

Addendum to the Federal Consolidation Loan Application and Promissory Note Federal Family Education Loan Program

The College Cost Reduction and Access Act of 2007 (CCRAA) changed some of the terms of Federal Consolidation Loans made under the Federal Family Education Loan Program (FFELP). As a result, certain terms of the loan you receive under the accompanying Federal Consolidation Loan Application and Promissory Note (Application and Promissory Note) differ from the terms in that document. The changes set forth in this Addendum are incorporated into and made a part of the accompanying Application and Promissory Note that you sign and the Borrower's Rights and Responsibilities Statement.

- **Instructions for Completing the Federal Consolidation Loan Application and Promissory Note, Section E. Repayment Plan Selection.** *Effective July 1, 2009*, a new paragraph E is added, to read as follows:

“**E. Income-Based Payments**, in which your required monthly payment will be based on your income during any period when you have a partial financial hardship. The maximum repayment period under this plan may exceed 10 years. Eligible borrowers who meet certain requirements over a specified period of time may qualify for cancellation of any outstanding balance on their loans.”

- **Instructions for Completing the Federal Consolidation Loan Application and Promissory Note, Section E. Repayment Plan Selection, Note.** *Effective July 1, 2008*, the Note in the instructions is revised to read as follows:

“**Note:** You may apply for a Federal Consolidation Loan from any FFELP lender. Alternatively, if you are eligible for a Federal Consolidation Loan but: (1) you are unable to obtain a Federal Consolidation Loan or one with income-sensitive repayment terms that are acceptable to you; or (2) you wish to take advantage of the public service loan forgiveness program, you may apply for a Federal Direct Consolidation Loan from the U.S. Department of Education. If you already have a Federal Consolidation Loan, you may be eligible to consolidate that loan into a Federal Direct Consolidation Loan to take advantage of the public service loan forgiveness program. If your Federal Consolidation Loan has become delinquent and the lender has submitted the loan to the guaranty agency for default aversion assistance, you may be able to consolidate your loan into a Federal Direct Consolidation Loan to obtain an income-contingent repayment plan. The public service loan forgiveness program provides for the cancellation of the remaining balance due on eligible William D. Ford Federal Direct Loan Program loans, including Federal Direct Consolidation Loans, after you have made 120 payments (after October 1, 2007) on those Direct Loans under certain repayment plans while you are employed in certain public service jobs.”

- **Borrower's Rights and Responsibilities Statement: Item 9. Deferment.** *Effective October 1, 2007*, paragraph 3 is revised to read as follows:

“A deferment is available for the period when I am serving on active duty during a war or other military operation or national emergency, or performing qualifying National Guard duty during a war or other military operation or national emergency and, if I am serving on or after October 1, 2007, for the 180-day period following the demobilization date for my qualifying service. Also, if I am a member of the National Guard or other reserve component of the Armed Forces (current or retired) who is called or ordered to active duty while I am enrolled at an eligible school, or within 6 months of having been enrolled, I am eligible for a deferment during the 13 months following the conclusion of my active duty service or until the date I return to enrolled student status, whichever is earlier.”