requested. The amount will be disclosed to you on the notice of guarantee.

Item 42: Sign and date the application. Print or type your name and the date you are approving the application.

Item 43: This item may be left blank or used by the lender as needed.

Equal Credit Opportunity Act Notice

The following information must be provided to an applicant when you deny a Federal Family Education Loan.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against you on the basis of race, color, religion, national origin, sex, marital status, or age (provided that you have the capacity to enter into a binding contract); because all or part of your income derives from any public assistance program; or because you have in good faith exercised any right under the Consumer Credit Protection Act.

The names and addresses of the federal agencies which administer compliance with this law are listed below. During the course of the loan application process your lender will, upon request, inform you of the proper body which regulates the lender.

Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Office of the Comptroller of the Currency
490 L'Enfant Plaza East, SW
Washington, DC 20219

Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Federal Home Loan Bank Board
101 Indiana Avenue, NW
Washington, DC 20552

National Credit Union Administration
2025 M Street, NW
Washington, DC 20456

Federal Trade Commission
6th Street and Pennsylvania Avenue, NW
Washington, DC 20580

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 Section 484(a)(4)(B) of the Higher Education Act of 1965, as amended [20 U.S.C. 1091(a)(4)(B)]. You are advised that participation in the Federal Family Education Loan Program is voluntary, but the requested information is necessary for participation.

The principal purpose of this information is to verify your identity, to determine your Program eligibility and benefits, to permit the servicing of your loan(s), and, in the event it is necessary, to locate you and to collect on your loan(s) if it becomes delinquent or defaulted.

The routine uses of this information include its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to guaranty agencies, to credit bureau organizations, to educational and financial institutions, and to agency contractors in order to verify your identity, to determine your Program eligibility and benefits, to permit the servicing or collecting of your loan(s), to counsel you in repayment efforts, to investigate possible fraud and to verify compliance with Program regulations, or to locate you if you become delinquent in your loan(s) payments or you default.

You must provide all of the information requested in order to have your application processed.

Section 7(b) of the Privacy Act of 1974 (5 U.S.C. 552a note) requires that when any federal, state, or local government agency requests that you disclose your Social Security Number (SSN), you must also be advised whether that disclosure is mandatory or voluntary, by what statutory or other authority your SSN is solicited, and what uses will be made of it.

Section 7(a)(2) of the Privacy Act provides that an agency may continue to require disclosure of your SSN as a condition to grant you a right, benefit, or privilege provided by law in cases in which the agency required this disclosure under statute or regulation prior to January 1, 1975, in order to verify the identity of an individual.

Disclosure of your SSN is required to participate in the Federal Family Education Loan Program. The United States Department of Education has, for several years, consistently required the disclosure of the SSN on application forms and other necessary Federal Family Education Loan Program documents adopted pursuant to published regulations.

Your SSN will be used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) in order to record necessary data accurately. As an identifier, the SSN is used in such Program activities as determining your Program eligibility, certifying your school attendance and student status, determining your eligibility for deferment of payments, determining your eligibility for disability or death claims, and for tracing and collecting from you in case you become delinquent in your loan payments or you default.

Financial Privacy Act Notice

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

Paperwork Reduction Notice

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0009. The time required to complete this information is estimated to average 0.50 hours (30 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:**

U.S. Department of Education
Office of Student Financial Assistance
Policy Development Division
400 Maryland Avenue
S.W. (Room 3053, ROB-3)
Washington, DC 20202-5449.

If you have any comments or concerns regarding the status of your individual submission of this form, write directly to the guarantor or program identified in the upper right-hand corner of this form.

Borrower's Rights and Responsibilities

FFELP Definition: The Federal Family Education Loan Program includes the subsidized Federal Stafford Loan, formerly known as Guaranteed Student Loan (GSL); the former Federally Insured Student Loan (FISL); the unsubsidized Federal Stafford Loan; the Federal Supplemental Loans for Students (SLS), formerly known as ALAS; the Federal PLUS (parent) Loan, and the Federal Consolidation Loan. The FFEL Program is authorized by Title IV; Part B of the Higher Education Act of 1965.

1. Maximum Loan Amounts - Under the Federal PLUS Program, I may borrow an amount not to exceed the student's estimated cost of attendance minus any estimated financial assistance the student has or will be awarded during the period of enrollment.

2. Loan Proceeds - I must use the loan money for authorized educational expenses incurred by my dependent student to attend the school named for the loan period shown on the Application. Authorized expenses include: tuition, room, board, fees, books, supplies, equipment, transportation and commuting expenses. Loan proceeds may not be used to purchase or lease an automobile.

The loan money will be disbursed in a prorated amount based on the academic terms at the school. At a school without academic terms, disbursement will be made at the beginning and midpoint of the period of enrollment unless the school is exempt from this requirement. If disbursed by check, the check will be copayable to me and the school, and sent to the school. If I approve, the loan money may be sent to the school by electronic funds transfer.

3. Change of Status - Federal law requires me to notify my lender (or any subsequent holder of my loan), in writing, if any of the following events occur before my loan is repaid:

- I change my address;
- I change my name (for example, maiden name to married name);
- the student fails to enroll A) at least half time, or B) for the loan period certified, or C) at the school that certified my Application;
- the student withdraws from school or begins attending less than half time;
- the student transfers to another school;
- the student graduates;
- I change my employer or my employer's address changes; or
- I have any other change in status that would affect my loan status (for example, the loss of eligibility for an unemployment deferment by obtaining a job).

The student and/or I must notify the school, while enrolled, of local address changes.

4. Effect of Loans on Other Student Aid - As receipt of a loan will affect the student's eligibility for other student aid, it may be beneficial to determine the student's eligibility for grants, work-study funds and other forms of student assistance before applying for a PLUS loan.

5. Interest - For PLUS Loans made on or after July 1, 1994, the interest rate will be a variable rate, adjusted annually on July 1, not to exceed 9%. For loans made between July 1, 1994, and June 30, 1998, the variable rate for each 12-month period will be equal to the bond equivalent rate of 52-week Treasury Bills auctioned at the final auction held prior to June 1, plus 3.1%. For loans made on or after July 1, 1998, the rate of interest will be described to me in a disclosure statement. Outstanding PLUS Loans that I received prior to October 1, 1992, may have a different interest rate. The actual interest rate applicable to my loan will be disclosed to me in a disclosure statement.

It is my responsibility to pay interest on the unpaid principal amount of the loan from the date of disbursement until the entire principal sum and accrued interest are paid in full. I am responsible for payment of all interest that accrues on this loan.

6. Cost of Deferring Interest Payments - Under certain circumstances, for example during deferment or forbearance, I will not be required to make principal payments, but interest charges on my PLUS Loan will accrue. This interest may be paid or capitalized. Capitalization may occur no more frequently than quarterly.

If I choose to defer and capitalize interest charges, this will increase the principal balance of my loan and the total amount of interest cost I incur. If I agree to make payments but do not, the interest will be added to the loan principal (capitalized). This will also increase the principal amount of my loan and the total amount of interest cost I incur.

The chart on the next page allows me to estimate the cost of capitalization and estimate the effect it will have on my monthly payments. If necessary, I must add two or more estimates of my payment together to approximate more closely the total monthly payment.

7. Sale or Transfer of Loan(s) - The lender may sell or otherwise transfer my loan without my consent. Should ownership of a loan be transferred, I will be notified of the name, address and telephone number of the new holder of my loan, if the address where I make my payments changes. Sale or transfer of my loan to a subsequent holder does not affect my rights and responsibilities.

8. Consequences of Default - Default is defined in the Note. If I default, the entire unpaid balance and collection fees will become immediately due and payable. Failure to repay this or any FFELP loan may result in any or all of the following: loss of federal and state income tax refunds, legal action, assessment of collection charges including attorney fees, loss of professional license, loss of eligibility for other student aid and assistance under most federal benefit programs, loss of eligibility for deferments, negative credit reports, and administrative wage garnishment.

9. Credit Bureau Notification - Information concerning the amount, disbursement, and repayment of my loan will be reported to one or more national credit bureau organizations. If I default on this or any FFELP loan, this will also be reported to national credit bureaus. I will be notified at least 30 days in advance that default information will be disclosed to a credit bureau unless I enter into repayment arrangements on the loan within 30 days of the date on the notice. I will be given a chance to ask for a review of the debt before it is reported. My holder and guarantor must provide a timely response to a request from any credit organization regarding objections I might raise with that organization about the accuracy and completeness of information.

10. Special Repayment Arrangements - A Federal Consolidation Loan Program is available under which I (or my spouse and I jointly) may consolidate into one debt federal education loans received from different lenders and/or under different education loan programs. This Program allows the repayment period to exceed the normal 10-year period and permits multiple debts to be combined into one monthly payment. For additional information, I should contact my lender(s), holder(s), or guarantor(s).

Under certain circumstances, military personnel may have their loans repaid by the Secretary of Defense in accordance with 10 U.S.C. 2141. Questions should be addressed to the local service recruiter. This is a recruiting program and does not pertain to prior service individuals or those not eligible for enlistment in the Armed Forces. *I am responsible for any payments due on my loan even though I may qualify for military repayment programs.*

11. Loan Cancellation - My loan debt will be cancelled if I, or the dependent student for whom this loan was borrowed, dies. Documentation verifying the death must be submitted to the holder of this Note.

My loan debt will also be cancelled if I become permanently and totally disabled. However, the holder of my loan may not approve the request for cancellation based on permanent and total disability if the condition existed before I applied for this loan. If the condition did exist, my doctor must certify that the condition substantially deteriorated after the loan was approved. An application for cancellation must be submitted to my holder, and documentation verifying the permanent and total disability must be certified by my doctor and accepted by the holder of this loan.

My loan(s) will not automatically be discharged in bankruptcy.

The Act provides for certain loan cancellations for borrowers whose dependent students are unable to complete a course of study because the institution closes, or whose eligibility was falsely certified by the institution. If the school failed to make a refund that it owed to my lender, the portion of the loan that should have been refunded shall be discharged.

Neither the lender, the guarantor, nor the Department of Education vouch for the quality or suitability of the academic programs offered by participating schools. Repayment of this loan is not contingent upon the performance of my dependent's school of attendance, nor the student's obtaining employment in his/her field of study.

12. Deferments - I have a right to postpone repayment if I provide the holder of my loan(s), or its servicing agent, with a request for a deferment together with evidence that verifies my eligibility. Upon request, the holder will provide me with a deferment application that lists deferment categories and eligibility requirements. The types of deferments that are available depend on when I first borrowed a FFELP loan (formerly called GSL).

Borrowers with PLUS Loans that were first disbursed on or after July 1, 1993, and who had no outstanding balance on a FFELP loan at the time are eligible for the following types of deferments:

- while enrolled at least half time at an eligible school,
- provided the program is approved by the Department of Education, while pursuing a graduate fellowship program or rehabilitation training program for individuals with disabilities,
- up to three years, while conscientiously seeking but unable to find full-time employment,
- up to three years, for any reason (in accordance with federal regulations) that has caused the borrower to have an economic hardship.

Deferments for borrowers with an outstanding FFELP Loan disbursed prior to July 1, 1993, include:

- while enrolled full time at an eligible school or pursuing a graduate fellowship program or a rehabilitation program for disabled individuals,
- while enrolled at least half time at an eligible school,
- while a student for whom the borrower has obtained a Federal PLUS Loan is A) enrolled full time at an eligible school, B) pursuing an eligible graduate fellowship program, or C) pursuing an approved rehabilitation training program,
- while a student for whom the borrower has obtained a Federal PLUS Loan is enrolled at least half time at an eligible school,
- up to 24 months while conscientiously seeking but unable to find full-time employment, or
- up to three years while the borrower or dependent is temporarily, totally disabled.

In addition to the above deferments, borrowers with an outstanding Federal PLUS Loan(s) made prior to August 15, 1983, are eligible for the following deferments:

- while on active duty status in the U.S. Armed Forces or service in the U.S. Public Health Service as a commissioned officer,
- while serving as a full-time volunteer under the Peace Corps Act, in an ACTION Program or another comparable program determined eligible for deferment by the U.S. Department of Education, or
- while serving in an internship or residency to receive professional recognition to begin professional practice, or leading to a postgraduate degree or certificate.

13. Forbearance - If I am unable to make my scheduled payments, the lender or holder of my promissory note may allow me to reduce the amount of my payment or to temporarily stop making payments as long as I intend to repay my loan. This action is called a forbearance.

During a period of forbearance, interest charges continue to accrue while I am temporarily permitted to delay or reduce payments. If I am willing but financially unable to make payments under my repayment schedule, I may request forbearance to allow for any of the following:

- a short period during which I make no payments,
- an extension of time for making payments, or
- a period during which I make smaller payments than were originally scheduled.

My holder is generally not required to grant a forbearance and may require me to provide my reasons for the request and other information. If I am serving in a national service position for which I receive a national service education award under the National and Community Service Trust Act of 1993, my holder is required to grant me a forbearance. The Act also requires forbearance when my annual debt burden for FFELP Loans equals or exceeds 20% of my disposable income.

Capitalization of Federal PLUS Loan Interest

What is capitalization?

Capitalization is a process whereby a lender adds unpaid interest to the principal balance of a loan. You are responsible for paying the interest due on a PLUS Loan from the date the lender disburses the loan funds to the school until the loan is paid in full.

If you are granted a deferment or forbearance and you choose to defer and capitalize interest charges, the principal balance of your loan will increase each time your lender capitalizes unpaid interest. As a result, you will pay more interest charges over the life of the loan. When you begin repaying your loan, your monthly payment amount will be higher or, if your loan is subject to the $50 minimum payment, you will make more payments.

Contact your lender if you have any questions or need more information.

This chart compares the monthly payments on loans where interest is paid while the student is in school (Option 1) and loans where the interest is capitalized (Option 2).

	Option 1: Interest Payment Made			Option 2: Interest Payment Deferred	
Loan Type	**Loan Amount**	**Monthly Interest**	**Monthly Payment***	**Interest Capitalized****	**Monthly Payment***
PLUS Loan	$2,000	$15.29	$ 50.00* (47 payments)	$186.17	$ 50.12 (54 payments)
9% Interest	$4,000	$30.58	$ 50.67	$367.07	$ 56.15
	$8,000	$61.15	$101.35	$734.12	$110.65

* 120 monthly payments unless otherwise noted.

** The estimate of interest capitalized in these examples is based on quarterly capitalization over a 12-month period.

Repaying Your Loans

Follow these steps to estimate your loan payment.

Step 1: Calculate Your Monthly Interest Charges

Round your loan up to the nearest $500. If your loan amount is not on the table, follow the example below to estimate your monthly accrued interest.

Example:
PLUS Loan of $4,500 at 7% interest

$4,000 = $23.33/month
+ 500 = 2.92/month
$26.25/month*

Your Monthly Interest $ _____.

Approximate Monthly Interest

Loan Amount	7.0%	8.0%	9.0%	10.0%
$500	$2.92	$3.33	$3.75	$4.17
$1,000	$5.83	$6.67	$7.50	$8.33
$2,000	$11.67	$13.33	$15.00	$16.67
$3,000	$17.50	$20.00	$22.50	$25.00
$3,500	$20.42	$23.33	$26.25	$29.17
$4,000	$23.33	$26.67	$30.00	$33.33
$5,000	$29.17	$33.33	$37.50	$41.67
$5,500	$32.08	$36.67	$41.25	$45.83
$6,000	$35.00	$40.00	$45.00	$50.00
$7,000	$40.83	$46.67	$52.50	$58.33
$7,500	$43.75	$50.00	$56.25	$62.50

Step 2: Estimate Your Capitalized Interest

Complete this step only if you will capitalize interest on a PLUS Loan. ***This is an estimate only***. Actual interest capitalized will depend on disbursement dates, number of disbursements, the variable interest rate, and the frequency of capitalization.

	Monthly Interest (From Step One)		Number of Months in Deferment or Forbearance		Estimate of Capitalized Interest
Sample	$ 26.25	X	$ 27	=	$ 708.75
Your Capitalized Interest	$ _____	X	$ _____	=	$ _____

Step 3: Estimate Your Monthly Payment

Round your loan up to the nearest $500. If your principal amount is not on the table, follow the example below to estimate your monthly payment. If you previously had interest capitalized, add it to the original loan amount to get the new principal amount.

Example:
PLUS Loan of $5,208.75 (4,500 + 708.75) at 7% interest

$5,000 = $58.07/month
+ 500 = 5.81/month
$63.88/month

* Minimum monthly payment = $50 or amount of interest accruing each month

Estimated Monthly Payments *(10 Year Term)*

Principal Balance	7.0%	8.0%	9.0%	10.0%
$500*	$5.81	$6.07	$6.34	$6.61
$1,000*	$11.61	$12.14	$12.67	$13.22
$3,000*	$34.83	$36.41	$38.01	$39.66
$5,000	$58.07	$60.68	$63.36	$66.10
$7,000	$81.30	$84.95	$88.70	$92.54
$9,000	$104.52	$109.23	$114.04	$118.98
$10,000	$116.14	$121.36	$126.72	$132.20
$15,000	$174.21	$182.04	$190.07	$198.29
$20,000	$232.28	$242.72	$253.43	$264.39
$25,000	$290.34	$303.41	$316.79	$330.49

	Loan Amount		Estimate of Capitalized Interest (From Step Two)		New Principal Balance	Estimated Monthly Payment
Sample	$ 4,500.00	+	$ 708.75	=	$ 5,208.75	$ 63.88
Your Monthly Payment	$ _____	+	$ _____	=	$ _____	$ _____