

**Addendum to the Direct Subsidized Loan/Direct Unsubsidized Loan Master Promissory Note
William D. Ford Federal Direct Loan Program**

The Ensuring Continued Access to Student Loans Act of 2008, 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 Stafford/Ford Loans (Direct Subsidized Loans) and Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized 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 Direct Subsidized Loan/Direct Unsubsidized Loan Master Promissory Note (MPN) differ from the terms described in the MPN and Borrower's Rights and Responsibilities Statement.

This Addendum describes the changes made to the terms of Direct Subsidized Loans and Direct Unsubsidized Loans by the new law and regulations listed 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 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.

- 1. MPN, Section E, Legal Notices.** The following new paragraph is added at the end of this item:
"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."
- 2. Borrower's Rights and Responsibilities Statement, Item 7: Amount you may borrow.** *Effective for loans first disbursed on or after July 1, 2008*, the annual and aggregate loan limits are as follows:

Annual Loan Limits for Direct Subsidized Loans and Direct Unsubsidized Loans

Dependent Undergraduates (except students whose parents cannot borrow PLUS loans)	
First Year (freshman)	\$5,500 (maximum \$3,500 subsidized)
Second Year (sophomore)	\$6,500 (maximum \$4,500 subsidized)
Third Year (Junior) and Beyond	\$7,500 (maximum \$5,500 subsidized)
Independent Undergraduates (and dependents whose parents cannot borrow PLUS loans)	
First Year (freshman)	\$9,500 (maximum \$3,500 subsidized)
Second Year (sophomore)	\$10,500 (maximum \$4,500 subsidized)
Third Year (Junior) and Beyond	\$12,500 (maximum \$5,500 subsidized)
Graduate and Professional Students	
	\$20,500 (maximum \$8,500 subsidized)

Aggregate Loan Limits for Direct Subsidized Loans and Direct Unsubsidized Loans

Dependent Undergraduates (except students whose parents cannot borrow PLUS loans)	
	\$31,000 (maximum \$23,000 subsidized)
Independent Undergraduates (and dependents whose parents cannot borrow PLUS loans)	
	\$57,500 (maximum \$23,000 subsidized)
Graduate and Professional Students	
	\$138,500 (maximum \$65,500 subsidized)

- 3. Borrower's Rights and Responsibilities Statement, Item 8: Interest rate.** The following text is added at the end of the paragraph:

"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."

- 4. Borrower's Rights and Responsibilities Statement, Item 9: Payment of interest.** The following new paragraph is added immediately after the current third paragraph:

"Under the no accrual of interest 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."

- 5. Borrower's Rights and Responsibilities Statement, Item 10: Loan fee.** This paragraph is revised to read as follows:

"We charge a loan fee that is a percentage of the principal amount of each loan that you receive. The percentage is determined by the Act and varies depending on when a loan is first disbursed. The specific loan fee that you are charged will be shown on a disclosure statement that we send to you. This fee will be deducted proportionately from each disbursement of your loan."

- 6. Borrower's Rights and Responsibilities Statement, Item 20: Deferment and forbearance.** The paragraph that immediately follows the bulleted list of deferment conditions is revised to read as follows:

"If you are a member of the National Guard or other reserve component of the U.S. Armed Forces (current or retired) and you are called or ordered to active duty while you are enrolled at least half time at an eligible school, or within 6 months after having been enrolled at least half time, you are eligible for a deferment during the 13 months following the conclusion of your active duty service, or until the date you return to enrolled student status on at least a half-time basis, whichever is earlier."

- 7. Borrower's Rights and Responsibilities Statement, Item 21: Discharge.** The third bulleted paragraph 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 is also available...":

"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."