

CHAPTER FOUR

FEDERAL PERKINS LOAN

GRACE PERIOD

Nine months, immediately following completion of studies. During the grace period principal and interest do not accrue. After deferment, the borrower will automatically receive a 6 month post-deferment grace period.

FORBEARANCE

The borrower may, upon written request to the billing servicer, seek forbearance if the total amount that the borrower is obligated to pay monthly on all Title IV Student Financial Aid Loans is equal to or greater than 20 percent of the borrower's total monthly gross income. The borrower must submit the following documentation:

- evidence showing the amount of the most recent total monthly gross income received by the borrower and
- evidence showing the amount of the monthly payment owed by the borrower for the most recent month for the borrower's Title IV Student Financial Assistance loans.

The billing servicer also may grant forbearance with the approval of the lender if it determines the borrower should qualify due to poor health or for other acceptable reasons, or if the Department of Education authorizes a period of forbearance due to a national military mobilization or other national emergency.

When the billing servicer receives the borrower's request and supporting documentation, the billing servicer may grant the forbearance for a period of up to one year. The forbearance may be renewed, but the periods of forbearance collectively may not exceed a total of three years. Interest will continue to accrue and must be paid by the borrower during the forbearance period.

DEFERMENTS — CANCELLATION PROVISIONS

All the deferment and cancellation features of the Federal Perkins Loan Program are provided in the next six pages.

FORBEARANCE AND DEFERMENT PROCESSING FOR FEDERAL PERKINS

All forbearance and deferment requests are to be sent directly to AMS Servicing Group (formerly EFG Technologies), P.O. Box 2901, Winston-Salem, North Carolina 27102-2901. Telephone number 1-800-334-8609. You may download all forbearance and deferment forms through the AMS Web Page www.amsservicing.com

DEFERMENT PROVISIONS FOR BORROWERS THAT PERFORM VOLUNTEER SERVICES FOR LOANS MADE BEFORE 7/01/93

In accordance with Public Law 101-610, the National and Community Service Act of 1990, the following are the terms and conditions under which students receiving a Federal Perkins Loan may obtain a deferment for loan repayment for volunteer service.

The borrower may, upon making a properly documented written request to the Billing Servicer, defer repayment for up to 3 years and interest will not accrue while the borrower is:

- A Peace Corp volunteer
- A Vista Volunteer under Title I-Part A of the Domestic Service Act of 1973.
- A full time volunteer in service for a tax-exempt organization that the Department of Education has determined is comparable to Peace Corps or Vista Service.

CANCELLATION OF FEDERAL PERKINS LOAN FOR BORROWERS THAT PERFORM VOLUNTEER SERVICE

The borrower upon making properly documented written request to the billing servicer, is entitled to cancel up to 70 percent of the amount of this loan plus the interest thereon is cancelled if the borrower performs the following service:

- As a volunteer under the Peace Corps Act or Vista.
- As a volunteer under the Domestic Volunteer Service Act of 1973.

For each completed year of service under the Volunteer Service Cancellation provision, a portion of this loan will be cancelled at the following rates:

- 15 percent of the original principal loan amount for each of the first and second 12 month periods of service; and
- 20 percent of the original principal loan amount for each of the third and fourth 12 month periods of service.

FEDERAL PERKINS LOAN DEFERMENT PROVISIONS

| Deferment Provisions | Federal Perkins/ National Direct Disbursed on or After 07/01/93 | Federal Perkins Disbursed Before 07/01/93 & on or After 07/01/87 | National Direct Disbursed Before 07/01/93 & On or After 10/01/80 | National Direct Disbursed Before 10/01/80 | National Defense |
|---|---|--|---|---|---------------------|
| Half-time enrollment | No limit* | No limit* | No limit* | No limit | No limit |
| Less than half-time enrollment as a regular student | N/A | N/A | N/A | N/A | 3 years ** |
| Rehabilitation training | No limit* | N/A | N/A | N/A | N/A |
| Graduate fellowship study (1) | No limit* | N/A | N/A | N/A | N/A |
| Eligible Internship or residency program **** | N/A | 2 years (2*) | 2 years (3*) | N/A | N/A |
| Inability to secure full-time employment | 3 years* | N/A | N/A | N/A | N/A |
| Economic hardship (4) | 3 years* | N/A | N/A | N/A | N/A |
| Hardship as determined by school | N/A | No limit** | No limit** | No limit** | No limit** |
| Law enforcement/correction officer*** | see footnote 5* | see footnote 6 | N/A | N/A | N/A |
| Peace Corps/ACTION Program volunteer*** | see footnote 5* | 3 years* | 3 years* | 3 years | 3 years |
| Full-time volunteer for tax exempt organization in service comparable to Peace Corps or ACTION | N/A | 3 years* | 3 years* | N/A | N/A |
| U.S. Armed Services*** | see footnote 5* | 3 years* | 3 years* | 3 years | 3 years |
| Officer in Commissioned Corps of U.S. Public Health Services*** | N/A | 3 years* | 3 years* | N/A | N/A |
| National Oceanic and Atmospheric Admin Corps*** | N/A | 3 Years* | N/A | N/A | N/A |
| Nurse/medical technician providing health services | see footnote 5* | N/A | N/A | N/A | N/A |
| Temporary total disability or care for temporarily totally disabled spouse/dependent*** | N/A | 3 years* | 3 years* | N/A | N/A |
| Pregnancy care of newborn or newly adopted child (9) | N/A | 6 months* | N/A | N/A | N/A |
| Mother of pre-schooler working or returning to work (10) | N/A | 1 Year* | N/A | N/A | N/A |
| Employment in Educational component of Head Start Program *** | See footnote 5* | Postponement | Postponement | N/A | N/A |
| Teacher of special education, including teacher of infant, toddler, children or youth with disabilities 11**** | see footnote 5* | Postponement 12 | Postponement | Postponement | Postponement |
| Provider of early intervention services 13**** | see footnote 5* | N/A | N/A | N/A | N/A |
| Teacher of mathematics, science, foreign languages, bilingual education or other field of expertise determined by state education agency to have a shortage of qualified teachers *** | see footnote 5* | N/A | N/A | N/A | N/A |
| Provider of supervisor of provision of services to high-risk children from low-income communities and their families 14**** | see footnote 5* | N/A | N/A | N/A | N/A |

* Principal need not be paid, and interest does not accrue

** Principal and interest may be deferred, but interest continues to accrue

*** Employment of service must be full-time

****Dental school graduates only are eligible for internship or residency program

FEDERAL PERKINS LOAN DEFERMENT PROVISIONS

1. A deferment request from a borrower enrolled in a graduate or post-graduate fellowship-supported program outside of the U.S. is approved until the completion of the fellowship period.
2. The internship program must require that the borrower have bachelor s degree before being admitted. In addition, the program must be required by a state licensing agency for certification for professional practice or service, or the program must lead to a post graduate degree or certificate from a postsecondary school, hospital or health care facility.
3. The internship program must require that the borrower have a bachelor s degree before being admitted. The program must be required by the state-licensing agency for certification for professional practice or service.
4. A borrower is considered to have an economic hardship if the borrower:
 - a. Has been granted an economic hardship deferment under FDSL or FFEL.
 - b. Is receiving payment under a federal or state public assistance program;
 - c. Is working full-time but earning a total month gross income that does not exceed (the greater of):
 - 1) The monthly earnings of an individual earning the minimum wage described in Section 6 of the Fair Labor Standards Act of 1938, or
 - 2) An amount equal to 100% of the poverty line for a family of two as determined according to Section 673(2) of the Community Service Block Grant Act.
 - d. Is not receiving total monthly gross income that exceeds twice the amount of b above, and after deducting the amount of the borrower s monthly federal postsecondary loan payments, the remaining amount of the borrower s monthly income does not exceed b above.
 - e. Is working full-time and has a federal educational debt burden that equals or exceeds 20% of the borrower s adjusted gross income and the difference between the borrower s adjusted gross income minus such burden is less than 220% of the greater of: The annual earnings of an individual earning the minimum wage under Section 6 of the Fair Labor Standards Act of 1938, or the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with Section 673(2) of the Community Services Black Grant (Act) applicable to a family of two.

The amount of the borrower s federal postsecondary loan payments is the amount of payment that would have been owed if the loan had been scheduled to be repaid in 10 years from the date the borrower entered repayment regardless of the length of the borrower s actual repayment schedule or the actual monthly payment amount.

FEDERAL PERKINS LOAN DEFERMENT PROVISIONS

5. Deferment is for period in which borrower is engaged in service eligible for Federal Perkins Loan cancellation.
6. Postponement for loans made 11/29/90 - 07/01/93.
7. Any military service, active duty, for loans made before 07/01/93. For loans made on or after 07/01/93, military service must be in an area that qualified for hazardous duty pay.
8. Applies to borrower or care of spouse only. Does not allow deferment for the care of temporarily totally disabled dependent.
9. Borrower must not be attending an eligible postsecondary institution or be gainfully employed. Deferment must begin within 6 months after the borrower ceased to be enrolled at least half-time at an eligible institution.
10. Borrower's salary must not be more than \$1 over the minimum hourly wage rate.
11. Infant, toddlers, children and youth with disabilities are defined in Section S 602(a)(1) and 672 (1) of the Individuals with Disabilities Education Act.
12. Teachers of the handicapped, elementary and secondary only.
13. Must be employed in a public or nonprofit program under public supervision. A qualified professional provider of early intervention services is defined in Section 672(2) of the Individuals with Disabilities Education Act.
14. Must be employed in public or nonprofit child or family services agency. High-risk children are defined as individuals under the age of 21 who: are low-income; have been or are at risk of being abused or neglected; have serious emotional, mental, or behavioral disturbances; reside in placements outside of their homes; or are involved in the juvenile justice system. Low-income communities are defined as those communities in which there is a high concentration of children eligible to be counted under Chapter 1 of Title I of the Elementary and Secondary Act of 1965. Services must be to the high-risk children and their families.

| FEDERAL PERKINS LOAN CANCELLATION PROVISIONS | | | | |
|---|---|---|--|---------------------|
| Cancellation Criteria | Federal Perkins/ National Direct Made on or after 07/23/92 | Federal Perkins Made Prior to 07/23/92 | National Direct Made Prior to 07//23/92 | National Defense |
| Total and permanent disability or death of borrower (1) | 100% | 100% | 100% | 100% |
| Full-time employment in Education Component of a Head Start Program (2) | 100% | 100% | 100% | N/A |
| Full-time law enforcement or correction officer (3) | 100% | 100% | 100% | 100% |
| Full-time teaching in low-income school eligible for funding under Chapter 1 of the Education Consolidation and Improvement Act of 1981 (5/6) | 100% | 100% | 100% | 100% (7) |
| Full-time special education teacher, including teacher of infants, toddlers, children or youth with disabilities (5/6) | 100% | 100% | 100% | N/A |
| Full-time provider of early intervention services in public or nonprofit program under public supervision (3/10) | 100% | N/A | N/A | N/A |
| Full-time teacher of handicapped students in a public or nonprofit elementary/secondary school | N/A | 100% (5) | 100% (5) | 100% (7) |
| Full-time teacher of mathematics, science, foreign languages, bilingual education, or any subject-matter field of expertise determined by the state education agency to have a shortage of qualified teachers (5) | 100% | N/A | N/A | N/A |
| Provider or supervisor of provision of services to high-risk children from low- income communities and their families (3/10) | 100% | N/A | N/A | N/A |
| Nurse or medical technician providing health care services (5*) | 100% | N/A | N/A | N/A |
| Peace Corps or Action programs volunteer (12*) | 70%-F. Perkins N/A-Natl. Direct | 70% | N/A | N/A |
| Service in U.S. Armed Forces | 50% (13) | 50% (13) | 50% (13) | 50% (14) |
| Full-time teaching in public/non-profit elementary/secondary school, institution of higher education or overseas Department of Defense elementary/secondary school | N/A | N/A | N/A | 50% (13) |

* Employment or service must be full-time.

FEDERAL PERKINS LOAN CANCELLATION PROVISIONS

1. Effective 07/01/95 total and permanent disability is defined as the borrower's inability to work and earn money or to attend school because of an impairment that is expected to continue indefinitely or to result in the borrower's death.
2. Cancellation rate is 15% per year.
3. Cancellation rate is: 15% per year for first and second years; 20% per year for third and fourth years; and 30% for fifth year.
4. Applies only to loans made on or after 11/29/90.
5. Cancellation rate is: 15% per academic year for first and second years; 20% per academic year for third and fourth years; and 30% for fifth academic year.
6. If borrower teaches at a school that does not qualify as a low-income school in a subsequent year, the borrower remains eligible for loan cancellation as long as the borrower continues to teach full-time at the school.
7. Cancellation rate is 15% per academic year.
8. Infants, toddlers, children and youth with disabilities are defined in Section 602(a)(1) and 672(1) of the Individuals with Disabilities Education Act.
9. Cancellation applies only to full-time teaching of handicapped children in a public or non-profit elementary or secondary school system.
10. A qualified professional provider of early intervention services is defined in Section 672(2) of the Individuals with Disabilities Education Act.
11. Must be employed in public or non-profit child or family services agency. High-risk children are defined as individuals under the age of 21 who: are low-income; have been or are at risk of being abused or neglected; have serious emotional, mental, or behavioral disturbance; resides in placement outside of their homes; or are involved in the juvenile justice system. Low-income communities are defined as those communities in which there is a high concentration of children eligible to be counted under Chapter 1 of the Elementary and Secondary Education Act of 1965.
12. Cancellation applies only to Federal Perkins Loans; does not apply to National Direct Loans. Cancellation rates is 15% per year for first and second years, and 20% per year for third and fourth years.
13. Military service must be in an area that qualified for hazardous duty pay. Cancellation rate is 12.5% per year of qualifying service.
14. Cancellation rate is 12.5% per year of consecutive service.
15. Cancellation rate is 10% per academic year.

APPLICATION FOR FORBEARANCE FOR UMDNJ

(You must complete both sides of this form)

*Please return completed form to UMDNJ–Student Loan Dept., 335 George St. 4th Fl. Liberty Plaza, New Brunswick, NJ 08903 Telephone (732) 235–9181

| | | | |
|-------------------|-------|--------------------|-----|
| Name | | Account Numbers(s) | |
| Address | City, | State, | Zip |
| Telephone –Home | | | |
| Telephone – Other | | | |
| SSN | | | |

I request forbearance of my student loan(s) payments, beginning _____ and ending _____. I meet the qualification(s) I have checked below, and I have attached the required documentation. I understand that I must pay the interest that continues to accrue during this period of forbearance, and that the maximum benefit is three years, which will be granted to me in periods of not more than six months at a time.

REASON FOR FORBEARANCE: (Check one)

| _____ | Poor health/prolonged illness, starting __ – and ending ____ Attach explanation of how your health affects your ability to pay this loan(s). Provide physician statement of diagnosis, and complete the attached Income & Expense Summary and submit with this application. | | | | | | | | | | | | | | | | | | | | | | | | |
|---------|---|-----------------|-----------------|-----------------|-----------------|----|--|----|----|----|--|----|----|----|--|----|----|----|--|----|----|----|--|----|----|
| _____ | The total amount of payments I must make on all my Title IV federal education loans is 20% or more of my total monthly gross income. To determine your eligibility for forbearance of payments under this provision, provide the following: Total monthly gross income (the gross amount you receive from employment and other sources before taxes and other deductions): \$ _____ (attach copies of last income tax return and most recent pay statement); AND Total monthly payments on federal education loans. List below, or on a separate sheet, each federal loan lender (school/financial institution), type of Title IV federal loan (Perkins/NDSL, Stafford, Direct, Consolidation loan, etc.). the amount you borrowed, and the amount of monthly payment for each one. Attach copy of monthly bill for each loan. | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Lender:</th> <th style="width: 30%;">Type of Loan:</th> <th style="width: 25%;">Amount Borrowed</th> <th style="width: 30%;">Monthly Payment</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td></td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> </tr> <tr> <td>2.</td> <td></td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> </tr> <tr> <td>3.</td> <td></td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> </tr> <tr> <td>4.</td> <td></td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> </tr> <tr> <td>5.</td> <td></td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> </tr> </tbody> </table> | Lender: | Type of Loan: | Amount Borrowed | Monthly Payment | 1. | | \$ | \$ | 2. | | \$ | \$ | 3. | | \$ | \$ | 4. | | \$ | \$ | 5. | | \$ | \$ |
| Lender: | Type of Loan: | Amount Borrowed | Monthly Payment | | | | | | | | | | | | | | | | | | | | | | |
| 1. | | \$ | \$ | | | | | | | | | | | | | | | | | | | | | | |
| 2. | | \$ | \$ | | | | | | | | | | | | | | | | | | | | | | |
| 3. | | \$ | \$ | | | | | | | | | | | | | | | | | | | | | | |
| 4. | | \$ | \$ | | | | | | | | | | | | | | | | | | | | | | |
| 5. | | \$ | \$ | | | | | | | | | | | | | | | | | | | | | | |
| _____ | Internship/Residency or Other reason. Please attach a description of the conditions) that affects your ability to pay this loan(s), as well as documentation to support your claim. | | | | | | | | | | | | | | | | | | | | | | | | |

FORM OF FORBEARANCE: (Select one option)

| | |
|------------------|--|
| _____ | Temporarily stop making payments during the period I have indicated above. I am aware that interest will continue to accrete, and I wish to pay this interest: _____ MONTHLY _____ QUARTERLY |
| _____ | Temporarily reducing the amount of my payments from \$ to \$ during the period I have indicated above. |
| Signature: _____ | |
| Date: _____ | |

INCOME & EXPENSES SUMMARY

The following information is requested to determine your eligibility for hardship/unemployment deferment, forbearance, or a revision of your repayment schedule. The information you provide will remain confidential, however, we reserve the right to use this information if collection efforts become necessary. We also reserve the right to use a credit report to verify the information you provide.

| | |
|-------------------------|-------------------------------|
| Name: _____ | Account Number(s): _____ |
| Address: _____ | _____ |
| Telephone: (home) _____ | Date of Birth: _____ |
| (work) _____ | Social Security Number: _____ |

1. Marital Status:

- _____ Single
- _____ Married
- _____ Widow(er)
- _____ Separated/Divorced

2. Number of Dependents: _____

| | |
|---------------------|------------|
| Relationship: _____ | Age: _____ |
| _____ | _____ |
| _____ | _____ |

3. Monthly Income from ALL Sources*:

| | |
|------------------------------|-----------------|
| Gross Monthly, Salary/Wages | \$ _____ |
| Child Support | \$ _____ |
| Alimony/Support | \$ _____ |
| Unemployment | \$ _____ |
| Public Assistance | \$ _____ |
| Social Security/Veteran | \$ _____ |
| Stocks, Bonds & Investments | \$ _____ |
| Other: _____ | \$ _____ |
| Total Monthly Income: | \$ _____ |

4. Checking Account Balance: \$ _____

5. Savings Account Balance: \$ _____

6. Monthly Expenses:

| | |
|--------------------------------|-----------------|
| Rent/Mortgage: | \$ _____ |
| Utilities: | \$ _____ |
| Child Care: | \$ _____ |
| Car Payments: | \$ _____ |
| Other Vehicle(s): | \$ _____ |
| Public Transportation: | \$ _____ |
| Insurance: | \$ _____ |
| Telephone: | \$ _____ |
| Cellular Phone/Pager: | \$ _____ |
| Food: | \$ _____ |
| Credit Card(s): | \$ _____ |
| Other Charge Accounts: | \$ _____ |
| Medical: | \$ _____ |
| Cable/Satellite TV: | \$ _____ |
| Entertainment: | \$ _____ |
| Clothing: | \$ _____ |
| Dry Cleaning: | \$ _____ |
| Cleaning/Yard Service: | \$ _____ |
| Other: | \$ _____ |
| Total Monthly Expenses: | \$ _____ |

*Attach a copy of your most recent income tax return AND documentation to substantiate all income and expense entries.

APPLICATION FOR HARDSHIP/UNEMPLOYMENT DEFERMENT FOR UMDNJ

(You must fill out both sides of this form)

| | |
|-------------------------|---------------------------|
| Name: _____ | Account Number(s) _____ |
| Address: _____ | _____ |
| Telephone: _____ (home) | _____ |
| _____ (work) | Social Security No. _____ |

I request deferment of my student loan(s) payments, beginning _____ and ending _____. I meet the qualification(s) I have checked below, and I have attached the required documentation. I understand that the maximum benefit is three years, which will be granted to me in periods of not more than one year at a time. **Read this entire form before you fill it out. If you do not qualify for any of these benefits, please send a request for forbearance.**

1. Prolonged illness, starting _____ and ending _____. Attach explanation of how your health affects your ability to pay this loan(s). Provide physician statement of diagnosis, and submit with this application. Complete the **Income & Expense Summary** on reverse side.
2. Unemployed since _____. Provide documentation such as proof that you are collecting unemployment benefits and, if you are still unemployed, that you are actively seeking employment (attach a list of firms where you have applied for employment, including the firms' name and address, and the name and telephone number of a person to contact for verification); or
 working part time and unable to find full-time employment (full time = 30 hours per week for three consecutive months). I have not worked full time since _____. To receive deferment of payments under this provision, provide one of the following information:
 I registered with the following public or private employment agency (does not include school placement offices or temporary employment agencies):

| | |
|-----------------------|----------------|
| Name of agency: _____ | Address: _____ |
| Contact: _____ | _____ |
| Telephone: _____ | _____ |

 I have not registered with an employment agency (attach explanation).
 In the last six months, I have attempted to secure employment. Attach a list of firms where you have applied for employment, including the firms' name and address, and the name and telephone number of a person to contact for verification.
3. I have been granted an Economic Hardship Deferment on my other federal loan(s) for the period starting _____ and ending _____, and I request this same deferment, for the same period of time, on my Federal Perkins Loan. I have attached documentation of the deferment I received on my other federal loan(s).
4. I receive payment under a federal or state public assistance program, such as Aid to Families with Dependent Children, Supplemental Security Income, Food Stamps, or state general public assistance. I have attached documentation that I am receiving these benefits.
5. I work full time (30 or more hours per week), and
 my Total Monthly Gross Income (TMGI) does not exceed the federal minimum wage, or 100% of the poverty line for a family of two;¹ or
 my TMGI is not greater than twice the federal minimum wage or the poverty line for a family of two¹ and when I subtract the amount of payments I must make on all my federal education loans from my TMGI, the result is not more than the greater of the federal minimum wage or the poverty line for a family of two; or
 the amount of payments I must make on all my federal education loans² is at least 20% my TMGI, and the difference between my TMGI and the amount of payments I must make on my federal education loans is less than 220% of the minimum wage or the poverty line, whichever is greater. To determine your eligibility for deferment of payments under No. 5, provide the following:
 Total monthly gross income (the gross amount you receive from employment and other sources before taxes and other deductions): \$ _____
 (attach copy of last tax return, and most recent pay statement).

Total monthly payments on federal education loans (list each federal loan lender (school/financial institution), type of federal education loan (Perkins/NDSL, Stafford, Direct, Consolidation, Health Professions/Nursing, etc.), the amount you borrowed, and the amount of your monthly payment for each one. Attach copy of monthly bill for each loan.

| Lender: | Type of Loan: | Amount Borrowed | Monthly Payment |
|----------|---------------|-----------------|-----------------|
| 1. _____ | _____ | \$ _____ | \$ _____ |
| 2. _____ | _____ | \$ _____ | \$ _____ |
| 3. _____ | _____ | \$ _____ | \$ _____ |
| 4. _____ | _____ | \$ _____ | \$ _____ |
| 5. _____ | _____ | \$ _____ | \$ _____ |

Signature: _____ Date: _____

1. The Poverty Line for a family of two is determined each year by the Federal Government and published in the Federal Register. Effective February 24, 1998, the Poverty Line income was \$13,570 for Alaska, \$12,480 for Hawaii, and \$10,850 for all other states and the District of Columbia.

2. Total monthly payments, adjusted, if necessary, to reflect the maximum ten-year repayment period, will be calculated based on the information I provide.

INCOME & EXPENSES SUMMARY

The following information is requested to determine your eligibility for hardship/unemployment deferment, forbearance, or a revision of your repayment schedule. The information you provide will remain confidential, however, we reserve the right to use this information if collection efforts become necessary. We also reserve the right to use a credit report to verify the information you provide.

| | |
|-------------------------|-------------------------------|
| Name: _____ | Account Number(s): _____ |
| Address: _____ | _____ |
| Telephone: (home) _____ | Date of Birth: _____ |
| (work) _____ | Social Security Number: _____ |

1. Marital Status:

- Single
- Married
- Widow(er)
- Separated/Divorced

2. Number of Dependents: _____

| | | |
|---------------------|------------|--|
| Relationship: _____ | Age: _____ | |
| _____ | _____ | |
| _____ | _____ | |

3. Monthly Income from ALL Sources*:

| | |
|------------------------------|-----------------|
| Gross Monthly, Salary/Wages | \$ _____ |
| Child Support | \$ _____ |
| Alimony/Support | \$ _____ |
| Unemployment | \$ _____ |
| Public Assistance | \$ _____ |
| Social Security/Veteran | \$ _____ |
| Stocks, Bonds & Investments | \$ _____ |
| Other: _____ | \$ _____ |
| Total Monthly Income: | \$ _____ |

4. Checking Account Balance: \$ _____

5. Savings Account Balance: \$ _____

6. Monthly Expenses:

| | |
|--------------------------------|-----------------|
| Rent/Mortgage: | \$ _____ |
| Utilities: | \$ _____ |
| Child Care: | \$ _____ |
| Car Payments: | \$ _____ |
| Other Vehicle(s): | \$ _____ |
| Public Transportation: | \$ _____ |
| Insurance: | \$ _____ |
| Telephone: | \$ _____ |
| Cellular Phone/Pager: | \$ _____ |
| Food: | \$ _____ |
| Credit Card(s): | \$ _____ |
| Other Charge Accounts: | \$ _____ |
| Medical: | \$ _____ |
| Cable/Satellite TV: | \$ _____ |
| Entertainment: | \$ _____ |
| Clothing: | \$ _____ |
| Dry Cleaning: | \$ _____ |
| Cleaning/Yard Service: | \$ _____ |
| Other: | \$ _____ |
| Total Monthly Expenses: | \$ _____ |

*Attach a copy of your most recent income tax return AND documentation to substantiate all income and expense entries.

HEALTH PROFESSIONS STUDENT LOAN (HPSL) AND LOANS FOR DISADVANTAGED STUDENTS (LDS)

GRACE PERIOD

12 months, immediately following the last day of attendance. During the grace period principal and interest do not accrue.

DEFERMENT PROVISIONS

It is the borrower s responsibility to **request a deferment on an annual basis** and to report his/her eligibility for deferred status to the billing agent AMS Servicing Group (formerly EFG Technologies) on the appropriate deferment form, immediately, upon the expiration of the grace period and entry into any of the following programs:

- Internships and residencies **deferments are unlimited.**
- Fellowship deferments, **deferments period is two years.**
- Active duty as a member of an uniformed service of the United States (Army, Navy, Air Force, Marine Corp, Coast Guard), a volunteer under the Peace Corp Act, Vista, the National Oceanic and Atmospheric Administration and the U.S. Public Health Service, **deferment period is three (3) years.**

FORBEARANCE

The borrower may upon written request, seek forbearance if financial, medical, or other circumstances arise which prevent remittance of the scheduled payments. During forbearance principal will be deferred, however, interest will continue to accrue.

CANCELLATION

In the event of the borrower s total and permanent disability or death, the unpaid indebtedness remaining on the note will be canceled upon receipt of the borrower s written request and physician certification. All information will be forwarded to the Department of Health and Human Services for final approval. In the event of the borrower s death, the entire indebtedness will be canceled upon receipt of a death certificate.

**FORBEARANCE AND DEFERMENT PROCESSING FOR HPSL AND LDS
LOANS**

All forbearance and deferment requests are to be sent directly to AMS Servicing Group (formerly EFG Technologies), P.O. Box 2901, Winston-Salem, North Carolina, 27102-2901. Telephone number 1-800-334-8609. You may download all forbearance and deferment forms through the AMS Web Page www.amsservicing.com

PRIMARY CARE STUDENT LOAN (PCL)

AGREEMENT TO ENTER AND PRACTICE PRIMARY HEALTH CARE

The borrower agrees to:

- enter and complete a residency training program in Primary Health Care no later than 4 years after the date on which the borrower graduates from the institution;
- practice Primary Health Care in a state through the date on which the loan is repaid in full, and certify to the institution on an annual basis, until the loan is repaid in full, that he/she is practicing primary health care.

DEFINITIONS

- Primary Health Care is defined as family medicine, general internal medicine, general pediatrics, preventive medicine or osteopathic general practice.
- Residency Training Program in Primary Health Care is defined as a 3-year residency program in allopathic or osteopathic family medicine, internal medicine, pediatrics, combined medicine, or preventive medicine, approved by the Accreditation Council on Graduate Medicine Education (ACGME) or the American Osteopathic Association (AOA) or a general practice residency program approved by AOA. This may include participation in a rotating or primary health care internship approved by the AOA.

NON-COMPLIANCE BY BORROWER

If a borrower fails to comply with the above:

- For loans disbursed prior to 11/13/98, the balance due on the loan involved will be immediately recomputed from the date of issuance (using the original principal) at an interest rate of 12 percent per year, compounded annually.
- For loans disbursed on or after 11/13/98, the balance due on the involved loan will be recomputed from the date of non-compliance at an interest rate of 18 percent per year compounded annually.

GRACE PERIOD

12 months, immediately following the last day of attendance. During the grace period interest does not accrue.

DEFERMENT PROVISIONS

It is the borrower's responsibility to request deferment on an annual basis and to report his/her eligibility for deferred status to the billing agent, AMS Servicing Group (formerly EFG Technologies), on the appropriate deferment form, immediately, upon the expiration of the grace period and entry into any of the following programs:

- serves on active duty as a member of a uniformed service of the United States, for up to three years;
- serves as a volunteer under the Peace Corp Act, for up to three years;
- pursues advanced professional training, including internships and residencies in Primary Health Care;
- pursues a full-time course of study at a health profession school eligible for participation in the Health Professions Student Loan program;
- leaves the institution, with the intent to return to the institution as a full-time student, to engage in a full-time educational activity which is directly related to the health profession for which the borrower is preparing, as determined by the Secretary of Health and Human Services, for up to two years; and
- participates in a fellowship training program or a full-time educational activity which is directly related to the health profession for which the borrower prepared at the institution, and is engaged in by the borrower within 12 months after completion of the borrower's participation in advanced professional training above or prior to the completion of the borrower's participation in such training, for up to two years.

However, if the borrower fails to enter and complete a Primary Care Residency Program and to practice primary care, in accordance with the above, interest shall accrue during all periods of deferments.

FORBEARANCE

The borrower may, upon written request, seek from the billing servicer, forbearance if financial, medical, or other circumstances arise which prevent remittance of the scheduled payments. During forbearance, principal will be deferred, however, interest will continue to accrue.

CANCELLATION

In the event of the borrower's total and permanent disability, the unpaid indebtedness remaining on the note will be canceled upon receipt of the borrower's written request and physician's certification. All information will be forwarded to the Department of Health and Human Services for final approval. In the event of the borrower's death, the entire indebtedness will be cancelled upon receipt of a death certificate.

Prohibition Against Consolidation: This loan may not be consolidated as part of a Federal Consolidation Loan or Direct Loan Consolidation under the Higher Education Act of 1965.

FORBEARANCE AND DEFERMENT PROCESSING FOR PCL LOANS

All forbearance and deferment requests are to be sent directly to AMS Servicing Group (formerly EFG Technologies), P.O. Box 2901, Winston-Salem, North Carolina 27102-2901. Telephone number 1-800-334-8609. You may download all forbearance and deferment forms through the AMS Web Page www.amsservicing.com