

Direct Loans

William D. Ford Federal Direct Loan Program

Application and Master Promissory Note: Federal Direct PLUS Loan William D. Ford Federal Direct Loan Program

OMB No. 1845-0068
Form Approved
Exp. Date 01/31/2006

Warning: Any person who knowingly makes a false statement or misrepresentation on this form will be subject to penalties which may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

SECTION A: PARENT INFORMATION

READ THE INSTRUCTIONS IN SECTION G BEFORE COMPLETING THIS SECTION

1. Driver's License State and No.

2. Social Security No.

3. Date of Birth

4. E-mail Address (optional)

5. Name and Address

6. Home Area Code/Telephone No.

Requested Loan Period: From: MM/DD/YY

To: MM/DD/YY

7. U.S. Citizenship Status (check one)

(1) ☐ U.S. Citizen or National

(2) ☐ Permanent Resident/Other Eligible Non-Citizen

If (2), Alien Registration No.

Requested Loan Amount:

8. Employer's Name and Address

9. Employer's Area Code/Telephone No.

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10. If it is determined that you have an adverse credit history, will you try to obtain an endorser? ☐ Yes ☐ No

11. References: You must list two persons with different U.S. addresses who have known you for at least three years. Do not list the student as a reference.

Name	1. _____	2. _____
Permanent Street Address	_____	_____
City, State, Zip Code	_____	_____
Area Code/Telephone No.	() _____	() _____

SECTION B: SCHOOL INFORMATION

12. School Name and Address

13. School Code/Branch

14. Identification No.

SECTION C: STUDENT INFORMATION

15. Student's Name (last, first, middle initial)

16. Social Security No.

17. Date of Birth

SECTION D: BORROWER REQUEST, CERTIFICATIONS, AUTHORIZATIONS, AND UNDERSTANDINGS

READ CAREFULLY BEFORE SIGNING BELOW

18. This is an Application and Master Promissory Note (MPN) for one or more Federal Direct PLUS (Direct PLUS) Loans. I request a Direct PLUS Loan under this MPN in an amount not to exceed the student's annual cost of attendance, minus other financial aid that the student receives each academic year. For each loan, the school will notify me of the loan amount that I am eligible to receive. I may cancel a loan or request a lower amount by contacting the school. Additional information about my right to cancel a loan or request a lower amount is included in the accompanying document called "Borrower's Rights and Responsibilities Statement" and in the disclosure statements that will be provided to me. If I have an adverse credit history and obtain an endorser to receive a Direct PLUS Loan, only one loan may be made to me under this MPN.

19. Under penalty of perjury, I certify that:

- The information I have provided on this MPN and as updated by me from time to time is true, complete, and correct to the best of my knowledge and belief and is made in good faith.
- I am (1) the biological or adoptive parent of the student identified in Section C, or (2) the spouse of the parent and my income and assets were reported on the Free Application for Federal Student Aid (FAFSA), or would be reported if a FAFSA were filed.
- The proceeds of loans made under this MPN will be used for authorized educational expenses incurred by the student and I will immediately repay any loan proceeds that cannot be attributed to educational expenses for the student's attendance on at least a half-time basis at the school that certified my loan eligibility.
- I do not owe an overpayment on a Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, or a Leveraging Educational Assistance Partnership Grant (formerly State Student Incentive Grant) or, if I owe an overpayment, I have made satisfactory repayment arrangements.
- I am not now in default on any loan received under the Federal Perkins Loan Program (including National Direct Student Loans), the William D. Ford Federal Direct Loan (Direct Loan) Program,

or the Federal Family Education Loan (FFEL) Program or, if I am in default on a loan, I have made satisfactory repayment arrangements.

20. For each Direct PLUS Loan I receive under this MPN, I make the following authorizations:

- I authorize the school to certify my eligibility for the loan.
- For each loan that I receive under this MPN, I authorize the U.S. Department of Education (ED) to investigate my credit record and report information about my loan status to persons and organizations permitted by law to receive that information.
- I authorize the school to credit my loan proceeds to the student's account at the school.
- I authorize the school to pay to ED any refund that may be due up to the full amount of the loan.
- Unless I notify ED differently, I authorize ED to defer repayment of principal on my loan if I enroll at least half-time at an eligible school.
- I authorize the school and ED to release information about my loan to the references on the loan and to members of my immediate family, unless I submit written directions otherwise.
- I authorize the student's schools, my lenders and guarantors, ED, and their agents to release information about my loan to each other.

21. I will be given the opportunity to pay the interest that ED charges during deferment, forbearance, and other periods as provided under the Act ("the Act" is defined in Section F under Governing Law). Unless I pay the interest, I understand that ED may add unpaid interest that is charged on each loan made under this MPN to the principal balance of that loan (this is called "capitalization") at the end of the deferment, forbearance, or other period. Capitalization will increase the principal balance on my loan and the total amount of interest I must pay.

22. I understand that ED has the authority to verify information reported on this MPN with other federal agencies.

SECTION E: PROMISE TO PAY

23. I promise to pay to ED all loan amounts disbursed under the terms of this MPN, plus interest and other charges and fees that may become due as provided in this MPN. I understand that, if I qualify, more than one loan may be made to me under this MPN for the student identified in Section C. I understand that by accepting any disbursement issued at any time under this MPN, I agree to repay the loan associated with that disbursement. I understand that, within certain timeframes, I may cancel or reduce the amount of a loan by refusing to accept or by returning all or a portion of any disbursement that is issued. Unless I make interest payments, interest that ED charges on my loan during deferment, forbearance, or other periods will be added to the principal balance of the loan as provided under the Act. If I do not make a payment on a loan made under this MPN when it is 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 an exact copy of this MPN and the Borrower's Rights and Responsibilities Statement. My signature certifies that I have read, understand, and agree to the terms and conditions of this MPN, including the Borrower Request, Certifications, Authorizations, and Understandings in Section D, the Notice About Subsequent Loans Made Under this MPN in Section F, and the terms and conditions described in Section F of this MPN and in the accompanying Borrower's Rights and Responsibilities Statement.

I UNDERSTAND THAT I MAY RECEIVE ONE OR MORE LOANS UNDER THIS MPN, AND THAT I MUST REPAY ALL LOANS THAT I RECEIVE UNDER THIS MPN.

24. Borrower's Signature _____

25. Today's Date (Month/Day/Year) _____

Student's Signature _____

GOVERNING LAW

The terms of this Application and Master Promissory Note (MPN) will be interpreted in accordance with the Higher Education Act of 1965, as amended (20 U.S.C. 1070 et seq.), and other applicable federal laws and regulations (collectively referred to as the "Act"). Applicable state law, except as preempted by federal law, may provide for certain borrower rights, remedies, and defenses in addition to those stated in this MPN.

DISCLOSURE OF LOAN TERMS

This MPN applies to Federal Direct PLUS (Direct PLUS) Loans. Under this MPN, the principal amount that I owe, and am required to repay, will be the sum of all disbursements that are made (unless I reduce or cancel any disbursements as explained below under Loan Cancellation), plus any unpaid interest that is capitalized and added to the principal amount.

At or before the time of the first disbursement of each loan, a disclosure statement will be sent to me identifying the amount of the loan and additional terms of the loan. Important additional information is also contained in the Borrower's Rights and Responsibilities Statement accompanying this MPN. The Borrower's Rights and Responsibilities Statement and any disclosure statement I receive in connection with any loan under this MPN are hereby incorporated into this MPN.

I may request additional loan funds to pay for the student's educational costs by contacting the school's financial aid office. The school will determine if I am eligible for any additional loan funds. I will be notified of any increase or other change in the amount of my loan.

I understand that each loan made under this MPN is separately enforceable based on a true and exact copy of this MPN.

LOAN CANCELLATION

I may pay back all or part of a disbursement within the timeframes set by the Act, as explained in the Borrower's Rights and Responsibilities Statement and in a disclosure statement that I will receive. If I return the full loan amount within those timeframes, I will not incur any loan fee or interest charges. If I return part of a disbursement within those timeframes, the loan fee and interest charges will be reduced in proportion to the amount returned.

INTEREST

Unless the U.S. Department of Education (ED) notifies me in writing of a lower rate, the interest rate for any loan I receive under this MPN is determined using a formula specified in the Act. As explained in the Borrower's Rights and Responsibilities Statement, I will be notified of the actual interest rate for each loan that I receive.

ED charges interest on the unpaid principal balance of each loan from the date of disbursement until the loan is paid in full. This includes interest that accrues during deferment, forbearance, or other periods. I agree to pay all interest charges on my loan. I will be given the opportunity to pay the interest that accrues during a period of authorized deferment or forbearance. If I do not pay the interest, I understand that ED may capitalize the interest at the end of the deferment or forbearance, as provided under the Act.

LOAN FEE

A loan fee is charged for each Direct PLUS Loan as provided by the Act, and will be deducted proportionately from each disbursement of each of my loans. The loan fee will be shown on disclosure statements that will be issued to me. I understand the loan fee may be refundable only as permitted by the Act.

LATE CHARGES AND COLLECTION COSTS

ED may collect from me: (1) a late charge for each late installment payment if I fail to make any part of a required installment payment within 30 days after it becomes due, and (2) any other charges and fees that are permitted by the Act related to the collection of my loans. If I default on my loans, I will pay reasonable collection costs, plus court costs and attorney fees.

REPAYMENT

I must repay the full amount of the loans made under this MPN, including interest. I will repay each loan in monthly installments during a repayment period that begins on the day of the final disbursement of that loan. Payments made by me or on my behalf will be applied first to late charges and collection costs that are due, then to interest that has not been paid, and finally to the principal amount of the loan.

The Direct Loan Servicing Center will provide me with a choice of repayment plans. Information on these repayment plans is included in the Borrower's Rights and Responsibilities Statement.

The Direct Loan Servicing Center will provide me with a repayment schedule that identifies my payment amounts and due dates. If I am unable to make my scheduled loan payments, ED may allow me to temporarily stop making payments, reduce my payment amount, or extend the time for making payments, as long as I intend to repay my loan. Allowing me to temporarily delay or reduce loan payments is called forbearance.

I agree that ED may adjust payment dates on my loans or may grant me forbearance to eliminate a delinquency that remains even though I am making scheduled installment payments.

I may prepay all or any part of the unpaid balance on my loans at any time without penalty. If I do not specify which loans I am prepaying, ED will determine how to apply the prepayment in accordance with the Act. After I have repaid in full a loan made under this MPN, ED will send me a letter telling me that I have paid off my loan.

ACCELERATION AND DEFAULT

At ED's option, the entire unpaid balance of a loan made under this MPN will become immediately due and payable (this is called "acceleration") if any one of the following events occurs: (1) the student for whom I am borrowing fails to enroll as at least a half-time student at the school that certified my loan eligibility; (2) I fail to use the proceeds of the loan solely for educational expenses of the student for whom I borrowed; (3) I make a false representation that results in my receiving a loan for which I am not eligible; or (4) I default on the loan.

The following events will constitute a default on my loan: (1) I fail to pay the entire unpaid balance of the loan after ED has exercised its option under items (1), (2), and (3) in the preceding paragraph; (2) I fail to make installment payments when due, provided my failure has persisted for at least 270 days; or (3) I fail to comply with other terms of the loan, and ED reasonably concludes that I no longer intend to honor my repayment obligation. If I default, ED may capitalize all the outstanding interest into a new principal balance, and collection costs will become immediately due and payable.

If I default, the default will be reported to national credit bureaus and will significantly and adversely affect my credit history. I understand that a default will have additional adverse consequences to me as disclosed in the Borrower's Rights and Responsibilities Statement.

LEGAL NOTICES

Any notice required to be given to me will be effective if mailed by first class mail to the most recent address ED has for me. I will immediately notify ED of a change of address or status as specified in the Borrower's Rights and Responsibilities Statement.

If ED fails to enforce or insist on compliance with any term on this MPN, this does not waive any right of ED. No provision of this MPN may be modified or waived except in writing by ED. If any provision of this MPN is determined to be unenforceable, the remaining provisions will remain in force.

**NOTICE ABOUT SUBSEQUENT LOANS
MADE UNDER THIS MPN**

This MPN authorizes ED to disburse multiple loans to me to pay the educational expenses of the student identified in Section C during the multi-year term of this MPN, upon my request and upon the school's annual certification of my loan eligibility. If I have an adverse credit history and obtain an endorser to receive a Direct PLUS Loan, only one loan may be made under this MPN.

At any school, subsequent loans may be made under this MPN for the same academic year. At schools designated by ED, subsequent loans may also be made under this MPN for subsequent academic years.

I understand that no subsequent loans will be made under this MPN after the earliest of the following dates: (1) the date ED or the school receives my written notice that no further loans may be made; (2) one year after the date I sign the MPN or the date ED receives the MPN if no disbursements are made under the MPN; or (3) ten years after the date I sign the MPN or the date ED receives the MPN.

Any amendment to the Act governs the terms of any loan disbursed on or after the effective date of the amendment, and any amended terms are considered part of this MPN.

Direct PLUS Loan MPN *(continued)***SECTION G: INSTRUCTIONS FOR COMPLETING THE MPN**

This is a Master Promissory Note (MPN) under which you may receive multiple Direct PLUS Loans for the student identified in Section C over a maximum ten-year period.

Use a blue or black ink ball point pen or typewriter to complete this MPN. Do not use pencil.

Some of the items in Sections A and C may have been completed for you. If so, review these items carefully to make sure that the information is correct. Cross out any information that is incorrect and enter the correct information. Put your initials next to any information that you change.

SECTION A: PARENT INFORMATION

All references to "you" in Section A and in these instructions for Section A mean the parent.

Item 1. Enter the two-letter abbreviation for the state that issued your current driver's license, followed by your driver's license number. If you do not have a driver's license, write "N/A."

Item 2. Enter your nine-digit Social Security Number.

Item 3. Using only numbers, enter the month, day, and four-digit year of your birth. (For example, for June 24, 1954, you would enter 06/24/1954.)

Item 4. Enter your preferred e-mail address if you have one. You are not required to provide this information. If you do, we may use your e-mail address to communicate with you. If you do not have an e-mail address or do not wish to provide one, write "N/A."

Item 5. Enter your last name, then your first name and middle initial. Enter your permanent home street address (including apartment number, if applicable), city, state, and zip code. If you have a Post Office Box and a street address, list both.

Item 6. Enter the area code and telephone number for the address listed in Item 5. If you do not have a telephone, write "N/A."

Item 7. Place a check in the box that corresponds to your citizenship status. If you check box (2), enter your Alien Registration Number.

(1) "U.S. Citizen" includes citizens of the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands. "National" includes not only all U.S. citizens, but also citizens of American Samoa and Swain's Island.

(2) "Permanent Resident" means someone who can provide documentation of this status from the U.S. Immigration and Naturalization Service. "Other Eligible Non-Citizen" includes individuals who can provide documentation from the U.S. Immigration and Naturalization Service that they are in the United States for a purpose that is not temporary, with the intention of becoming a citizen or permanent resident. This category includes refugees, persons granted asylum, Cuban-Haitian entrants, temporary residents under the Immigration Reform and Control Act of 1986, and others.

NOTE: If your citizenship status is not one of the categories described above, you are not eligible to receive a Direct PLUS Loan.

Item 8. Enter your employer's name and address (street, city, state, zip code). If you are self-employed, enter the name, address, and telephone number of your business.

Item 9. Enter your employer's area code and telephone number.

Item 10. If we determine that you have an adverse credit history, you may receive a Direct PLUS Loan only if you (1) document to ED's satisfaction that there are extenuating circumstances or (2) obtain an endorser who does not have an adverse credit history. An endorser is someone who agrees to repay the loan if you fail to do so. The endorser may not be the student identified in Section C. Check "Yes" or "No" to indicate whether you would try to obtain an endorser if it is determined that you have an adverse credit history.

Item 11. Enter the requested information for two adults who do not have the same address. Do not list the student for whom you are borrowing as a reference. References who live outside the United States are not acceptable. If a reference does not have a telephone number, write "N/A."

SECTION B: SCHOOL INFORMATION

This section is completed by the school that certifies your loan eligibility.

SECTION C: STUDENT INFORMATION

Item 15. Enter the student's last name, then first name and middle initial.

Item 16. Enter the student's nine-digit Social Security Number.

Item 17. Using only numbers, enter the month, day, and four-digit year of the student's birth. (For example, for June 24, 1982, you would enter 06/24/1982.)

SECTION D: BORROWER REQUEST, CERTIFICATIONS, AUTHORIZATIONS, AND UNDERSTANDING

Items 18, 19, 20, 21, and 22. Read these items carefully.

SECTION E: PROMISE TO PAY

Item 23. Read this item carefully.

Items 24 and 25. Sign your full legal name, in blue or black ink, and enter the date you signed this MPN. Show the date as month/day/year.

By signing this MPN, you:

(1) Acknowledge that you have read, understand, and agree to the terms and conditions of the MPN, including the Borrower Request, Certifications, Authorizations, and Understanding in Section D and the accompanying Borrower's Rights and Responsibilities Statement.

(2) Agree to repay the loan(s) in full according to the terms and conditions of the MPN.

SECTION H: IMPORTANT NOTICES

GRAMM-LEACH-BLILEY ACT NOTICE

In 1999, Congress enacted the Gramm-Leach-Bliley Act (Public Law 106-102). This Act requires that lenders provide certain information to their customers regarding the collection and use of nonpublic personal information.

We disclose nonpublic personal information to third parties only as necessary to process and service your loan and as permitted by the Privacy Act of 1974. See the Privacy Act Notice below. We do not sell or otherwise make available any information about you to any third parties for marketing purposes.

We protect the security and confidentiality of nonpublic personal information by implementing the following policies and practices. All physical access to the sites where nonpublic personal information is maintained is controlled and monitored by security personnel. Our computer systems offer a high degree of resistance to tampering and circumvention. These systems limit data access to our staff and contract staff on a "need-to-know" basis, and control individual users' ability to access and alter records within the systems. All users of these systems are given a unique user ID with personal identifiers. All interactions by individual users with the systems are recorded.

PRIVACY ACT NOTICE

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authority for collecting the requested information from and about you is §451 et seq. of the Higher Education Act (HEA) of 1965, as amended (20 U.S.C. 1087a et seq.) and the authority for collecting and using your Social Security Number (SSN) is §428B(f) of the HEA (20 U.S.C. 1078-2(f)). Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program 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 Direct Loan Program, to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect on your loan(s) if your loan(s) become delinquent or in default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed to third parties as authorized under routine uses in the appropriate systems of records. The routine uses of this information include its disclosure to federal, state, or local agencies, to other federal agencies under computer matching programs, to agencies that we authorize to assist us in administering our loan programs, to private parties such as relatives, present and former employers, business and personal associates, to credit bureau organizations, to financial and educational institutions, to guaranty agencies, and to contractors in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loan(s), to counsel you in repayment efforts, to enforce the terms of the loan(s), to investigate possible fraud and to verify compliance with federal student financial aid program regulations, or to locate you if you become delinquent in your loan payments or if you default, to provide default rate calculations, to provide financial aid history information, to assist program administrators with tracking refunds and cancellations, or to provide a standardized method for educational institutions efficiently to submit student enrollment status.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

FINANCIAL PRIVACY ACT NOTICE

Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3421), ED will have access to financial records in your student loan file maintained in compliance with the administration of the Direct Loan Program.

PAPERWORK REDUCTION NOTICE

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0068. The time required to complete this information collection is estimated to average 0.5 hours (30 minutes) per response, including the time to review instructions, search existing data sources, gather and maintain the data needed, and complete and review the information. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving the form, please write to:** U.S. Department of Education, Washington, DC 20202-4651. **If you have any comments or concerns regarding the status of *your individual submission* of this form, write directly to:**

U.S. Department of Education
Common Origination and Disbursement School Relations Center
Attn: Applicant Services
PO Box 9002
Niagara Falls, NY 14302