

Note: Highlighted items in the # column are substantive.

August 3, 2007
U.S. Department of Education's Responses
to
Comments to the Federal PLUS Loan Application and Master Promissory Note (MPN)
As published in Federal Register Notice dated June 8, 2007

Prepared by the PLUS MPN Workgroup

Federal PLUS Loan Application and Master Promissory Note				
#	Location	Comment	Proposed Language	Rationale
1.	Borrower Section, Heading instruction	Revise as noted.	Print <u>neatly</u> using <u>a</u> dark ink ballpoint pen or type.	Common language among FFELP forms. We inadvertently deleted the "a" in our last submission. We requested that you strike "neatly" in this sentence. This comment was accepted in other locations on the form so we believe not striking it here was an oversight.
ED RESPONSE:		Accepted.		
2.	Work Area Code/Telephone Number, #12	Delete extra space before parenthesis.	Work Area Code/Telephone Number -()	Correct spacing.
ED RESPONSE:		Accepted.		
3.	Requested Loan Amount, #17, Sentence 2 and last sentence	Delete comma and revise as noted.	I request a Federal PLUS Loan under this MPN in an amount not to exceed the annual cost of attendance, minus other financial aid received <u>for</u> each academic year. . .If I have an adverse credit history and obtain an endorser <u>so that I may to</u> receive a PLUS Loan, only one loan may be made to me under this MPN.	Punctuation correction. Consistency (see #3 in the Rights and Responsibilities Statement).
ED RESPONSE:		Accepted.		
4.	Borrower Request, Certifications, and Authorizations, 18.D.(i)	Revise as noted.	D. (i) <u>If I do not</u> owe an overpayment on a Federal Perkins Loan, Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Academic Competitiveness Grant (ACG), National Science or Mathematics Access to Retain Talent (SMART) Grant, or Leveraging Educational Assistance Partnership Grant, <u>(formerly State Student Incentive Grant); or, if I owe an overpayment,</u> I have made satisfactory arrangements with the holder to repay the amount owed.	Conforming changes to newly approved Consolidation form.
ED RESPONSE:		Accepted. Note that with these changes, the "(i)" also needs to be deleted.		
5.	Borrower Request, Certifications,	Revise as noted.	<u>E.D.-(ii) If</u> I am <u>not</u> in default on any loan received under the Federal Perkins Loan Program (including NDSL loans), the Federal Direct Loan Program, or the Federal Family Education	Conforming changes to newly approved Consolidation form.

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	and Authorizations, 18D.(ii)		Loan Program (“FFELP”) as defined in the Borrower’s Rights and Responsibilities Statement, or I am in default on a loan, and I have made satisfactory arrangements with the holder to repay the amount owed.	
ED RESPONSE:		Accepted, though ED notes that the revised wording is not in fact consistent with the corresponding certification on the recently approved Federal Consolidation Application and Promissory Note. The corresponding certification on the consolidation application and promissory note (Section F, Item 27.G.) reads, “I am not now in default on any loan that I am consolidating, or, if I am in default, I have...” However, the revised wording for this PLUS MPN certification is consistent with the wording of the grant overpayment and fraud certifications on the consolidation application and promissory note (Section F, Items 27.F. and 27.H.).		
6.	Borrower Request, Certifications, and Authorizations, 18.E.	Create a new certification statement as noted.	E.F. If I have not 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 (HEA) of 1965 (HEA), as amended, or if I have been convicted of, or pled nolo contendere or guilty to, such a crime I have completed the repayment of such funds to the <u>Secretary U.S. Department</u> of Education (<u>the Department</u>), or to the loan holder in the case of a Title IV federal student loan. If I am a parent applying for a Federal PLUS Loan for a dependent undergraduate student, I am not eligible 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, unless that student has completed the repayment of such funds to the Secretary of Education Department or to the loan holder in the case of a Title IV federal student loan.	Conforming changes (with PLUS only modification) to newly approved Consolidation form. Consistency. We note that on the consolidation forms and the current Stafford and PLUS addenda and PLDs there is no reference to the Secretary of Education but rather to the U.S. Department of Education.
ED RESPONSE:		Accepted with one change. ED has replaced the deleted words “I am not eligible” with the word “and,” so that the revised sentence reads, “If I am a parent..., and if that student has been..., the student has completed the repayment...” Without the word “and,” the sentence would be awkward.		
7.	Borrower Request, Certifications, #19.F., (i) and (ii)	Delete comma following “agents” and revise as noted.	I authorize the release of information <u>from this MPN and information</u> pertinent to my loan(s): (i) by the school(s), the lender, and the guarantor(s), or their agents; to the references on the applicable loan(s) and to members of my immediate family unless I submit written directions otherwise; and (ii) by and among the school(s), lender(s), guarantor(s), the U.S. Department, of Education (the Department) ; and their agents.	The current authorization does not support the predominant practice of many parties sharing MPN information prior to the funding of the loan for purposes such as confirming an approval for guarantee, securing a school certification, or outsourcing loan origination functions. The proposed language provides clarification to the consumer that information required on the MPN may be shared prior to funding of the loan. Punctuation correction that changes meaning and use of (s).
ED RESPONSE:		Accepted, with the exception of the proposed change highlighted in yellow. In addition, in the first sentence ED has changed “the lender” to “the lender(s)”. With regard to the first recommended change, ED believes that the existing language referring to “information pertinent to my loan” is sufficient		

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		to cover information from the MPN.	
8.	19.H.	Add a new item I. after H.	<p data-bbox="554 152 1234 367"><u>I authorize the school, the lender, the guarantor, the Department, and their respective agents and contractors to contact me regarding my loan request or my loan(s), including repayment of my loan(s), at the current or any future number for my cellular telephone or other wireless device using automated telephone dialing equipment or artificial or pre-recorded voice or text messages.</u></p> <p data-bbox="1264 152 1906 472">For well over 15 years, FFELP participants have relied heavily on auto-dialer technology for program administration. Auto-dialer technology is used to contact borrowers throughout the life cycle of a loan, including to secure missing information at application, to skip-trace anytime after loan disbursement (e.g., if the initial loan disclosure or a communication sent during the in-school period is returned), and to meet default aversion, collection, and other servicing requirements during the repayment period.</p> <p data-bbox="1264 505 1906 854">Due to the introduction and adoption of cellular telephones, many borrowers in recent years have provided cellular telephone numbers to FFELP participants. In fact, a significant and growing percentage of student loan borrowers use cellular telephones as a primary telecommunication method, and increasingly these borrowers have eliminated personal use of land-line telephones. College-age individuals, who compose the predominant FFELP demographic, are leading all consumers in migrating to primary or exclusive use of cellular telephones.</p> <p data-bbox="1264 886 1906 1105">Under Federal Communications Commission requirements stemming from the Telemarketing Sales Rule and the Telephone Consumer Protection Act, a caller cannot make an outbound call using an automatic telephone dialing system or an artificial or prerecorded voice to a cellular telephone or other wireless device without prior consent from the called party (see 47 CFR 64.1200(a)(1)(iii).</p> <p data-bbox="1264 1138 1906 1393">This requirement is considered an obstacle to using auto-dialer technology to contact borrowers, but one that can be overcome by adding the proposed consent provision to the MPN borrower authorization section. The proposed consent provision is specific to auto-dialer technology (and artificial or prerecorded voice technology) to contact borrowers for program related purposes. It would facilitate ongoing use of technology that has contributed</p>

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				significantly to successful borrower repayment performance within the FFELP. Given the widespread and growing use of cellular telephones by FFEL borrowers, it is important that the notice be available as an efficient means of collecting borrower consent so deploying auto-dialer technology remains the effective tool it is for contacting a borrower throughout the life cycle of the loan.
ED RESPONSE:		Declined. The FCC’s regulations, which reflect the language of the Telephone Consumer Protection Act (TCPA), prohibit making outbound calls using an automatic telephone dialing system or an artificial or prerecorded voice to a cellular telephone or other wireless device without the prior “express consent” of the party being called. See 47 CFR 64.1200(a)(1). As a legal matter, ED does not believe that placing the suggested additional authorization among the multiple existing authorizations and understandings that are already included on the MPN, so that a borrower would automatically provide consent simply by signing the MPN, would be consistent with the requirement to obtain the individual’s “express consent.” Further, the FCC – not ED – is the federal agency responsible for interpreting, implementing, and enforcing the provisions of the TCPA.		
9.	Promise to Pay, Sentence 3, 5 - 8	Delete the “s” on disbursements and revise as noted.	<p>.....</p> <p>I understand that by accepting any disbursements issued at any time under this MPN, I agree to repay the loan(s).</p> <p>.....</p> <p>Unless I make interest payments, interest that accrues on my loan(s) during deferment, forbearance, and other periods will <u>may</u> be added as provided under the Act to the principal balance of such loan(s). If I fail to do not make any payment on any loan made under this MPN when <u>it is</u> due, I will also pay reasonable collection costs, including, but not limited to, attorney’s fees, court costs, and other fees. I will not sign this MPN before reading the entire MPN, even if I am told not to read it, or told that I am not required to read it. I am entitled to <u>an exact</u> copy of this MPN and the Borrower’s Rights and Responsibilities Statement.</p>	<p>Common language among FFELP forms.</p> <p>Correction. Not all lenders capitalize interest as frequently as they are authorized to do so.</p>
ED RESPONSE:		Accepted.		
10.	Governing Law	Insert “1070” and remove the italics from et seq.	The terms of this MPN will be interpreted in accordance with the Higher Education Act of 1965, as amended (20 U.S.C. <u>1070 et seq.</u> et seq.), the U.S. Department of Education’s (the Department’s) regulations, as they may be amended in accordance with their effective date, and other applicable federal statutes and regulations (collectively referred to as the “Act”), and the guarantor’s policies.	Correction and common language among FFELP forms.
ED RESPONSE:		Accepted.		
11.	Loan Cancellation, Sentence 1 and 2	Revise as noted.	I may pay back all or a part of a disbursement within time frames set by the Act and explained in the Borrower’s Rights and Responsibilities Statement or other disclosure <u>statement</u> I receive at or before disbursement. In such case, any origination	Eliminate unnecessary word, “statement.”

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			fee and federal default fee I have paid will be reduced or eliminated in proportion to the amount of the disbursement returned.	Correction. Some lenders and guarantors pay fees on behalf of borrowers.
ED RESPONSE:		ED has deleted the word “statement.” However, the second proposed change does not reflect the language of the draft MPN that was posted for public comment. Specifically, the words “I have” were not included in that document. In the draft posted for public comment, the sentence read, “In such case, any origination fee and federal default fee will be reduced...” ED believes that the original language should address the commenters’ concern, as it simply refers to “any origination fee and federal default fee,” without necessarily implying that the borrower has paid those fees.		
12.	Origination Fee and Federal Default Fee, Sentences 1, 2, and 3	Revise as noted.	An origination fee <u>is charged</u> and a federal default fee <u>may be are</u> charged for each loan made under this MPN. The Act specifies the maximum amount of each fee and authorizes both fees to be deducted from my loan amount. <u>The fee(s) I am charged, these fees-</u> as identified in the disclosure statement, will be deducted proportionately from each disbursement of my loan(s).	682.202(c)(5) requires that a lender charge a PLUS borrower a 3 percent origination fee. The existing language does not make it clear this fee always will be charged because the language is, “I may be charged. . .” and “If I am charged these fees. . .”.
ED RESPONSE:		Accepted.		
13.	Late Charges and Collection Costs, Sentence 1 and Sentence 3	Revise as noted.	The lender may collect from me: (i) a late charge for each late installment payment if I fail to do not make any part of a required installment payment within 15 days after the date it becomes due, and . . . I will pay reasonable collection fees and costs, plus court costs and attorney ^{’s} fees.	Common language among FFELP forms.
ED RESPONSE:		Accepted.		
14.	Repayment, Paragraph 4, last sentence	Revise as noted.	The lender may <u>grant me a forbearance to</u> align payment <u>due</u> dates on my loans or grant me a forbearance to eliminate a delinquency that persists even though I am making scheduled payments.	Move the phrase “grant me a forbearance” up in the sentence to cover both of the instances discussed.
ED RESPONSE:		Declined, with the exception of the change highlighted in yellow. The proposed revised language might suggest that a forbearance may automatically be granted on a PLUS loan made to a graduate/professional student during the grace period on the student’s Stafford Loans.		
15.	Acceleration and Default, Paragraph 1, romanettes i and ii; Paragraph 2, romanettes i, ii, and iii	Revise as noted, including the extra space between “enroll” and “as”.	(i) I (or the student) fail to do not enroll -as at least a half-time student at the school that certified my loan eligibility, (ii) I fail to do not use the proceeds of the loan solely for my or the student’s educational costs, ... (i) I fail to do not pay the entire unpaid balance of the applicable loan after the lender has exercised its option under items (i), (ii), or (iii) in the preceding paragraph. (ii) I fail to do not make installment payments when due, provided my failure has	Common language among FFELP forms.

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			persisted for at least 270 days for payments due monthly or 330 days for payments due less frequently than monthly; or (iii) I fail to do not comply with other terms of the loan, and the lender or guarantor reasonably concludes I no longer intend to honor my repayment obligation.	
ED RESPONSE:		Accepted.		
16.	Legal Notices, Paragraph 3, Sentence 3	Revise as noted.	Failure by the lender to enforce or insist on compliance with any term of this MPN will not be a waiver of any right of the lender.	Consistency of terminology within paragraph and common language among FFELP forms.
ED RESPONSE:		Accepted.		
Federal PLUS Loan Application and Master Promissory Note Instructions and Notices				
#	Location	Comment	Proposed Language	Rationale
17.	Introduction, Paragraph 2, Sentence 2	Revise as noted.	As required under federal law, if your lender determines you have an adverse credit history, you may not borrow a Federal PLUS Loan unless: 1) you provide information to your lender's satisfaction that there are extenuating circumstances <u>related to the adverse credit</u> , or 2) you obtain an endorser who does not have an adverse credit history.	Clarification.
ED RESPONSE:		Accepted.		
18.	Introduction, Paragraph 3, Sentence 1	Revise as noted, including inserting date convention.	This form is to be completed by the graduate or professional student borrower or the parent borrower. <u>Print using a dark ink ballpoint pen or typewriter.</u> Do not complete this form in pencil. If an item has been completed for you and it is incorrect, cross out the incorrect information and print the correct information. <u>Enter dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: June 24, 1982 = 06-24-1982.</u> Incorrect, incomplete, or illegible information may cause your loan to be delayed.	Common language among FFELP forms. We inadvertently struck the "a" on the last submission. Provide instruction and example on how to present date information.
ED RESPONSE:		Accepted.		
19.	Borrower Section, Paragraph 1	Revise as noted.	<i>Check the appropriate box to indicate whether you are a Ggraduate or pProfessional Sstudent borrower or a pParent borrower before completing the Borrower Section.</i>	Capitalization correction for internal form consistency.
ED RESPONSE:		Accepted.		
20.	Borrower Section, Item 3, Sentence 1	Revise as noted	Item 3: Enter your permanent street address (number, street, apartment number) or rural route number and box number, then city, state, and zip code.	Common language among FFELP forms.-
ED RESPONSE:		Accepted.		
21.	Borrower Section, Item 4	Revise as noted.	Item 4: Enter the area code and telephone number <u>at which you can most easily be reached.</u> for the address listed in Item 3 if	Conforming change to newly approved Consolidation form.

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			there is no telephone number for that address, enter the area code and telephone number for your cellular telephone or other wireless device. If you do not have a telephone or other wireless device, enter N/A.	
ED RESPONSE:		Accepted, with the addition of “(Do not list your work telephone number here.)” after the first sentence. This is for consistency with the recently approved Federal Consolidation Loan Application and Promissory Note.		
22.	Borrower Section, Item 5	Revise as noted.	Item 5: Using only numbers, Enter the month, day, and four-digit year date of your birth. (For example, for June 24, 1982, you would enter 06/24/1982.) Be careful not to enter the current year.	Common language among FFELP forms.
ED RESPONSE:		Accepted.		
23.	Borrower Section, Item 6, last sentence	Delete the comma as noted.	If you do not have an e-mail address; or do not wish to provide it, enter N/A.	Punctuation correction.
ED RESPONSE:		Accepted.		
24.	Item 8, Item b, Sentence 4	Delete the extra space between “U.” and “S.”	“Other Eligible Non-Citizen” includes individuals who can provide documentation from the U.S. Immigration and Naturalization Service that they are in the U.-S. for a purpose that is not temporary, with the intention of becoming a citizen or permanent resident.	Consistency.
ED RESPONSE:		Accepted. In addition, ED has replaced the reference to the “U.S. Immigration and Naturalization Service” in the third sentence with “U.S. Citizenship and Immigration Services (USCIS)” in order to accurately reflect the current name of this agency. In the fourth sentence, ED has replaced “U.S. Immigration and Naturalization Service” with “USCIS”.		
25.	Borrower Section, Item 11, Sentence 2	Revise as noted.	Item 11: . . . Enter your employer’s name and address; (including number, street, suite number, city, state, and zip code).	Conforming change to newly approved Consolidation forms.
ED RESPONSE:		Accepted.		
26.	Borrower Section, Item 13, Sentence 5	Delete comma as noted.	Item 13: . . . If a reference does not have a telephone number or e-mail address; or does not wish to provide an e-mail address, enter N/A	Punctuation correction.
ED RESPONSE:		Accepted.		
27.	Student Information Section, Item 16, Sentence 2	Revise as noted.	Item 16: Using only numbers, eEnter the month, day, and four-digit year date of the student's birth. (For example, for June 24, 1982, you would enter 06/24/1982.) Be careful not to enter the current year.	Common language among FFELP forms.
ED RESPONSE:		Accepted.		

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28.	Privacy Act Notice, Paragraph 2	Remove underlines from et seq. in two locations		Consistency.
ED RESPONSE:		Accepted.		
29.	Privacy Act, Paragraph 2, Last sentence and Paragraph 2, Sentence 1	Revise as noted.	<p>Participating in the Federal Family Education Loan (FFEL) Program (FFELP) and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.</p> <p>The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the FFEL ProgramFFELP, to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect and report on your loan(s).</p>	<p>Consistency within the MPN documents.</p> <p>FFELP was defined in an earlier paragraph.</p>
ED RESPONSE:		Accepted.		
30.	Privacy Act Notice, Paragraph 3, Sentence 1	Insert hyphens as noted.	The information in your file may be disclosed, on a case-by-case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices.	Punctuation correction.
ED RESPONSE:		Accepted.		
Borrower's Rights and Responsibilities Statement				
#	Location	Comment	Proposed Language	Rationale
31.	Governing Law, Sentence 1	Delete the extra space as noted.	Loans disbursed under this MPN are subject to the Higher Education Act of 1965, as amended (20 USC.1070 et seq.), and applicable U.-S. Department of Education regulations (collectively referred to as the "Act").	Correction.
ED RESPONSE:		Accepted.		
32.	2. Use of this MPN, Sentence 2	Insert comma as noted.	If I am a graduate or professional student, I may receive loans under this MPN for myself.	Punctuation correction.
ED RESPONSE:		Accepted.		
33.	Maximum Program Loan Amounts, #3, Sentence 1	Revise as noted.	Maximum Program Loan Amounts— Under the Federal PLUS-Loan Program , I may borrow amounts under this MPN not to exceed the cost of attendance minus any financial aid that has been or will be awarded for the period of enrollment. The school determines the cost of attendance based on F federal G guidelines.	<p>Simplification.</p> <p>Capitalization correction. Consistency.</p>

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ED RESPONSE:		Accepted.		
34.	Change of Status, #7, Sentence 1	Revise as noted.	7. Change of Status —I must notify my lender (or any subsequent holder) of my loan(s) if any of the following occursevents take place before my loan (s) is repaid:	To incorporate change from newly approved Consolidation form and simplification.
ED RESPONSE:		Partially accepted. ED does not believe that the parentheses around “or any subsequent holder” are necessary (there are no parentheses in the corresponding sentence on the Federal Consolidation Loan Application and Promissory Note.).		
35.	Effect of Federal Loans on Other Student Aid, #8	Reorder so the content applicable to all borrowers is first.	8. Effect of Federal Loans on Other Student Aid – Receipt of a Federal PLUS Loan may affect eligibility for other financial aid. Therefore, it may be beneficial to contact the school to determine eligibility for grants, work-study funds, subsidized loans and other forms of student assistance before applying for a Federal PLUS Loan(s). A graduate or professional student must complete a Free Application for Federal Student Aid (FAFSA) and the school must determine the student’s eligibility for the maximum annual amount of a Federal Stafford Loan (subsidized and unsubsidized) before the student applies for a Federal PLUS Loan. Receipt of a Federal PLUS loan may affect eligibility for other financial aid. Therefore, it may be beneficial to contact the school to determine eligibility for grants, work study funds, subsidized loans and other forms of student assistance before applying for a Federal PLUS Loan(s).	With reordering of the text, parent borrowers will not presume all the information is relevant only to graduate and professional borrowers and miss important information that is relevant to them as well.
ED RESPONSE:		Accepted.		
36.	Interest Rates, #9	Delete “s” on “Rates” and revise as noted.	9. Interest Rates — The interest rate on a Federal PLUS Loan is a fixed rate of 8.5 percent. The interest rate on a Federal PLUS Loan is a fixed rate. The actual interest rate applicable to each of my loans will be disclosed to me. After reviewing the actual interest rate, I may cancel or reduce any loan obtained under this MPN in accordance with the provisions in the Loan Cancellation section.	Correction. Including the specific interest rate within the text of the MPN means that an addendum will be needed each time the rate changes. The actual interest rate is required in the disclosure that a borrower receives at or before disbursement.
ED RESPONSE:		Declined. ED believes that the new fixed interest rate for Federal PLUS Loans is critical information for borrowers that should be specified in the Borrower’s Rights and Responsibilities Statement.		
37.	Payment of Interest, #10	Revise as noted.	It is my I am responsible responsibility to for payment of all interest that accrues on the unpaid principal amount of my loan(s) from the date of disbursement until the loan(s) is paid in full. I am responsible for payment of all interest that accrues on my loan(s). Under certain circumstances, for example, during deferment, I will not be required to make principal payments, but interest charges on my Federal PLUS Loan(s) will accrue. <u>I may pay</u>	Correction and common language among FFELP forms.

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			<p>This such interest as it accrues, or it may be paid or capitalized- (added to the principal of my loan(s)). If I inform my lender that I wish to pay interest as it accrues, but I do not submit the payments, my lender may capitalize that interest. If I inform my lender that I do not wish to pay interest as it accrues, my lender will may capitalize thatsuch interest.</p> <p>Capitalized interest increases the principal balance of my loan(s) and the total amount of interest-charges I must pay.</p> <p>Interest on my loan(s) willmay be capitalized to the extent permitted by as provided under the Act. Generally capitalization may occur no more frequently than quarterly. (See the chart entitled, “capitalization of Federal PLUS Loan Interest,” for further information on capitalization.) The charts entitled, “Repaying Your Loans” allow me to estimate the cost of capitalization and the effect it will have on my monthly payments. If my loan amount is not shown -total outstanding- balance exceeds the maximum on the charts, I understand I must add two or more estimates of the monthly payment amounts together to approximate estimate more closely the total my monthly interest and payment for my monthly paymenttotal debt amount.</p>	
ED RESPONSE:		Accepted, with the exception of the proposed change highlighted in yellow. ED prefers to retain the original “this interest”.		
38.	Loan Cancellation, #11, Bullet 2, Sentence 2 and 3	Relocate the period inside the parenthesis and add punctuation as noted.	(The school can tell me the first day of the payment period.) If I cancel all or a portion of a loan as described in this paragraph, the school will return to my lender the cancelled amount of the loan money, and the loan fees will be reduced or eliminated in proportion to the amount returned.	Punctuation corrections.
ED RESPONSE:		Accepted.		
39.	Repayment, #12, Paragraph 3, Sentence 3	Revise as noted.	My-The first payment on each loan will be due within 60 days of the final disbursement of that loan.	Consistency with Borrower’s Rights and Responsibilities (Endorser’s Copy).
ED RESPONSE:		Accepted.		
40.	Capitalization of Federal PLUS Loan Interest chart	Delete underlines for words in heading and capitalize words	<p>Capitalized Interest for 12 <u>M</u>months</p> <p>Principal to <u>B</u>be Repaid</p>	Consistency with other charts and capitalization corrections.

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		as noted.		
ED RESPONSE:		Accepted.		
41.	Loan Discharge, #14, Paragraph 4, Last sentence	Revise as noted.	The Act also provides for loan discharge in the amount of any required refund that the school failed to <u>did not</u> make to my loan holder on my behalf.	Conforming change to newly approved Consolidation form.
ED RESPONSE:		Accepted, because “did not” is simpler language. However, ED notes that the corresponding sentence in the recently approved Federal Consolidation Loan Application and Promissory Note in fact uses the words “failed to” rather than “did not”.		
42.	Consequences of Default, #15, Bullet 4	Revise as noted.	<ul style="list-style-type: none"> Collection charges (including attorney²s fees) 	Common language among FFELP forms.
ED RESPONSE:		<p>Accepted. In addition, ED has made the following changes based on the recommendation of ED’s Federal Student Aid Collections staff:</p> <ul style="list-style-type: none"> Removed the words “and/or” from the 9th bullet. Added a new bullet, immediately after the existing 9th bullet, explaining that a defaulted loan may be assigned to ED. The new bullet reads as follows: “Assignment of my loan to the Department, and or” Revised the existing last bullet to read as follows: “My employer withholding part of my wages to give them to my guarantor <u>or the Department</u> (administrative wage garnishment).” 		
43.	Special Repayment Arrangements, #17, Paragraphs 1 and 2	Delete the extra line after the title so formatting is the same as in the other items and revise as noted.	<p>17. Special Repayment Arrangements— <u>(Delete the blank line.)</u> A Federal Consolidation Loan Program is available. . .</p> <p>Under certain circumstances, military personnel may have their <u>federal education</u> loan(s) repaid by the Secretary of Defense.</p>	<p>Clarification. <u>DOD repayment is found under U.S.C. Title 5, §5379 and includes FFELP, Direct, Perkins, and HEAL loans.</u></p> <p>In the absence of ED comments, we are unsure why this suggestion was not accepted.</p>
ED RESPONSE:		Accepted.		
44.	Deferments, #18, Paragraph 1, last sentence and Paragraph 5	Revise as noted and bold the beginning phrase of paragraph 5.	<p>If I am in default on <u>any</u> loan(s), I am not eligible for a deferment <u>on that loan</u>.</p> <p>.....</p> <p>For loans first disbursed on or after July 1, 2001, a deferment of repayment. . .</p>	<p>Correction to align text with 682.210 (a) (8). Deferment loss only applies to the loan defaulted on.</p> <p>Consistency within section.</p>
ED RESPONSE:		Accepted. ED has also italicized the beginning phrase of paragraph 5, for consistency within this section.		
45.	Forbearance, #19, Paragraph 1, last sentence; Paragraph 2; Paragraph 3; Paragraph 4	Revise as noted, including separating paragraph 2 into two paragraphs.	<p>Interest charges<u>continues</u> to accrue during a forbearance period.</p> <p>The lender may grant me a forbearance in the following circumstances due to poor health or other acceptable reasons.:</p> <ul style="list-style-type: none"> Financial hardship, and/or Illness. 	Common language among FFELP forms.

Note: Highlighted items in the # column are substantive.

			<p>My lender is generally not required to grant a forbearance and may require me to provide my reasons for the request and other Information.</p> <p>The lender may grant me a forbearance to eliminate a delinquency that persists. . .</p> <p>Circumstances that require my lender to grant me a forbearance <u>if I provide appropriate documentation</u> include:</p> <ul style="list-style-type: none"> • Serving in a medical or dental internship or residency program, if I meet certain criteria. • <u>Serving in a national service position for which I receive a national service education 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.</u> • <u>Qualifying for partial repayment of my loans under the Student Loan Repayment Program, as administered by the Department of Defense.</u> • Having a monthly debt burden for Title IV Loans that collectively equals or exceeds 20 % of my total monthly gross income (for up to three years). • <u>Being called to active duty in the U.S. Armed Forces.</u> 	
ED RESPONSE:		Accepted. In addition, ED has inserted commas before and after the added words, “if I provide appropriate documentation”.		
46.	Repaying Your Loans chart, Step 1, Example	Revise as noted, lining up symbols and adding totals. On the chart, center headings over numbers.	<p>Example: Federal PLUS Loan of \$5,479 at 8.5% interest. ... \$5,000 = \$35.42/month + 500 = \$ 3.54/month <u>\$5,500</u> = \$38.96/month*</p> <p>Your m<u>M</u>onthly i<u>i</u>nterest \$_____.</p>	Common language among FFELP forms.
ED RESPONSE:		Accepted.		
47.	Repaying Your Loans chart, Step 2, Sentence 3 and headings on chart	Revise as noted and reinsert \$ signs and lines in the Example row to match the \$ and lines	<p>Actual interest capitalized will depend on factors such as disbursement dates, number of disbursements, the variable- <u>interest rate</u>, and the frequency of capitalization. ... Monthly Interest (From Step One)</p>	Common language among FFELP forms.

Note: Highlighted items in the # column are substantive.

		in the Your capitalized interest row. Make the title Monthly Interest (From Step One) into two lines and center headings as noted.	Number of Months in <u>D</u> eferment or <u>F</u> orbearance Estimate of Capitalized Interest	
ED RESPONSE:		Accepted.		
48.	Step 3, Example	Revise as noted, lining up symbols and adding totals.	<p>Example: Federal PLUS Loan of \$6,357.12 (<u>\$</u>5,500.00 + <u>\$</u>857.12) at 8.5% Interest. Round up to the nearest \$500 = \$6,500.</p> <p><u>\$</u>6,000 = \$74.39/month + <u>500</u> = <u>6.20/month</u> <u>\$6,500</u> = \$80.59/month</p> <p><u>Estimated m</u>Monthly <u>p</u>ayment = \$80.59</p> <p>*Minimum monthly payment = \$50 or amount of interest accruing each month.</p>	Common language among FFELP forms.
ED RESPONSE:		Accepted.		
49.	Step 3, Title of chart and example in Estimated Monthly Payments (10-Year Term)	Reposition title to add additional space at the top. Make title of chart into two lines as noted and center chart headings over numbers. Revise payment amount (in second column) as noted.	<p>Estimated Monthly Payments (10-Year Term)</p> <p><u>\$247.979</u></p>	Formatting and correction.
ED RESPONSE:		Accepted.		

Note: Highlighted items in the # column are substantive.

Endorser Addendum to Federal PLUS Loan Application and Master Promissory Note (MPN)				
#	Location	Comment	Proposed Language	Rationale
50.	Title of Form	Add the program name.	Federal Family Education Loan Program (FFELP)	Common language among FFELP forms.
ED RESPONSE:		Accepted.		
51.	Title bars	Make the title bars black with white letters.		Consistency.
ED RESPONSE:		Accepted.		
52.	Notice to Endorser, Sentences 1 -3	Revise as noted.	This is an a Addendum to the MPN signed by the borrower of the Federal PLUS Loan. The borrower may be either a graduate or professional student or the parent of a dependent undergraduate student. If the borrower is the parent of a dependent undergraduate student, references to “student” in this a Addendum mean the dependent undergraduate student identified in Section B., Item 16. By signing this a Addendum, you are agreeing to repay only the loan that is identified in Section B of this a Addendum, if the borrower does not repay the loan.	Capitalization corrections.
ED RESPONSE:		Accepted.		
53.	Section A. Endorser Section	Revise as noted.	Print using a dark ink ballpoint pen or type. Read the instructions carefully.	Common language among FFELP forms.
ED RESPONSE:		Accepted.		
54.	Section A. Endorser Section, #4	Delete the extra space.	4. Area Code/-Telephone Number	Correction.
ED RESPONSE:		Accepted.		
55.	E-mail address, #6	Capitalize the “a” in address.	6. E-mail A address	Consistency.
ED RESPONSE:		Accepted.		
56.	Endorser References, A. and B.	Delete the extra spaces before the () on the Area Code & Telephone Number lines.		Correction.
ED RESPONSE:		The (...) was aligned left within the cell and there were no extra spaces. However, ED has adjusted the left margin and slightly increased the size of the (...) to partially eliminate the appearance of extra spaces. The same changes have been made on the PLUS MPN.		
57.	Section C.	Add a new	I authorize the school, the lender, the guarantor, the Department,	For well over 15 years, FFELP participants have relied

Note: Highlighted items in the # column are substantive.

	<p>Endorser Certifications and Authorizations, Paragraph 2</p>	<p>paragraph 2, between current paragraphs 1 and 3.</p>	<p><u>and their respective agents and contractors to contact me regarding my loan request or my loan(s), including repayment of my loans, at the current or any future number for my cellular telephone or other wireless device using automated telephone dialing equipment or artificial or pre-recorded voice or text messages.</u></p>	<p>heavily on auto-dialer technology for program administration. Auto-dialer technology is used to contact borrowers throughout the life cycle of a loan, including to secure missing information at application, to skip-trace anytime after loan disbursement (e.g., if the initial loan disclosure or a communication sent during the in-school period is returned), and to meet default aversion, collection, and other servicing requirements during the repayment period.</p> <p>Due to the introduction and adoption of cellular telephones, many borrowers in recent years have provided cellular telephone numbers to FFELP participants. In fact, a significant and growing percentage of student loan borrowers use cellular telephones as a primary telecommunication method, and increasingly these borrowers have eliminated personal use of land-line telephones. College-age individuals, who compose the predominant FFELP demographic, are leading all consumers in migrating to primary or exclusive use of cellular telephones.</p> <p>Under Federal Communications Commission requirements stemming from the Telemarketing Sales Rule and the Telephone Consumer Protection Act, a caller cannot make an outbound call using an automatic telephone dialing system or an artificial or prerecorded voice to a cellular telephone or other wireless device without prior consent from the called party (see 47 CFR 64.1200(a)(1)(iii)).</p> <p>This requirement is considered an obstacle to using auto-dialer technology to contact borrowers, but one that can be overcome by adding the proposed consent provision to the MPN borrower authorization section. The proposed consent provision is specific to auto-dialer technology (and artificial or prerecorded voice technology) to contact borrowers for program related purposes. It would facilitate ongoing use of technology that has contributed significantly to successful borrower repayment</p>
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Note: Highlighted items in the # column are substantive.

				performance within the FFELP. Given the widespread and growing use of cellular telephones by FFELP borrowers, it is important that the notice be available as an efficient means of collecting borrower consent so deploying auto-dialer technology remains the effective tool it is for contacting a borrower throughout the life cycle of the loan.
ED RESPONSE:		Declined. See response to #8.		
58.	Endorser Promise to Pay, Paragraph 1; Paragraph 2; and Paragraph 4	Revise as noted and delete the comma after "costs."	<p>In this aAddendum, "lender" refers to, and this aAddendum benefits, the original lender and its successors and assigns, including any subsequent holder of this aAddendum and MPN.</p> <p>Although I will not personally receive any loan proceeds, I promise to repay to the order of the lender the full all amounts of the loan described above and disbursed under the terms of the MPN signed by the borrower and described above, including unpaid principal, accrued plus interest; and other charges and fees that may become due, if; upon demand by the lender, the borrower fails to does not repay the loan upon demand by the lender. If this debt is ever in default, I will pay reasonable collection costs; including, but not limited to, attorney's fees, court costs, and other fees.</p> <p>.....</p> <p>I understand that this is an aAddendum to the MPN. I will not sign this aAddendum before reading it and the entire MPN, even if I am told not to read it, or told that I am not required to read it. I am entitled to a copy of this aAddendum and a copy of the Federal PLUS Borrower's Rights and Responsibilities Statement. My signature certifies I have read, understand, and agree to the terms and conditions of in this aAddendum, the MPN, and the Borrower's Rights and Responsibilities Statement, as applicable.</p>	Common language among FFELP forms.
ED RESPONSE:		Accepted, with the exception of the proposed changes highlighted in yellow. ED believes that the current language referring to "the full amount of the loan described above" should be retained, as this more clearly reflects the fact that only one loan may be made under a PLUS MPN if the borrower has obtained an endorser.		
59.	Today's Date, #20	Delete italics as noted.	Today's Date (mm-dd-yyyy mm-dd-yyyy)	Consistency.
ED RESPONSE:		Accepted.		
60.	Governing Law, #1, Sentence 1	Insert "1070," remove the italics from "et	The terms of this MPN will be interpreted in accordance with the Higher Education Act of 1965, as amended (20 U.S.C. 1070 et seq. et seq.), and applicable U.-S. Department of Education	<p>Correction.</p> <p>Common language among FFELP forms.</p>

Note: Highlighted items in the # column are substantive.

		seq,” and delete the space between “U.” and “S.”	regulations (collectively referred to as the “Act”).	
ED RESPONSE:		Accepted.		
61.	Loan Cancellation, Sentences 1 and 2	Revise as noted.	I may pay back all or a part of a disbursement within time frames set by the Act and explained in the Borrower’s Rights and Responsibilities Statement or other disclosure statement I receive at or before disbursement. In such case, any origination fee and federal default fee <u>paid</u> will be reduced or eliminated in proportion to the amount of the disbursement returned.	Eliminate unnecessary word. Correction. Some lenders and guarantors pay fees on behalf of borrowers.
ED RESPONSE:		ED has deleted the word “statement.” However, ED believes that the proposed addition of “paid” in Sentence 2 is unnecessary. The original language simply refers to “any origination fee and federal default fee,” without necessarily implying that the borrower has paid those fees.		
62.	Origination Fee and Federal Default Fee, Sentences 1, 2, and 3	Revise as noted.	An origination fee <u>is charged</u> and a federal default fee <u>may beare</u> charged for each loan made under this MPN. The Act specifies the maximum amount of each fee and authorizes both fees to be deducted from my loan amount. These fees <u>The fees I am charged</u> , as identified in the disclosure statement, will be deducted proportionately from each disbursement of my loan(s). I understand the origination and federal default fees may be refundable only to the extent permitted by the Act.	682.202(c)(5) requires that a lender charge a PLUS borrower a 3 percent origination fee. The existing language does not make it clear this fee always will be charged because the language is, “I may be charged. . .” and “If I am charged these fees. . .”.
ED RESPONSE:		Accepted.		
63.	Late Charges and Collection Costs, Sentence 1 and Sentence 2	Revise as noted	The lender may collect from me: (i) a late charge for each late installment payment if I fail to do not make any part of a required installment payment within 15 days after the date it becomes due, and . . . If I default on any loan(s), I will pay reasonable collection fees and costs, plus court costs and attorney fees.	Common language among FFELP forms.
ED RESPONSE:		Accepted.		
64.	Repayment, Paragraph 4, last sentence	Revise as noted.	The lender may <u>grant me a forbearance to</u> align payment <u>due</u> dates on my loans or grant me a forbearance to eliminate a delinquency that persists even though I am making scheduled payments.	Move the phrase “grant me a forbearance” up in the sentence to cover both of the instances discussed. Correction.
ED RESPONSE:		Declined, with the exception of the change highlighted in yellow. The proposed revised language might suggest that a forbearance may automatically be granted on a PLUS loan made to a graduate/professional student during the grace period on the student’s Stafford Loans.		
65.	Acceleration and Default, Paragraph 1, (i) and (ii) and	Delete the extra space between “enroll” and “as”.	(i) I (or the student) fail to do not enroll -as at least a half-time student at the school that certified my loan eligibility, . . . (ii) I fail to do not use the proceeds of the loan solely for my or the student’s educational costs,	Spacing correction and common language among FFELP forms.

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	Paragraph 2, (i), (ii), and (iii)		... (i) I do not fail to pay the entire unpaid balance of the applicable loan after the lender has exercised its option under items (i), (ii), or (iii) in the preceding paragraph. (ii) I fail to do not make installment payments when due, provided my failure has persisted for at least 270 days for payments due monthly or 330 days for payments due less frequently than monthly; or (iii) I fail to do not comply with other terms of the loan, and the lender or guarantor reasonably concludes I no longer intend to honor my repayment obligation.	
ED RESPONSE:		Accepted.		
66.	Legal Notices, Paragraph 3, Sentence 3	Revise as noted.	Failure by the lender to enforce or insist on compliance with any term of this MPN will not be a waiver of any right of the lender.	Consistency of terminology within paragraph and common language among FFELP forms.
ED RESPONSE:		Accepted.		
Endorser Addendum to Federal PLUS Loan Application and Master Promissory Note (MPN) Instructions and Notices				
67.	Title of form	Add the program name.	Federal Family Education Loan Program (FFELP)	Common language among FFELP forms.
ED RESPONSE:		Accepted.		
68.	Section A. Endorser Section black bar	Delete the parenthesis as noted.	(To be completed by the endorser	Consistency.
ED RESPONSE:		Accepted.		
69.	Section A. Endorser Section, Paragraph 4, Sentence 1	Add a comma as noted.	If you are willing to serve as an endorser for the borrower identified in Section B, read, complete, and return this form to the lender, guarantor, or program identified in the upper right corner of this form.	Punctuation correction.
ED RESPONSE:		Accepted.		
70.	Section A. Endorser Section, Paragraph 5, Sentence 1 and 5	Revise as noted.	In completing this form, Print using a dark ink, ballpoint pen, or typewriter. ... Enter dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: June 24, 1982 = 06-24-1982. Incorrect, incomplete, or illegible information may cause the processing of the loan to be delayed.	Common language among FFELP forms.
ED RESPONSE:		Accepted.		
71.	Item 3	Revise as noted.	Item 3: Enter your permanent street address (number, street, apartment number) or rural route number and box number, then city, state, and zip code.	Common language among FFELP forms.

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ED RESPONSE:		Accepted.		
72.	Item 4	Revise as noted.	Item 4: Enter the area code and telephone number <u>at which you can most easily be reached. for the address listed in Item 3. If there is no telephone number for that address, enter the area code and telephone number for your cellular telephone or other wireless device.</u> If you do not have a telephone or other wireless device , enter N/A.	Conforming change to newly approved Consolidation form.
ED RESPONSE:		Accepted, with the addition of “(Do not list your work telephone number here.)” after the first sentence. This is for consistency with the recently approved Federal Consolidation Loan Application and Promissory Note.		
73.	Item 5	Revise as noted.	Item 5. <u>Using only numbers, E</u> enter the <u>month, day, and four-digit year date</u> of your birth. For example, for June 24, 1955, you would enter 06/24/1955). Be careful not to enter the current year.	Common language among FFELP forms.
ED RESPONSE:		Accepted.		
74.	Item 6, Last sentence	Delete comma as noted.	If you do not have an e-mail address; or do not wish to provide it, enter N/A.	Punctuation correction.
ED RESPONSE:		Accepted.		
75.	Item 8, Sentence 1; Item a, Sentence 1; and Item b, Sentence 4	Delete extra space between “U.” and “S.” in four locations and delete the comma after “citizen.”	Item 8: Indicate your U.-S. citizenship status. Item a: Check this box if you are a U.-S. citizen; or U.-S. national. “Other Eligible Non-Citizen” includes individuals who can provide documentation from the U.S. Immigration and Naturalization Service that they are in the U.-S. for a purpose that is not temporary, with the intention of becoming a citizen or permanent resident.	Spacing and punctuation corrections.
ED RESPONSE:		Accepted. In addition, ED has replaced the reference to the “U.S. Immigration and Naturalization Service” in the third sentence of Item b. with “U.S. Citizenship and Immigration Services (USCIS)” in order to accurately reflect the current name of this agency. In the fourth sentence, ED has replaced “U.S. Immigration and Naturalization Service” with “USCIS”.		
76.	Item 9, Sentence 2	Revise as noted.	Enter your employer’s name and address; (including number, street, suite number, <u>city, state, and zip code</u>).	Conforming change to newly approved Consolidation form.
ED RESPONSE:		Accepted.		
77.	Item 11	Delete comma as noted.	Item 11: If a reference does not have a telephone number or e-mail address; or does not wish to provide an e-mail address, enter N/A	Punctuation correction.
ED RESPONSE:		Accepted.		
78.	Section B. Loan Description,	Delete the parentheses as	(To be completed by the lender, endorser, and/or borrower	Consistency with MPN instructions.

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	Black bar	noted.		
ED RESPONSE:		Accepted.		
79.	Item 12	Revise as noted.	Item 12: Enter the borrower's last name, first name, and middle initial. <u>The borrower may be either a graduate or professional student or the parent of a dependent undergraduate student.</u>	Clarification. Comments received indicate that the endorser frequently supplies the wrong name in this field.
ED RESPONSE:		Accepted.		
	Section C. Endorser Certifications and Authorizations	Add a new paragraph between the two existing paragraphs.	<u>I authorize the school, the lender, the guarantor, the Department, and their respective agents and contractors to contact me regarding my loan request or my loan(s), including repayment of my loans, at the current or any future number for my cellular telephone or other wireless device using automated telephone dialing equipment or artificial or pre-recorded voice or text messages.</u>	
ED RESPONSE:		The placement of this comment here appears to be an error. See #57.		
80.	Endorser Promise to Pay, Black bar	Delete the parentheses as noted.	{To be completed by the endorser}	Consistency.
ED RESPONSE:		Accepted.		
81.	Item 20. b)	Revise as noted.	b) Agree to repay the loan in full according to the terms and conditions <u>of</u> this Addendum if the borrower does not.	Common language among FFELP forms.
ED RESPONSE:		Accepted.		
82.	Important Notices, Privacy Act, Paragraph 2	Remove the underlines from et seq. in two locations.		Consistency.
ED RESPONSE:		Accepted.		
83.	Important Notices Privacy Act, Paragraph 2, last sentence and Paragraph 3, Sentence 1	Revise as noted.	Participating in the Federal Family Education Loan (FFEL) Program (<u>FFELP</u>) and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate. The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the FFEL Program <u>FFELP</u> , to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect and report on your loan(s) if your loan(s) becomes delinquent or	Common language among FFELP forms.

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			in default.	
ED RESPONSE:		Accepted.		
84.	Privacy Act Notice, Paragraph 4, Sentence 1	Insert hyphens as noted.	The information in your file may be disclosed, on a case-by-case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices.	Punctuation correction.
ED RESPONSE:		Accepted.		
Borrower's Rights and Responsibilities (Endorser's Copy)				
85.	BR&R (Endorser's Copy), Top, Important Notice	Delete the "s" on "loans."	Important Notice: The Borrower's Rights and Responsibilities Statement (Endorser's Copy) provides additional information about the terms and conditions of the loans you receive under the Federal PLUS Loan Application and Master Promissory Note (MPN). Please keep a copy of this statement.	Correction. There is no multi-year feature when the PLUS MPN and the Endorser Addendum are used to make a loan. They are one-time use documents.
ED RESPONSE:		Accepted. In addition, ED has further revised the sentence to read: "...the loan you the borrower receives under..."		
86.	Governing Law, #1, Sentence 1	Delete the extra space between "U." and "S."	Loans disbursed under this MPN are subject to the Higher Education Act of 1965, as amended (20 U.S.C 1070 et seq.), and applicable U.-S. Department of Education regulations (collectively referred to as the "Act).	Common language among FFELP forms.
ED RESPONSE:		Accepted.		
87.	Maximum Program Loan Amounts, #3	Revise as noted.	3. Maximum Program Loan Amounts— Under the Federal PLUS Loan Program, I may borrow amounts under this MPN not to exceed the cost of attendance minus any financial aid that has been or will be awarded for the period of enrollment. The school determines the cost of attendance based on F ederal G uidelines.	Simplification. Capitalization correction. Consistency.
ED RESPONSE:		Accepted.		
88.	Change of Status, #7, Sentence 1	Revise as noted.	Change of Status—I must notify my lender (or any subsequent holder) of my loan(s) if any of the following occur events take place before my loan(s) is repaid:	To incorporate change from newly approved Consolidation form and simplification.
ED RESPONSE:		Partially accepted. ED does not believe that the parentheses around "or any subsequent holder" are necessary (there are no parentheses in the corresponding sentence on the Federal Consolidation Loan Application and Promissory Note.).		
89.	Effect of Federal Loans on Other Student Aid, #8	Reorder so the content applicable to all borrowers is first.	8. Effect of Federal Loans on Other Student Aid – <u>Receipt of a Federal PLUS Loan may affect eligibility for other financial aid. Therefore, it may be beneficial to contact the school to determine eligibility for grants, work-study funds, subsidized loans and other forms of student assistance before applying for a Federal PLUS Loan(s).</u> A graduate or professional student must complete a Free Application for Federal Student Aid (FAFSA) and the school must determine the	With reordering of the text, parent borrowers will not presume all the information is relevant only to graduate and professional borrowers and miss important information that is relevant to them as well.

Note: Highlighted items in the # column are substantive.

			student's eligibility for the maximum annual amount of a Federal Stafford Loan (subsidized and unsubsidized) before the student applies for a Federal PLUS Loan. Receipt of a Federal PLUS loan may affect eligibility for other financial aid. Therefore, it may be beneficial to contact the school to determine eligibility for grants, work study funds, subsidized loans and other forms of student assistance before applying for a Federal PLUS Loan(s).	
ED RESPONSE:		Accepted.		
90.	Interest Rates, #9	Delete the "s" on "Rates" and revise as noted.	9. Interest Rates — The interest rate on a Federal PLUS Loan is a fixed rate of 8.5 percent. The interest rate on a Federal PLUS Loan is a fixed rate. The actual interest rate applicable to each of my loans will be disclosed to me. After reviewing the actual interest rate, I may cancel or reduce any loan obtained under this MPN in accordance with the provisions in the Loan Cancellation section.	Correction. Including the specific interest rate within the text of the MPN means that an addendum will be needed each time the rate changes. The actual interest rate is required in the disclosure that a borrower receives at or before disbursement.
ED RESPONSE:		Declined. See response to #36.		
91.	Payment of Interest, #10	Revise as noted.	<p>It is my I am responsibility responsible to for payment of all interest that accrues on the unpaid principal amount of my loan(s) from the date of disbursement until the loan(s) is paid in full. I am responsible for payment of all interest that accrues on my loan(s).</p> <p>Under certain circumstances, for example, during deferment, I will not be required to make principal payments, but interest charges on my Federal PLUS Loan(s) will accrue. <u>I may pay This such</u> interest <u>as it accrues, or it</u> may be paid or capitalized (added to the principal of my loan(s)). If I inform my lender that I wish to pay interest as it accrues, but I do not submit the payments, my lender may capitalize that interest. If I inform my lender that I do not wish to pay interest as it accrues, my lender will <u>may</u> capitalize that such interest.</p> <p>Capitalized interest increases the principal balance of my loan(s) and the total amount of interest charges I must pay.</p> <p>Interest on my loan(s) will <u>may</u> be capitalized <u>to the extent permitted by as provided under</u> the Act. Generally, capitalization may occur no more frequently than quarterly. (See the chart entitled, "Capitalization of Federal PLUS Loan Interest," for further information on capitalization.) The charts</p>	Correction and common language among FFELP forms.

Note: Highlighted items in the # column are substantive.

			entitled, “Repaying Your Loans” allow me to estimate the cost of capitalization and the effect it will have on my monthly payments. If my loan amount is not shown -total outstanding balance exceeds the maximum on the charts, I understand I must add two or more estimates of the monthly payment amounts together to approximate estimate more closely the total my monthly interest and payment for my monthly payment total debt amount .	
ED RESPONSE:		Accepted, with the exception of the proposed change highlighted in yellow. ED prefers to retain the original “this interest”.		
92.	Loan Cancellation, #11, Bullet 2, Sentences 2 and 3	Relocate the period inside the parenthesis and add punctuation as noted.	(The school can tell me the first day of the payment period.) If I cancel all or a portion of a loan as described in this paragraph, the school will return to my lender the cancelled amount of the loan money, and the loan fees will be reduced or eliminated in proportion to the amount returned.	Punctuation corrections.
ED RESPONSE:		Accepted.		
93.	Capitalization of Federal PLUS Loan Interest chart	Delete underlines for words in heading and capitalize words as noted.	Capitalized Interest for 12 <u>M</u>months Principal to <u>B</u>be Repaid	Consistency with other charts and capitalization corrections.
ED RESPONSE:		Accepted.		
94.	Repayment, #12, Paragraph 4	Delete the extra line after “lasts.”	My repayment period for each loan generally lasts at least 5 years but may not exceed. . .	Correction.
ED RESPONSE:		Accepted.		
95.	Loan Discharge, #14, Paragraph 4, last sentence	Revise as noted.	The Act also provides for loan discharge in the amount of any required refund that the school failed to <u>did not</u> make to my loan holder on my behalf.	Conforming change to newly approved Consolidation form
ED RESPONSE:		Accepted, because “did not” is simpler language. However, ED notes that the corresponding sentence in the recently approved Federal Consolidation Loan Application and Promissory Note in fact uses the words “failed to” rather than “did not”.		
96.	Consequences of Default, #15, Bullet 4	Revise as noted.	Collection charges (including attorney’s fees being assessed against me.	Common language among FFELP forms.
ED RESPONSE:		Accepted. In addition, ED has made the following changes based on the recommendation of ED’s Federal Student Aid Collections staff: <ul style="list-style-type: none"> ▪ Removed the words “and/or” from the 9th bullet. ▪ Added a new bullet, immediately after the existing 9th bullet, explaining that a defaulted loan may be assigned to ED. The new bullet reads 		

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		<p>as follows: “Assignment of my loan to the Department, and or”</p> <ul style="list-style-type: none"> Revised the existing last bullet to read as follows: “My employer withholding part of my wages to give them to my guarantor <u>or the Department</u> (administrative wage garnishment).” 		
97.	Special Repayment Arrangements, #17 Paragraphs 1 and 2	Delete the extra line after the title so formatting is the same as in the other items and revise as noted.	<p>17. Special Repayment Arrangements— (Delete the blank line.) A Federal Consolidation Loan Program is available. . .</p> <p>Under certain circumstances, military personnel may have their <u>federal education</u> loan(s) repaid by the Secretary of Defense.</p>	<p>Clarification. DOD repayment is found under U.S.C. Title 5, §5379 and includes FFELP, Direct, Perkins, and HEAL loans.</p> <p>In the absence of ED comments, we are unsure why this suggestion was not accepted.</p>
ED RESPONSE:		Accepted. Note: The words “federal education” were already included on the draft Endorser Addendum that was posted for public comment. However, they were inadvertently omitted from the corresponding section of the PLUS MPN.		
98.	Deferments, #18, Paragraph 1, last sentence	Revise as noted.	If I am in default on <u>any</u> loan(s), I am not eligible for a deferment <u>on that loan</u> .	Correction to align text with 682.210 (a) (8). Deferment loss only applies to the loan defaulted on.
ED RESPONSE:		Accepted. In addition, ED has bolded and italicized the beginning of the first sentence of paragraph 5, for consistency with the PLUS MPN – see #44.		
99.	Forbearance, #19, Paragraph 1, last sentence; Paragraph 2; Paragraph 3, Paragraph 4	Revise as noted, including separating paragraph 2 into two paragraphs.	<p>Interest charges <u>continues</u> to accrue during a forbearance period.</p> <p>The lender may grant me a forbearance in the following circumstances due to poor health or other acceptable reasons:</p> <ul style="list-style-type: none"> Financial hardship, and/or Illness. <p>My lender is generally not required to grant a forbearance and may require me to provide my reasons for the request and other information.</p> <p>The lender may grant me a forbearance to eliminate a delinquency that persists. . .</p> <p>Circumstances that require my lender to grant me a forbearance <u>if I provide appropriate documentation</u> include:</p> <ul style="list-style-type: none"> Serving in a medical or dental internship or residency program, if I meet certain criteria. <u>Serving in a national service position for which I</u> 	Common language among FFELP forms.

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			<p>receive a national service education 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.</p> <ul style="list-style-type: none"> • Qualifying for partial repayment of my loans under the Student Loan Repayment Program, as administered by the Department of Defense. • Having a monthly debt burden for Title IV Loans that collectively equals or exceeds 20% of my total monthly gross income (for up to three years). • Being called to active duty in the U.S. Armed Forces. 	
ED RESPONSE:		Accepted. In addition, ED has inserted commas before and after the added words, “if I provide appropriate documentation”.		
100	Repaying Your Loans chart, Step 1, Example	Revise as noted, lining up symbols and adding totals. On the chart, center headings over numbers.	<p>Example: Federal PLUS Loan of \$5,479 at 8.5% interest. ... \$5,000 = \$35.42/month + 500 = \$ 3.54/month \$5,500 = \$38.96/month*</p> <p>Your mMonthly iInterest \$_____.</p>	Common language among FFELP forms.
ED RESPONSE:		Accepted.		
101	Repaying Your Loans chart, Step 2, Sentence 3 and headings on chart	Revise as noted and reinsert \$ signs on lines in the Example row to match the \$ and lines in the Your capitalized interest row. Also, make the title Monthly Interest (From Step One) into two lines and center headings as noted.	<p>Actual interest capitalized will depend on factors such as disbursement dates, number of disbursements, the variable-interest rate, and the frequency of capitalization. ... Monthly Interest (From Step One)</p> <p>Number of Months in Deferment or Forbearance</p> <p>Estimate of Capitalized Interest</p>	Common language among FFELP forms.
ED RESPONSE:		Accepted.		
102	Step 3, Example	Revise as	Example:	Formatting and correction.

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106	School Certification, Item 21	Delete the italics and bold as noted.	21. Name/Title (Printed or Typed Printed or Typed)	Consistency.
ED RESPONSE:		Accepted.		
107	School Certification, Item 22	Delete the italics.	22. Today's Date (mm-dd-yyyy mm-dd-yyyy)	Consistency.
ED RESPONSE:		Accepted.		
Instructions for Completing Federal PLUS Loan Information and School Certification				
108	Item 2	Revise as noted.	Item 2: Enter your school name; <u>and</u> address, and <u>the</u> telephone number, including area code, of a school official who can answer questions about this certification.	Clarification. The telephone number of the school official may be different than the telephone number of the school.
ED RESPONSE:		Accepted.		
109	Items 3 - 14	Revise as noted.	<p><i>Items 3 – 14 may be completed by the borrower, school, or lender. If the borrower is completing this section and any information has been prefilled by the school or lender, the borrower should review it for correctness. If any part of the prefilled information is incorrect, cross out the incorrect information and print the correct information. <u>Incorrect, incomplete, or illegible information may delay the loan.</u></i></p> <p><u><i>If the borrower is the parent of a dependent undergraduate student borrowing for the student's education, all references to "student" mean the dependent undergraduate student named in Item 12.</i></u></p> <p><u><i>Enter dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: June 24, 1982 = 06-24-1982.</i></u></p>	<p>Common language among FFELP forms.</p> <p>To add additional instructions to assist users in completing the form.</p>
ED RESPONSE:		Accepted.		
110	Item 3	Revise as noted, including adding a comma.	3. Enter <u>or correct</u> the borrower's last name, first name, and middle initial.	Common language among FFELP forms. Punctuation correction.
ED RESPONSE:		Accepted.		
111	Item 4, Sentence 1	Revise as noted.	4. Enter <u>or correct</u> the borrower's nine-digit Social Security Number.	Common language among FFELP forms.

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ED RESPONSE:		Accepted.		
112	Item 5, Sentence 1	Revise as noted.	5. Enter the borrower's permanent street -address (number, street, apartment number) or rural route number and box number, then city, state, and zip code.	Common language among FFELP forms.
ED RESPONSE:		Accepted.		
113	Item 6	Revise as noted.	6. Enter the borrower's area code and telephone number. for the address listed in Item 5. If there is no telephone number for that address, enter the area code and telephone number for the borrower's cellular telephone or other wireless device. If the borrower does not have a telephone or other wireless device , enter N/A.	The school is unlikely to have the information for the requested level of detail.
ED RESPONSE:		Accepted.		
114	Item 7, Sentence 2	Revise as noted.	Use only numbers.	This is covered in the new general instructions.
ED RESPONSE:		<p>Since instructions are now provided for reporting dates (see #109), ED has revised Item 7 to read as follows:</p> <p style="text-align: center;">Item 7: Enter the date of the borrower's birth. Be careful not to enter the current year.</p> <p>This is consistent with the PLUS MPN and Endorser Addendum.</p>		
115	Item 10, Note to Borrower, Sentence 1	Revise as noted.	Note to Borrower : Apply only for the amount <u>you</u> will need to pay educational costs this year, keeping in mind your ability to repay your loan(s).	Expand the audience for the Note since borrowers, lenders, or schools can complete this item. Insert missing word.
ED RESPONSE:		Accepted.		
116	Item 11	Revise as noted.	Item 11: Enter the beginning and ending dates of the academic period for which this loan is to be used. These dates must not be more than 12 months apart.	In anticipation of a change in regulations.
ED RESPONSE:		Accepted.		
117	Item 12:	Revise as noted, including adding a comma.	Item 12: If the borrower is the parent of a dependent undergraduate student, enter the <u>student's</u> last name, <u>then</u> first name, and middle initial of the student for whom the parent is borrowing .	Simplification. Common language among FFELP forms.
ED RESPONSE:		Accepted		
118	Item 14, Sentence 2	Revise as noted.	Use numbers only.	This is covered in the new general instructions.
ED RESPONSE:		<p>Since instructions are now provided for reporting dates (see #109), ED has revised Item 14 to read as follows:</p> <p style="text-align: center;">Item 14: If the borrower is the parent of a dependent undergraduate student, enter the date of the student's birth. Be careful not to enter the</p>		

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		current year. This is consistent with the PLUS MPN and Endorser Addendum.		
119	Instruction for Items 15 - 22	Remove bolding.		Common formatting among FFELP forms.
ED RESPONSE:		Accepted.		
120	Item 15	Revise as noted, including deleting the comma after half time.	Item 15: Indicate whether the graduate or professional student borrower or the dependent undergraduate student is (or plans to be) enrolled at least half time or full time. A graduate or professional student borrower who is enrolled (or planning to enroll) less than half time, or the parent of a dependent undergraduate student who is enrolled (or planning to enroll) less than half time , is not eligible for a Federal PLUS Loan.	Simplification. To continually define student isn't necessary on the School Certification form.
ED RESPONSE:		Declined. With the recommended changes, the second sentence would read as follows: A student who is enrolled (or planning to enroll) less than half time is not eligible for a Federal PLUS Loan. This does not make it clear that the parent of a dependent undergraduate student who is enrolled less than half time is also ineligible for a Federal PLUS Loan.		
121	Item 16	Revise as noted.	Item 16: Enter the date the graduate or professional student borrower or the dependent undergraduate student is expected to complete the program at your school.	Simplification.
ED RESPONSE:		Accepted.		
122	Item 18	Revise as noted and remove periods after the codes. (Note that we can't show the periods in strike out because of Word.)	Item 18: Enter the grade level of the graduate or professional student borrower or the dependent undergraduate student. Select the proper grade level indicator using the standard grade level codes provided: <u>Code</u> <u>Grade Level</u> 1 Freshman/First Year (including proprietary school programs that are less than one year in duration) 2 Sophomore/Second Year 3 Junior/Third Year 4 Senior/Fourth Year	Add headings to clarify the instructions.

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			<p>5 Fifth Year/Other Undergraduate (including sixth year undergraduate and continuing education students)</p> <p>A First Year Graduate <u>or</u> Professional</p> <p>B Second Year Graduate <u>or</u> Professional</p> <p>C Third Year Graduate <u>or</u> Professional</p> <p>D Beyond Third Year Graduate <u>or</u> Professional</p>	Consistency within form.
ED RESPONSE:		Accepted.		
123	Item 19	Revise as noted.	Item 19. Enter the maximum amount of PLUS Loan the borrower is eligible to receive for the academic period covered in Item 17. This amount cannot exceed the Cost of Attendance minus Other Financial Aid.	This point was already covered in the Note in Item 10. School staff who certify eligibility are familiar with the PLUS loan limits. If this recommendation is not accepted, use lower case for “cost of attendance” and “other financial aid.”
ED RESPONSE:		Since these instructions are specifically for the school, ED prefers to retain the current language. However, we have made the change to lower case.		
124	Item 21	Revise as noted.	Item 21. You must sign the certification and print your name and title.	Correct capitalization.
ED RESPONSE:		Accepted.		