

August 3, 2007

Final Department of Education Changes to the Federal Direct PLUS Loan Application and Master Promissory Note and Endorser Addendum to Federal Direct PLUS Loan Application and Master Promissory Note

	Location	Changes	Reason
1.	PLUS MPN, Section D, Item 17.	This is an Application and Master Promissory Note (MPN) for one or more Federal Direct PLUS (Direct PLUS) Loans. I request a Direct PLUS Loan under this MPN in an amount not to exceed my or (if I am a parent borrower) the student's annual cost of attendance, minus other financial aid received <u>for</u> each academic year. For each loan, the school will notify me of the loan amount that I am eligible to borrow. I may cancel a loan or request a lower amount by contacting the school. Additional information about my right to cancel a loan or request a lower amount is included in the Borrower's Rights and Responsibilities Statement and in the disclosure statements that will be provided to me. If I have an adverse credit history and obtain an endorser <del>to so that I</del> <u>may</u> receive a Direct PLUS Loan, only one loan may be made to me under this MPN.	Consistency with the language used on the revised FFEL PLUS MPN.
2.	PLUS MPN, Section D, Item 18.E.	<del>If I am not now</del> in default on any loan received under the Federal Perkins Loan Program (including National Direct Student Loans), the William D. Ford Federal Direct Loan (Direct Loan) Program, or the Federal Family Education Loan (FFEL) Program <del>or, if I am in default on a loan,</del> I have made satisfactory repayment arrangements <u>with the holder to repay the amount owed</u> .	Consistency with the wording used in Item 18.D. and on the revised FFEL PLUS MPN.
3.	PLUS MPN, Section D, Item 18.F.	<del>If I have not</del> been convicted of, or pled <i>nolo contendere</i> (no contest) or guilty to, a crime involving fraud in obtaining funds under title IV of the Higher Education Act of 1965 (HEA), as amended; <del>or if I have been convicted of, or pled nolo contendere or guilty to, such a crime,</del> I have completed the repayment of the funds to the <u>U.S. Department Secretary</u> of Education ( <u>ED</u> ) or to the loan holder in the case of a Title IV federal student loan. If I am a parent applying for a Direct PLUS Loan for a dependent undergraduate student, <del>I am not eligible and</del> if that student has been convicted of, or pled <i>nolo contendere</i> or guilty to, a crime involving fraud in obtaining funds under Title IV of the HEA, as amended, <del>unless that the</del> student has completed the repayment of the funds to <u>ED the Secretary of Education</u> , or to the loan holder in the case of a Title IV federal student loan.	Simplification and consistency with the wording used in Item 18.D. and on the revised FFEL PLUS MPN.
4.	PLUS MPN, Section D, Item 19.B.	For each loan that I receive under this MPN, I authorize <del>the U.S. Department of Education (ED)</del> to investigate my credit record and	The abbreviation "ED" is established previously in

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		report information about my loan status to persons and organizations permitted by law to receive that information.	revised Item 18.F.
5.	PLUS MPN, Section F, and Endorser Addendum, Section E – Acceleration and Default, first and second paragraphs	<p>At ED’s option, the entire unpaid balance of a loan made under this MPN will become immediately due and payable (this is called “acceleration”) if any one of the following events occurs: (1) I (or the student) <del>do not fail to</del> enroll as at least a half-time student at the school that certified my loan eligibility; (2) I <del>do not fail to</del> use the proceeds of the loan solely for my or the student’s educational expenses; (3) I make a false representation that results in my receiving a loan for which I am not eligible; or (4) I default on the loan.</p> <p>The following events will constitute a default on my loan: (1) I <del>do not fail to</del> pay the entire unpaid balance of the loan after ED has exercised its option under items (1), (2), and (3) in the preceding paragraph; (2) I <del>do not fail to</del> make installment payments when due, provided my failure has persisted for at least 270 days; or (3) I <del>do not fail to</del> comply with other terms of the loan, and ED reasonably concludes that I no longer intend to honor my repayment obligation. If I default, ED may capitalize all the outstanding interest into a new principal balance, and collection costs will become immediately due and payable.</p>	Simplification and consistency with the language used on the revised FFEL PLUS MPN.
6.	PLUS MPN, Section F, and Endorser Addendum, Section E – Legal Notices, second paragraph	If ED fails to enforce or insist on compliance with any term <del>on of</del> this MPN, this does not waive any right of ED. No provision of this MPN may be modified or waived except in writing by ED. If any provision of this MPN is determined to be unenforceable, the remaining provisions will remain in force.	Consistency within the paragraph – the second sentence refers to provisions “of” the MPN.
7.	PLUS MPN, Section G, second paragraph	<del>Print using Use a blue or black ink ballpoint pen or typewriter to complete this MPN. Do not use pencil. Report all dates as month-day-year (mm-dd-yyyy). Use only numbers. (For eExample; for June 24, 1982 = you would enter 06-24-1982.)</del>	Simplification.
8.	Endorser Addendum, Section F.	<del>Print using Use a blue or black ink ballpoint pen or typewriter to complete Sections A and D of this Addendum. Do not use pencil. Report all dates as month-day-year (mm-dd-yyyy). Use only numbers. (For eExample; for June 24, 1982; = you would enter 06-24-1982.)</del>	Simplification and consistency with the Direct PLUS Loan MPN.

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9.	PLUS MPN, Section G, and Endorser Addendum Section F, instructions for Item 7, paragraph (2)	(2) "Permanent Resident" means someone who can provide documentation of this status from the U.S. <a href="#">Citizenship and Immigration and Naturalization Services (USCIS)</a> . "Other Eligible Non-Citizen" includes individuals who can provide documentation from the <a href="#">USCIS U.S. Immigration and Naturalization Service</a> that they are in the United States for a purpose that is not temporary, with the intention of becoming a citizen or permanent resident. This category includes refugees, persons granted asylum, Cuban-Haitian entrants, temporary residents under the Immigration Reform and Control Act of 1986, and others.	Correction. The agency formerly known as the U.S. Immigration and Naturalization Service is now called the U.S. Citizenship and Immigration Services.
10.	PLUS MPN and Endorser Addendum, Borrower's Rights and Responsibilities Statement, Item 3, second and third bullets	<ul style="list-style-type: none"> <li>You <a href="#">and (if you are a parent borrower) your child</a> must be a U.S. citizen or national, a permanent resident of the United States, or an otherwise eligible non-citizen.</li> <li>You <a href="#">and (if you are a parent borrower) your child</a> must not be in default on a federal education loan or owe an overpayment on a federal education grant, and must not have been convicted of, or pled <i>nolo contendere</i> (no contest) or guilty to, a crime involving fraud in obtaining funds under the Act.</li> </ul>	Clarification of eligibility requirements. For parent PLUS borrowers, the dependent undergraduate student must also meet these requirements.
11.	PLUS MPN and Endorser Addendum, Borrower's Rights and Responsibilities Statement, Item 20, Forbearance	<p>We will give you a forbearance if:</p> <ul style="list-style-type: none"> <li>You are serving in a medical or dental internship or residency program, and you meet specific requirements; <del>or</del></li> <li>The total amount you owe each month for all of the student loans you received under Title IV of the Act is 20 percent or more of your total monthly gross income (for a maximum of three years)-);</li> <li><a href="#">You are serving in a national service position for which you receive a national service award under the National and Community Service Trust Act of 1993. In some cases, the interest that accrues on a qualified loan during the service period will be paid by the Corporation for National and Community Service;</a></li> <li><a href="#">You qualify for partial repayment of your loans under the Student Loan Repayment Program, as administered by the Department of Defense; or</a></li> </ul>	Consistency with the revised FFEL PLUS MPN – adds additional conditions that entitle a Direct PLUS Loan borrower to receive a forbearance.

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		<ul style="list-style-type: none"> <li><a href="#">You are called to active duty in the U.S. Armed Forces.</a></li> </ul>	
12.	PLUS MPN and Endorser Addendum, Borrower's Rights and Responsibilities Statement, Item 23, first paragraph	<p><b>Department of Defense and other federal agency loan repayment.</b> Under certain circumstances, military personnel may have <a href="#">their federal</a> educational loans repaid by the Secretary of Defense. This benefit is offered as part of a recruitment program that does not apply to individuals based on their previous military service or to those who are not eligible for enlistment in the U.S. Armed Forces. For more information, contact your local military service recruitment office.</p>	Clarifies that only federal education loans may be repaid under this program; consistent with a change made on the revised FFEL PLUS MPN.