

**Addendum
to the
Direct PLUS Loan Application and Master Promissory Note and Endorser Addendum
William D. Ford Federal Direct Loan Program**

The Higher Education Opportunity Act of 2008 and regulations issued by the U.S. Department of Education on November 1, 2007 and October 23, 2008 changed some of the terms of Federal Direct PLUS Loans (Direct PLUS Loans) made under the William D. Ford Federal Direct Loan (Direct Loan) Program. As a result, certain terms of the loan(s) you receive under a Federal Direct PLUS Loan Application and Master Promissory Note (MPN) or endorse under the Endorser Addendum to the MPN (Endorser Addendum) differ from the terms described in the MPN, Endorser Addendum, and Borrower's Rights and Responsibilities Statement.

This Addendum describes the changes made to the terms of Direct PLUS Loans by the new law and regulations mentioned above. Your loan is subject to these changes. The loan term changes explained in this Addendum are incorporated into and made a part of the MPN or Endorser Addendum that you sign and the Borrower's Rights and Responsibilities Statement. You should keep a copy of this Addendum with your MPN and Borrower's Rights and Responsibilities Statement.

The following change applies only to parent Direct PLUS Loan borrowers:

- 1. Borrower's Rights and Responsibilities Statement, Item 20: Deferment and forbearance.** *Effective for loans first disbursed on or after July 1, 2008*, parent Direct PLUS Loan borrowers may request that repayment of loan principal be deferred while the student on whose behalf a loan was obtained is enrolled at least half time at an eligible school, and during the 6 month period after the student ceases to be enrolled on at least a half-time basis. Interest will continue to be charged on the loan during this period.

The following change applies only to graduate and professional student Direct PLUS Loan borrowers:

- 2. MPN, Section D, Item 19.E.** *Effective for loans first disbursed on or after July 1, 2008*, this item is revised to read as follows:
"Unless I notify ED differently, I authorize ED to defer repayment of principal on my loan if I enroll at least half time at an eligible school and, if I am a graduate or professional student, for the 6-month period after I cease to be enrolled at least half time."

The following changes apply to all Direct PLUS Loan borrowers:

- 3. MPN and Endorser Addendum to MPN – general.** All references to "credit bureaus" are changed to "consumer reporting agencies."
- 4. MPN, Section D, Item 19.H., and Endorser Addendum, Section D, Item 26.** The following new item is added:
"I authorize my schools, ED, and their respective agents and contractors to contact me regarding my loan request or my loan, including repayment of my loan, at the current or any future number that I provide for my cellular telephone or other wireless device using automated dialing equipment or artificial or prerecorded voice or text messages."
- 5. MPN, Section F, and Endorser Addendum, Section E, Legal Notices.** The following new paragraph is added:
"Information about my loans will be submitted to the National Student Loan Data System (NSLDS). Information in NSLDS is

accessible to schools, lenders, and guarantors for specific purposes as authorized by ED."

- 6. Borrower's Rights and Responsibilities Statement, Item 9, Interest rate.** This item is revised to read as follows:

"9. Interest rate. The interest rate on a Direct PLUS Loan is a fixed rate of 7.9 percent. If you qualify under the Servicemembers Civil Relief Act, the interest rate on your loans obtained prior to military service may be limited to 6 percent during your military service. To receive this benefit, you must contact the Direct Loan Servicing Center for information about the documentation you must provide to show that you qualify.

"Note to Endorser: You are not eligible for the reduced interest rate described above unless you qualify under the Servicemembers Civil Relief Act based on your own military service."

- 7. Borrower's Rights and Responsibilities Statement, Item 10, Payment of interest.** A new second paragraph is added, to read as follows:

"Under the no interest accrual benefit for active duty service members, we do not charge interest on Direct Loan Program loans first disbursed on or after October 1, 2008 during periods of qualifying active duty military service (for up to 60 months). For Direct Consolidation Loans, this benefit applies to the portion of the consolidation loan that repaid loans first disbursed on or after October 1, 2008."

- 8. Borrower's Rights and Responsibilities Statement, Item 20: Deferment and forbearance.** *Effective for loans first disbursed on or after July 1, 2008*, Direct PLUS Loan borrowers may defer repayment during the 6-month period after they cease to be enrolled at least half time at an eligible school.

In addition, all references to being "enrolled" in the paragraph that begins "Effective October 1, 2007..." are revised to specify that the enrollment must be on at least a half-time basis.

- 9. Borrower's Rights and Responsibilities Statement, Item 21, Discharge.** The third bullet is revised to read as follows:

"You become totally and permanently disabled (as defined in the Act) and meet certain other requirements."

In addition, the following new paragraph is added after the paragraph that begins "A public service loan forgiveness program...":

"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, the Direct Loan Servicing Center will provide information about these benefits."