

Federal loans that you borrow for your higher education are often the key to a successful future, but loans also are a serious obligation with specific responsibilities.

Entrance Counseling

IMPORTANT

REMEMBER THAT LOANS MUST BE REPAYED EVEN IF YOU DO NOT COMPLETE YOUR EDUCATION, DO NOT COMPLETE YOUR PROGRAM WITHIN THE REGULAR COMPLETION TIME FOR THE PROGRAM, ARE NOT EMPLOYED UPON COMPLETION OF YOUR STUDIES, OR FEEL THAT THE EDUCATION YOU RECEIVED DID NOT MEET YOUR EXPECTATIONS.

Types of Loans

Under the **Federal Family Education Loan Program (FFELP)**, loans are generally made by banks, credit unions, savings and loan associations, and state agencies. Your school determines, subject to applicable limits, the amount of grants, scholarships, work study program funds and subsidized Stafford loans, for which you are eligible, based on the cost of attendance for your program of study minus your expected family contribution. Your cost of attendance minus the amount of grants, scholarships, work study program funds and subsidized Stafford loans for which you are eligible determines the amount, subject to applicable limits, of unsubsidized Stafford and Grad PLUS loans, if a graduate or professional student, that the school may certify for you. By maximizing your scholarships, grants, and work study funding, you will be minimizing your future loan repayment obligation.

As a borrower, you may pay an origination fee and a federal default fee for each FFELP loan. Information on your loan(s) is reported to one or more consumer reporting agencies from the date of disbursement. It is important to keep in mind that if you are a first-year undergraduate who is a first-time borrower, there may be a 30-day waiting period after classes begin before your Stafford loan funds can be released. To qualify for loan funds you must, among other requirements, be enrolled at least half-time in an eligible program of study. All loans described below are federally guaranteed.

HERE ARE THE TYPES OF LOANS AVAILABLE:

SUBSIDIZED FEDERAL STAFFORD LOAN

- This is a **need-based loan**.
- **Interest on the loan is paid by the federal government** while you are in school, during your grace period, and during authorized periods of deferment. You are responsible for paying the interest that accrues on the loan during repayment and during periods of forbearance. If interest payments are not made during periods of forbearance, any unpaid interest will be capitalized and increase the principal balance of the loan.
- **The interest rate on all subsidized Stafford loans first disbursed on or after July 1, 2006 is fixed at 6.8%.** However, the interest rate on subsidized Stafford loans for undergraduate study is as follows:
 - » If the first disbursement is on or after **July 1, 2008** and before **July 1, 2009**, the rate is **6.0%**.
 - » If the first disbursement is on or after **July 1, 2009** and before **July 1, 2010**, the rate is **5.6%**.
 - » If the first disbursement is on or after **July 1, 2010** and before **July 1, 2011**, the rate is **4.5%**.
 - » If the first disbursement is on or after **July 1, 2011** and before **July 1, 2012**, the rate is **3.4%**.
- **Repayment of principal and interest begins six months after you graduate** or are no longer enrolled on at least a half-time basis.

UNSUBSIDIZED FEDERAL STAFFORD LOAN

- This is **not a need-based loan**.
- **You are responsible for paying the interest** that accrues on your loan from the date the loan is disbursed. If interest payments are not made while you are in school, during the grace period, or during periods of deferment or forbearance, the unpaid interest will be capitalized and increase the principal balance of the loan.
- **The interest rate on loans first disbursed on or after July 1, 2006 is fixed at 6.8%.**
- **Repayment of principal and interest begins six months after you graduate** or are no longer enrolled on at least a half-time basis.



American Education Services

AVAILABLE LOANS – CONTINUED –

GRAD PLUS LOAN (PLUS Loan for Graduate/Professional Students)

- This is **not a need-based loan**.
- Eligibility includes a determination of **creditworthiness**.
- Graduate and professional students may borrow up to their **cost of attendance minus other estimated financial assistance** (such as the subsidized and unsubsidized Stafford loans).
- **The interest rate is fixed at 8.5%**.
- **You are responsible for paying the interest** that accrues on your loan from the date the loan is disbursed. If interest payments are not made during periods of deferment or forbearance, any unpaid interest will be capitalized and increase the principal balance of the loan.
- Grad PLUS loans **go into repayment 60 days after the loan is fully disbursed**. However, repayment of a Grad PLUS loan may be deferred during the time period that you are enrolled at least half-time at an eligible school and for six months after you cease to be enrolled at least half-time. If you do not pay the interest that accrues during the in-school and six-month post-enrollment deferment period, the unpaid interest will be capitalized and increase the principal balance of the loan.

PLEASE SEE INSERT FOR THE MAXIMUM ANNUAL STAFFORD LOAN LIMITS.

Master Promissory Note (MPN)



WHAT IS THE MASTER PROMISSORY NOTE?

Before you can receive the loan funds, you must sign a Master Promissory Note (MPN). **The MPN is a binding legal document that you sign to indicate that you agree to repay your student loans.** It must be signed by you before loan funds are disbursed by the lender. It lists the conditions under which you are borrowing and the terms for the repayment of your loan. It is important that you thoroughly read and save this document for when you begin repaying your loan. The MPN is designed to be used as both a single-year or as a multi-year note. If used for attendance at a school utilizing the multi-year feature, most borrowers sign one MPN to receive maximum loan eligibility for all years of borrowing.



WHO USES THE MPN?

All borrowers may use the MPN for Stafford and another MPN for Grad PLUS loans. However, only borrowers attending schools authorized by the U.S. Department of Education may use the **multi-year feature** of the MPN. Borrowers attending schools not eligible to use the multi-year feature will need to sign a separate MPN for each academic year.



DO I HAVE TO ACCEPT THE LOAN AMOUNT RECOMMENDED?

If your school uses the multi-year MPN, your school will certify the maximum amount of loan dollars for which you are eligible. Before a loan is disbursed under the multi-year feature of the MPN, **you will have the opportunity to reject or adjust the type or amount of your loan(s) in one or both of the following ways:**

- **Your school, lender, or guarantor may notify you** of the proposed loan type and amount. You will be required to take action only if you want to reject or adjust the type or amount of the loan before it is disbursed. **NOTE:** This process is used in conjunction with our "Approval Notice" that is mailed to you when the loan recommended by your school is guaranteed/approved.
- **Your school or lender advises you** of the proposed loan type and amount. You are required to take action to confirm the types and amounts of loans that you want for an award year before the loan(s) is/are disbursed. A school or lender may establish confirmation for the entire loan or may request that the borrower confirm each disbursement of the loan.

Before a Grad PLUS loan is disbursed under the multi-year feature of the MPN, the borrower must indicate the amount that he or she wishes to borrow. The requested loan amount may be obtained by the school, the lender, or the guarantor depending on the process agreed to by the parties.



WHEN IS A NEW MPN REQUIRED?

Generally, a new MPN is not required if you transfer to another school. However, a new MPN is required **if you change to a different lender, you would like to sign a new MPN for each loan, or based on a request made by the lender or school.**



HOW LONG CAN AN MPN BE USED?

The following events will automatically cause the MPN to expire:

- The date that the lender receives written notification from you that the MPN may no longer be used as a basis for making additional loans.
- 12 months after the date that you signed MPN if no disbursement was made.
- 10 years from the date that you signed the MPN. If a portion of a loan was disbursed before the end of the 10-year period; then all remaining disbursements for the loan may be made.

IF YOU HAVE QUESTIONS REGARDING YOUR RIGHTS AND RESPONSIBILITIES OR THE TERMS AND CONDITIONS OF YOUR LOAN(S), CONTACT THE FINANCIAL AID OFFICE AT YOUR SCHOOL, YOUR LENDER OR LOAN SERVICER, OR THE GUARANTOR OF YOUR LOAN(S).

Maximum Stafford Loan Limits

USE THIS INSERT IN CONJUNCTION WITH ENTRANCE COUNSELING.

DEPENDENT UNDERGRADUATES (Does not include students whose parents are unable to borrow under the PLUS program.)	ANNUAL LOAN LIMITS
First year	\$5,500 of which no more than \$3,500 may be subsidized
Second year	\$6,500 of which no more than \$4,500 may be subsidized
Third year and beyond	\$7,500 of which no more than \$5,500 may be subsidized
INDEPENDENT UNDERGRADUATES (And dependent students whose parents are unable to borrow under the PLUS program.)	ANNUAL LOAN LIMITS
First year	\$9,500 of which no more than \$3,500 may be subsidized
Second year	\$10,500 of which no more than \$4,500 may be subsidized
Third year and beyond	\$12,500 of which no more than \$5,500 may be subsidized
Graduate and professional students	\$20,500 of which no more than \$8,500 may be subsidized
AGGREGATE LIMITS	
Dependent undergraduates	\$31,000 of which no more than \$23,000 may be subsidized
Independent undergraduates (And dependent students whose parents are unable to borrow under the PLUS program.)	\$57,500 of which no more than \$23,000 may be subsidized
Graduate and professional	\$138,500 of which no more than \$65,500 may be subsidized

- Certain health profession students may qualify for higher limits.
- Undergraduate annual loan limits are subject to proration if your program of study or final period of enrollment is less than an academic year in length.
- If you do not have financial need (**Cost of Attendance – Expected Family Contribution – Estimated Other Financial Assistance = FINANCIAL NEED**) for a subsidized Federal Stafford loan or have reached the aggregate limit in subsidized Federal Stafford loans, you may receive up to this entire annual or aggregate amount in unsubsidized Federal Stafford loans [assuming you have remaining eligibility for the loan(s)].

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PHEAA/AES is one of many Guarantors participating in the Federal Family Education Loan Program (FFELP). A student or parent borrower may obtain a FFELP loan from a lender that uses PHEAA/AES as the Guarantor or any other participating lender. These materials have been developed and paid for by PHEAA/AES for informational purposes. The information contained herein is believed to be accurate at the time of printing. Due to the rapidly changing nature of the law and the industry, information contained in this document may become outdated and PHEAA/AES does not guarantee the accuracy of the information herein. You should verify that this information is correct.

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WITHDRAWAL | If you withdraw from school, your school will determine if a return of Title IV funds is required in accordance with Federal regulations. **If you do not complete a payment period or period of enrollment, as applicable, you may not be entitled to retain the full amount of aid that you received originally.** The school will ensure that unearned funds are returned, as required by law and Federal regulations, in the following order: FFELP unsubsidized Stafford loans, FFELP subsidized Stafford loans, Direct unsubsidized Stafford loans, Direct subsidized Stafford loans, Federal Perkins loans, FFELP parent or Grad PLUS loans, Direct parent or Grad PLUS loans, Federal Pell grants, Academic Competitiveness Grants, National SMART Grants, Federal SEOG Program aid.


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Repaying Your Loan(s):


You may prepay all or part of your loan at any time without penalty. A prepayment while in school or during your grace period on a Federal Stafford loan, will reduce the outstanding principal balance of a subsidized Federal Stafford loan. A prepayment will reduce the accrued interest and may reduce the outstanding principal balance of an unsubsidized Federal Stafford loan.


While you are in repayment on a Federal Stafford or Grad PLUS loan, **any extra amount you pay in addition to your regular monthly payment will reduce your outstanding principal balance**, as long as the accrued interest and any outstanding late charges are paid. The payment due date on your loan(s) may be advanced and/or your next monthly billing statement may reflect a reduced payment amount due. If you are participating in an interest rate reduction program your continued participation may be impacted by the payment amount you remit each month. Check with your lender/loan servicer for the amount to pay. Also, remember monthly billing statements or payment coupons are provided as a convenience for you. Not receiving monthly billing statements or payment coupons does not relieve your obligation to make payments.


LENDER/LOAN SERVICERS OFFER THE FOLLOWING REPAYMENT PLANS:


 **STANDARD REPAYMENT SCHEDULE** | **Monthly payments remain the same throughout repayment.** The maximum repayment period is usually, 10 years, exclusive of deferment and forbearance periods, from the date the loan(s) enter repayment. Minimum monthly payments start at \$50 but may be higher depending on your loan balance.

 **GRADUATED REPAYMENT SCHEDULE** | **You may begin to repay the loan with small monthly payments that increase during the 10-year repayment period.** This option assumes that your income will grow enough to cover the increasing loan payments. You will pay a larger amount of interest than you would under the standard repayment plan because your initial payments go mainly toward interest, not the principal balance.

 **INCOME-SENSITIVE REPAYMENT SCHEDULE** | Your monthly payments are **based on a percentage of your gross monthly income** and are adjusted annually.

 **EXTENDED REPAYMENT SCHEDULE** | **Limited to borrowers who, at the time they obtain a loan under a current MPN, have no outstanding balance on a FFELP loan made before October 7, 1998 and have an outstanding balance of principal and interest totaling more than \$30,000 in FFELP loans.** The lender/loan servicer may schedule the borrower for standard or graduated installments over a period not to exceed 25 years.


 **INCOME-BASED REPAYMENT SCHEDULE (Effective July 1, 2009)** **If you have a defined partial financial hardship, your payments are limited to no more than 15% of the amount by which your adjusted gross income (either individually or with your spouse, as applicable) exceeds 150% of the poverty line income applicable to your family size.** Your monthly payment amount may be adjusted annually. The maximum repayment period under this plan may exceed ten years. If you meet certain requirements, you may qualify for cancellation of your loan if there is an outstanding balance after a period not to exceed 25 years.

 **REPAYMENT BENEFITS** | Some lenders offer an **interest rate reduction** if monthly payments are automatically deducted from your checking or savings account. Check with your lender for more information on repayment benefits.

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Deferments and Forbearances

Everyone experiences financial difficulty at one time or another. Your lender/loan servicer understands this and therefore offers you several options that temporarily reduce or suspend your monthly payment.

 **DEFERMENT** is a period of time during which your lender temporarily suspends your regular payments. Types of deferments include: at least half-time enrollment at an eligible school, unemployment, serving on active duty or performing qualifying National guard duty during a war/military operation/or national emergency, and economic hardship. Contact your lender/loan servicer for more information on deferments.

The federal government will pay the accrued interest on your subsidized Stafford loan during deferment. You are responsible for the interest on unsubsidized Stafford Loans and on Grad PLUS loans.



FORBEARANCE is a period of time during which your lender temporarily reduces or suspends your regular payments. You may request a forbearance if you are willing but unable to make your payments. You may also request a forbearance to reduce your payment amount for a short period of time. You are responsible for the interest that accrues on your loan(s) during the forbearance period. You may choose to pay the interest as it accrues or allow it to capitalize. You need to contact your lender for more information on applying for a forbearance.



LOAN DISCHARGE / FORGIVENESS / REPAYMENT | You are generally obligated to repay your student loan(s) regardless of what happens. However, there are a few situations in which your loan(s) may be repaid or discharged and your repayment obligation cancelled. Your Federal student loan(s) may be repaid, discharged or forgiven, in whole or part, if:

- You are **totally and permanently disabled**.
- You are **unable to complete your program** of study due to the closing of your school.
- Your **school falsely certified your loan eligibility**, due to an unauthorized or forged signature on documents for loan funds from which you did not benefit, disqualifying status or your ability to benefit, or if your school failed to refund required loan funds to your lender on your behalf.
- Your **loan was falsely certified** as a result of the crime of identity theft.
- Your **loan is discharged in bankruptcy**. (Available under limited circumstances)
- You are eligible for the **Teacher Loan Forgiveness Program, or Service in Areas of National Need Loan Forgiveness Program**.
- You are eligible for the **Civil Legal Assistance Attorney Loan Repayment Program**.
- You are eligible for loan forgiveness under **Income-Based Repayment**.
- You are **employed in a public service job** and consolidate your Federal Family Education Loan Program (FFELP) loans into a Direct Consolidation Loan and participate in the Loan Forgiveness Program for Public Service Employees.
- You are **deceased**.



DELINQUENCY & DEFAULT | If you fail to make loan payments when due, your loan becomes delinquent. Delinquent loans can adversely affect your credit rating. In addition, failure to pay all or part of an installment payment when due can result in the addition of late charges.

If a loan is delinquent for 270 days, it will be declared in default. If you default, the entire unpaid balance and any accrued collection fees on the applicable loans will become immediately due and payable.

THE CONSEQUENCES OF DEFAULT MAY INCLUDE ANY OR ALL OF THE FOLLOWING:

- Adverse credit reports resulting in damage to your credit rating
- Garnishment of your wages
- Withholding of your federal and state income tax refunds
- Litigation which is legal action against you
- Federal debt collection procedures against you
- Collection charges (including attorney fees) being assessed against you
- Loss of deferment entitlements
- Loss of your professional license
- An increase in the interest rate on your loan
- Loss of eligibility for federal and state financial aid
- Loss of other federal or state payments

Loan Consolidation

A Federal Consolidation Loan is designed to assist you with managing your federal education debt. **It allows you to combine one or more existing federal student loans into a single new loan, thus having one loan payment and one lender.**

Federal loan consolidation may be an option if you have significant student loan debt, different types of federal loans, or you are making the minimum monthly payment on multiple loans. In order to combine your loans, you should determine which lender/servicer can best serve you, and request that lender/servicer to purchase your other loans. Consolidating your loans offers both advantages and disadvantages to you.

The interest rate on your Federal Consolidation Loan will be a fixed rate for the life of the loan. Your rate is determined by the weighted average of the loans you are consolidating, rounded up to the nearest 1/8th of one whole percent, not to exceed 8.25 percent.



ADVANTAGES:

- Extended repayment for up to 30 years depending on the balance of your qualifying education loans
- Single monthly payment
- Lower, more manageable monthly payment amount
- Fixed interest rate
- Can be prepaid with no penalty



DISADVANTAGES:

- Longer repayment period
- Greater interest paid over the life of the loan when using a longer repayment period

- Loss of eligibility on Perkins loans for certain deferments, interest-free periods, and public service cancellation based on years of qualifying service
- May lose current loan incentive benefits (Contact your lender/loan servicer to determine the effect of consolidation on borrower benefit programs.)

Loan Maintenance Guidelines

YOUR BASIC LOAN MAINTENANCE GUIDELINES TO FOLLOW:

- **Inform your school and lender of changes** in your name, mailing address, phone number, Social Security Number, or email address so that all correspondence is promptly directed to you.
- **Notify your lender/loan servicer when you graduate**, withdraw from school, drop below half-time status, transfer to another school, or change your name, address, telephone number, Social Security Number, or email address.
- **Notify your lender/loan servicer if you change your employer** or if your employer's address or telephone number changes.
- **Notify your lender/loan servicer if you have any other change in status that would affect your loan** (for example, the loss of eligibility for an unemployment deferment by obtaining a job).
- **Participate in an entrance counseling session before obtaining your first Stafford loan** to attend school and participate in an exit counseling session before you leave school or before your enrollment drops to less than half-time. When you graduate, withdraw from school, or drop below half-time enrollment status, your Stafford loan enters repayment after a six-month grace period and/or the deferment of your Grad PLUS loan ends after a six-month grace period. Prior to leaving school or dropping below half-time enrollment status, contact your school's financial aid office for exit counseling to obtain information on your repayment options and on loan consolidation.
- **Pay the loan according to the repayment schedule** and notify the lender/loan servicer of anything that affects your ability to repay or your eligibility for deferment.

AS A BORROWER, YOU HAVE A RIGHT TO:

- **Receive a written disclosure statement** on loan obligations and information on borrower rights and responsibilities.
- **Receive an explanation of default and its consequences.**
- **Receive, when you pay a loan in full, the original or true and exact copy of the note**, or notification that the loan is paid in full.
- Receive, before repayment, information on interest rates, fees, the balance owed on your loan(s), and a loan repayment schedule.
- **Receive notification of the name, address, and telephone number of your new lender/loan servicer** when the address to which you make your payments has changed as a result of a loan sale or transfer. The sale or transfer of your loan(s) does not affect your rights and responsibilities under such loan(s).

Your loan may be sold to another lender at any time during the life of the loan. If this happens, **you will be notified in writing** and you must direct all future correspondence to the new lender or loan servicer.

Good Recordkeeping

Remember to keep copies of all of your loan documents, including your FAFSA, Master Promissory Note(s), disclosure statements, records showing when loan payments were received, your loan repayment schedule(s), as well as records of loan payments including cancelled checks and money order receipts. Keep copies of anything you do in writing, including requests for deferment or forbearance.

- **If you call a lender/loan servicer**, make a note of the date and the person with whom you spoke.
- **Keep the most recent name and address** of the lender, the loan servicer, and the guarantor of the loan.

FINAL REMINDER:

IF YOU CANNOT MAKE FULL MONTHLY PAYMENTS ON YOUR STUDENT LOANS, CONTACT YOUR LENDER OR SERVICER AT ONCE TO DISCUSS YOUR OPTIONS WITH REGARD TO REPAYMENT PLANS, CONSOLIDATION, DEFERMENT OR FORBEARANCE.

Sample Repayment Amounts

STAFFORD LOAN STANDARD REPAYMENT SCHEDULE								
6% Interest Rate					6.8% Interest Rate			
Amount Borrowed	Repayment Term	Monthly Payment Amount	Total Amount Paid at End of Repayment Term	Total Interest Paid During Repayment Term	Repayment Term	Monthly Payment Amount	Total Amount Paid at End of Repayment Term	Total Interest Paid During Repayment Term
\$3,500	87 months	\$50.00	\$4,350.00	\$850.00	88 months	\$50.62	\$4,454.56	\$954.96
\$7,000	120 months	\$77.71	\$9,325.20	\$2,325.20	120 months	\$80.56	\$9,667.20	\$2,667.20
\$11,000	120 months	\$122.12	\$14,654.40	\$3,654.40	120 months	\$126.59	\$15,190.80	\$4,190.80
\$15,000	120 months	\$166.53	\$19,983.60	\$4,983.60	120 months	\$172.62	\$20,714.40	\$5,714.40
\$26,500	120 months	\$294.20	\$35,304.00	\$8,804.00	120 months	\$304.96	\$36,595.20	\$10,095.20
\$37,500	120 months	\$416.33	\$49,959.60	\$12,459.60	120 months	\$431.55	\$51,786.00	\$14,286.00
\$50,000	120 months	\$555.10	\$66,612.00	\$16,612.00	120 months	\$575.40	\$69,048.00	\$19,048.00
\$60,000	120 months	\$666.12	\$79,934.40	\$19,934.40	120 months	\$690.48	\$82,857.60	\$22,857.60
\$72,500	120 months	\$804.90	\$96,588.00	\$24,088.00	120 months	\$834.33	\$100,119.60	\$27,619.60
\$84,000	120 months	\$932.57	\$111,908.40	\$27,908.40	120 months	\$966.67	\$116,000.40	\$32,000.40
\$96,000	120 months	\$1,065.80	\$127,896.00	\$31,896.00	120 months	\$1,104.77	\$132,572.40	\$36,572.40

STAFFORD LOAN GRADUATED REPAYMENT SCHEDULE*								
6% Interest Rate					6.8% Interest Rate			
Amount Borrowed	Repayment Term	Monthly Payment Amount	Total Amount Paid at End of of 120 Months	Total Interest Paid During Repayment Term	Repayment Term	Monthly Payment Amount	Total Amount Paid at End of of 120 Months	Total Interest Paid During Repayment Term
\$7,000	120 months	\$54.53 for 24 months	\$9,737.52	\$2,737.52	120 months	\$56.85 for 24 months	\$10,152.72	\$3,152.72
		\$65.43 for 24 months				\$68.22 for 24 months		
		\$78.51 for 24 months				\$81.86 for 24 months		
		\$94.21 for 24 months				\$98.23 for 24 months		
		\$113.05 for 24 months				\$117.87 for 24 months		
\$11,000	120 months	\$85.69 for 24 months	\$15,302.40	\$4,302.40	120 months	\$89.33 for 24 months	\$15,952.32	\$4,952.32
		\$102.82 for 24 months				\$107.19 for 24 months		
		\$123.38 for 24 months				\$128.62 for 24 months		
		\$148.05 for 24 months				\$154.34 for 24 months		
		\$177.66 for 24 months				\$185.20 for 24 months		
\$15,000	120 months	\$116.85 for 24 months	\$20,868.72	\$5,868.72	120 months	\$121.82 for 24 months	\$21,755.52	\$6,755.52
		\$140.22 for 24 months				\$146.18 for 24 months		
		\$168.26 for 24 months				\$175.41 for 24 months		
		\$201.91 for 24 months				\$210.49 for 24 months		
		\$242.29 for 24 months				\$252.58 for 24 months		
\$26,500	120 months	\$206.43 for 24 months	\$36,867.12	\$10,367.12	120 months	\$215.22 for 24 months	\$38,436.96	\$11,936.96
		\$247.71 for 24 months				\$258.26 for 24 months		
		\$297.25 for 24 months				\$309.91 for 24 months		
		\$356.70 for 24 months				\$371.89 for 24 months		
		\$428.04 for 24 months				\$446.26 for 24 months		

STAFFORD LOAN EXTENDED** REPAYMENT SCHEDULE					GRAD PLUS LOAN EXTENDED** REPAYMENT SCHEDULE			
6.8% Interest Rate					8.5% Interest Rate			
Amount Borrowed	Repayment Term	Monthly Payment Amount	Total Amount Paid at End of Repayment Term	Total Interest Paid During Repayment Term	Repayment Term	Monthly Payment Amount	Total Amount Paid at End of Repayment Term	Total Interest Paid During Repayment Term
\$37,500	300 months	\$260.28	\$78,084.00	\$40,584.00	300 months	\$301.96	\$90,588.00	\$53,088.00
\$50,000	300 months	\$347.04	\$104,112.00	\$54,112.00	300 months	\$402.61	\$120,783.00	\$70,783.00
\$60,000	300 months	\$416.44	\$124,932.00	\$64,932.00	300 months	\$483.13	\$144,939.00	\$84,939.00
\$72,500	300 months	\$503.20	\$150,960.00	\$78,460.00	300 months	\$583.79	\$175,137.00	\$102,637.00
\$84,000	300 months	\$583.02	\$174,906.00	\$90,906.00	300 months	\$676.39	\$202,917.00	\$118,917.00
\$96,000	300 months	\$666.31	\$199,893.00	\$103,893.00	300 months	\$773.02	\$231,906.00	\$135,906.00

GRAD PLUS LOAN STANDARD REPAYMENT SCHEDULE				
8.5% Interest Rate				
Amount Borrowed	Repayment Term	Monthly Payment Amount	Total Amount Paid at End of Repayment Term	Total Interest Paid During Repayment Term
\$5,000	120 months	\$61.99	\$7,438.80	\$2,438.80
\$11,000	120 months	\$136.38	\$16,365.60	\$5,365.60
\$15,000	120 months	\$185.98	\$22,317.60	\$7,317.60
\$26,500	120 months	\$328.56	\$39,427.20	\$12,927.20
\$37,500	120 months	\$464.95	\$55,794.00	\$18,294.00
\$50,000	120 months	\$619.93	\$74,391.60	\$24,391.60
\$60,000	120 months	\$743.91	\$89,269.20	\$29,269.20
\$72,500	120 months	\$898.90	\$107,868.00	\$35,368.00
\$84,000	120 months	\$1,041.48	\$124,977.60	\$40,977.60
\$96,000	120 months	\$1,190.26	\$142,831.20	\$46,831.20



All of these charts are based on the assumption that you pay the interest on your unsubsidized Stafford Loan(s) while in school and during the grace period and/or you pay the interest on your Grad PLUS Loan(s) during the in-school deferment and the post-enrollment deferment period.

If you do not pay the interest during the subject periods, the interest that accrues will be capitalized. For example, if you are enrolled in a 2-year undergraduate program of study and receive unsubsidized Stafford Loans in the amount of \$9,500 for your first academic year and unsubsidized Stafford Loans in the amount of \$10,500 for your second academic year, then the outstanding principal balance on your unsubsidized Stafford Loan at the end of the grace period – assuming that you have made no interest payment while in school and during the grace period – will be approximately \$22,012.17. The difference between the loan amount that you borrowed of \$20,000 (\$9,500 plus \$10,500) and your outstanding principal balance, when repayment begins, is interest of \$2,012.17 that was capitalized.

* Limited sample schedules provided. You may contact your lender/loan servicer for a specific graduated repayment schedule based on the amount you borrowed.

** Applies to borrowers who are eligible and select the "Extended Repayment Plan" described under "Repayment Options".

FOR A VARIETY OF FINANCIAL CALCULATORS, PLEASE VISIT THE ONLINE TOOLS SECTION OF THE AES WEBSITE AT:
aesSuccess.org/manage or youcandealwithit.com



Glossary

CAPITALIZED INTEREST | Interest that accrues on the unpaid principal balance of your loan and is unpaid during the periods indicated under "Types of Loans" is added to the principal balance of the loan. Adding the accrued interest to the principal balance of the loan increases the outstanding principal amount due on the loan. Interest that is capitalized subsequently accrues interest which adds an additional expense to the loan.

DEFAULT | If a loan is delinquent for 270 days, it will be declared in default. If you default, the entire unpaid balance and any accrued collection fees on the applicable loans will become immediately due and payable. The consequences of default are included in the exit counseling.

GRACE PERIOD | Your Federal Stafford Loans have a six-month grace period prior to repayment. Your Grad PLUS Loans also have a six month post-enrollment grace period deferment after repayment has begun. In both cases, **the grace period begins the day after you graduate, withdraw from school, or drop below half-time status.** During the grace period, the government is responsible for paying the interest on subsidized Federal Stafford Loans. Unsubsidized Federal Stafford Loan borrowers remain responsible for paying the interest during their grace period and Grad PLUS Loan borrowers also remain responsible for paying the interest that accrues during the 6-month post-enrollment grace period deferment. **The purpose of the grace period is to provide you with time to find employment and to prepare for loan repayment.**

HALF-TIME ENROLLMENT | For an undergraduate student, half-time enrollment must be **at least half of the academic workload of the applicable regulatory minimum full-time enrollment standard for the program** in which you are enrolled. For a graduate student, half-time enrollment must include at least half of the full-time academic workload defined by the school for the program in which you are enrolled.

LOAN SERVICER | An organization hired by a lender or loan holder to administer its student loan portfolio. Loan servicers disburse loan funds, process payments, process deferment and forbearance requests, respond to borrower inquiries, and collect delinquent loan payments.

Contact Information

Your first resource is the **Financial Aid Office at the school you are attending.** Next would be the bank which lent you the money, then the guaranty agency which guaranteed your loan. After you have exhausted these resources, if you are still unable to resolve your situation, the **U.S. Department of Education, Office of Financial Assistance (OSFA)** has an Ombudsman who works with student borrowers to resolve loan disputes and problems.

YOU CAN CONTACT THE OMBUDSMAN AT:

OMBUDSMAN.ED.GOV

1.877.557.2575 (Toll-Free)

1.202.275.0549 (Fax)

U. S. DEPARTMENT OF EDUCATION

FSA OMBUDSMAN

830 FIRST STREET, NE

FOURTH FLOOR

WASHINGTON, D.C. 20202-5144

Additional information on your loans through the **National Student Loan Data System (NSLDS).** NSLDS is a central database for providing you with access to information, 24 hours a day and 7 days a week, on your Federal Student Aid which includes loans and grants. The database was developed by and is maintained by the Department. To access your information on NSLDS, you will need your Social Security number, the first two digits of your last name, your date of birth, and your Personal Identification Number (PIN). Your PIN is provided on your student aid report (SAR) or you may request a PIN at **pin.ed.gov.** The NSLDS receives information from schools, guarantors, and the Department.

TO TRACK THE STATUS OF YOUR FEDERAL LOANS,
ACCESS NSLDS AT:

NSLDS.ED.GOV

1.800.4FED.AID (Toll-Free)



American Education Services

Be Next.

1200 North Seventh Street, Harrisburg PA 17102-1444

PHEAA/AES is one of many Guarantors participating in the Federal Family Education Loan Program (FFELP). A student or parent borrower may obtain a FFELP loan from a lender that uses PHEAA/AES as the Guarantor or any other participating lender. These materials have been developed and paid for by PHEAA/AES for informational purposes. The information contained herein is believed to be accurate at the time of printing. Due to the rapidly changing nature of the law and the industry, information contained in this document may become outdated and PHEAA/AES does not guarantee the accuracy of the information herein. You should verify that this information is correct.