

**Federal Stafford Loan Master Promissory Note
Federal Stafford Loan Information and School Certification
OMB No. 1845-0006
Proposed Changes**

HEOA Changes:

1. Federal Stafford Loan MPN, multiple locations. All references to “credit bureaus” have been changed to “consumer reporting agencies” (this change is specified in various sections of the HEOA).
2. Federal Stafford Loan MPN, page 2, Acceleration and Default, paragraph 3. Added reference to income-based repayment (HEOA Sec. 422(j)).
3. Federal Stafford Loan MPN, page 2, Legal Notices. Added new paragraph explaining that loan information will be reported to the National Student Loan Data System (NSLDS) (HEOA sec. 489).
4. Federal Stafford Loan MPN, Borrower’s Rights and Responsibilities Statement, Item 11, Interest Rates. Added language explaining that the interest rate limitation provision of the Servicemembers Civil Relief Act applies to Federal Stafford Loans (HEOA Sec. 422(g)).
5. Federal Stafford Loan MPN; Borrower’s Rights and Responsibilities Statement, Item 12, Payment of Interest, paragraph 3. Added references to payment of interest that accrues during periods of in-school deferment (HEOA Sec. 434).
6. Federal PLUS Loan MPN and Endorser Addendum, Borrower’s Rights and Responsibilities Statement, Item 15, Repayment, paragraph 3. Made minor wording changes for consistency with statutory provisions (HEOA Sec. 424 and 434(a)).
7. Federal Stafford Loan MPN, Borrower’s Rights and Responsibilities Statement, Item 16, Sale or Transfer of Loan(s). Revised language to reflect changes made by the HEOA (HEOA Sec. 422(c)(2)).
8. Federal Stafford Loan MPN, Borrower’s Rights and Responsibilities Statement, Item 17, Loan Discharge, paragraph 2. Revised language to reflect changes made by the HEOA (HEOA Sec. 437).
9. Federal Stafford Loan MPN, Borrower’s Rights and Responsibilities Statement, Item 19, Credit Bureau Notification. Revised to reflect changes made by the HEOA related to reporting loan information to consumer reporting agencies (HEOA Sec. 432).
10. Federal Stafford Loan MPN, Borrower’s Rights and Responsibilities Statement, Item 20, Special Repayment Arrangements, paragraphs 3 and 4. Added new paragraphs to cover (1) consolidation into the Direct Loan Program to take advantage of the no interest accrual benefit for active duty service members, and (2) new loan forgiveness benefits that may be available (because no funding has been appropriated for the two new loan forgiveness programs added by the HEOA, we do not believe that it is appropriate to provide more detailed information at this time) (HEOA Sec. 425, 430, 431).

Regulatory changes:

1. Federal Stafford Loan MPN, Borrower’s Rights and Responsibilities Statement, Item 6, Disbursement of Loan Money, paragraph 2. Added a reference to schools with academic terms that do not meet certain regulatory requirements (reflects an amendment to 34 CFR 682.604(c)(6) made by final regulations published on November 1, 2007 [72 FR 62014]).
2. Federal Stafford Loan MPN, Borrower’s Rights and Responsibilities Statement, Item 15, Repayment, Income-Based Repayment Plan paragraph. Changed “a specified period of time” to “a 25-year period” (reflects provisions of new 34 CFR 682.215, added by final regulations published on October 23, 2008 [73 FR 63232]),

3. Federal Stafford Loan MPN, Borrower's Rights and Responsibilities Statement, Item 21, Deferments. Minor wording changes to reflect amendments to 34 CFR 682.210 made by final regulations published on October 23, 2008 (73 FR 63232).

Other changes:

1. Federal Stafford Loan Information and School Certification, School Certification section, first bullet. Deleted the words "as a regular student." This change is to correct an error. In certain cases, the HEA allows students who are not "regular students" (i.e., students enrolled in a program that leads to a degree or certificate awarded by the school) to receive FFEL Program loans. The incorrect language on the currently approved form was overlooked during previous reviews.