

Borrower's Rights and Responsibilities Statement

Important Notice: The Borrower's Rights and Responsibilities Statement provides additional information about the terms and conditions of loans you receive under the Federal PLUS Loan Application and Master Promissory Note (MPN). Please keep a copy of this statement because it applies to present and subsequent loans received under the MPN. You may contact your lender at any time for another copy of this statement.

The Federal Family Education Loan Program (FFELP) includes the following loans:

- Subsidized Federal Stafford Loan (formerly known as Guaranteed Student Loan [GSL]),
- Unsubsidized Federal Stafford Loan,
- Federal Insured Student Loan (FISL),
- Federal Supplemental Loans for Students (SLS), also known as ALAS,
- Federal PLUS Loan,
- Federal Consolidation Loan.

The FFELP is authorized by Title IV, Part B of the Higher Education Act of 1965, as amended.

1. Governing Law — 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"). **NOTE: Any change to the Act applies to loans in accordance with the effective date of the change.**

2. Use of This MPN — I may receive more than one loan under this MPN over a period not to exceed 10 years. If I am a graduate or professional student, I may receive loans under this MPN for myself. If I am a parent, I may receive loans for the dependent student identified on the MPN. I may receive loans under this MPN from the original lender or from a lender who assumes the right to offer loans under this MPN, even if I (or the student) change schools and even if the guarantor changes. I may request in writing that no further loans be disbursed under my MPN. If I wish to use a new lender, I must sign a new MPN. I must also sign a new MPN before receiving a new loan, if requested to do so by my lender.

3. Maximum Program Loan Amounts — 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 federal guidelines.

4. Use of Loan Money — I must use the loan money for authorized educational costs incurred by me or, if I am a parent borrower, by the student for attendance at the school that certified my eligibility for the time period shown on my disclosure statement. Authorized costs include the following:

- Tuition,
- Room,
- Board,
- School fees,
- Books,
- Supplies,
- Equipment,
- Dependent child care,
- Transportation,
- Commuting costs,
- Rental or purchase of a personal computer,
- Origination fee and federal default fee, and/or
- Other documented, authorized costs.

5. Loan Fees — I may be charged an origination fee and/or a federal default fee for each loan made under this MPN. Neither fee may exceed the rate specified in the Act. If I am charged these fees, they will be deducted proportionately from each disbursement.

6. Disbursement of Loan Money — My loan money will be disbursed to the school by electronic funds transfer (EFT), master check (one check covering

multiple students), or individual check. If my loan money is disbursed by individual check, the check will be copayable to me and the school and sent to the school.

Generally, my loan money will be disbursed in multiple installments based on the academic terms at the school. If the school does not have academic terms or does not have academic terms that meet certain requirements, my loan money will generally be disbursed in at least two installments, one at the beginning and one at the midpoint of the enrollment period for the applicable loan.

If my loan money exceeds the amount owed to the school, the school will forward the remainder of my loan money to me. If I am a parent borrower, I may authorize the school to forward the remainder to the student.

If I (or the student) am enrolled in a foreign school, the loan money will be disbursed directly to the foreign school by a check made copayable to me and the foreign school.

If I am a graduate or professional student and I have not previously received a Federal PLUS Loan or Direct PLUS Loan, I must receive entrance counseling before the school delivers the first disbursement of my Federal PLUS Loan.

7. Change of Status — I must notify my lender or any subsequent holder of my loan(s) if any of the following occurs:

- I change my address, telephone number, or e-mail address,
- I change my name (for example, maiden name to married name),
- I (or the student) fail to enroll at least half time for the loan period at the school that certified my eligibility for a PLUS Loan,
- I (or the student) withdraw from school or begin attending less than half time,
- I (or the student) transfer to another school,
- I (or the student) graduate, or the expected graduation date changes,
- I change my employer or my employer's address or telephone number changes, or
- I have any other change in status that would affect my loan status (for example, the loss of eligibility for an unemployment deferment by obtaining a job).

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.

9. Interest Rates — The interest rate on a Federal PLUS Loan is a fixed rate of 8.5 percent. If I qualify under the Servicemembers Civil Relief Act, the interest rate on my loans obtained prior to military service may be limited to 6% during my military service. To receive this benefit, I must contact my

loan holder for information about the documentation I must provide to show that I qualify.

10. Payment of Interest — I am responsible 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.

Under certain circumstances (for example, during deferment) I will not be required to make principal payments, but interest on my Federal PLUS Loan(s) will accrue. I may pay this interest as it accrues (for example, during an in-school deferment), or it may be 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 may capitalize that interest.

Capitalized interest increases the principal balance of my loan(s) and the total amount of interest I must pay.

Interest on my loan(s) may be capitalized to the extent permitted by 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 on the charts, I understand I must add two or more amounts together to estimate more closely my monthly interest and my monthly payment.

I may be able to claim a federal income tax deduction for interest payments I make on my FFELP loans. For further information, I may refer to the IRS Publication 970, available at <http://www.irs.gov>.

11. Loan Cancellation — I understand that the terms of a full or partial loan cancellation depend on when I request the cancellation.

■ At any time before my loan money is disbursed, I may decline all or part of my loan money by notifying my lender or the school. No origination fee, federal default fee, or interest will be charged on the loan amount that is declined.

■ If the school receives the money by EFT or master check and has obtained my written confirmation of the types and amounts of federal student loans that I want to receive before crediting the loan funds to my or the student's account, I may cancel all or a part of that loan by informing the school within 14 days after the date the school notifies me of my right to cancel the loan, or by the first day of the school's payment period, whichever is later. (The school can tell me the first day of the payment period.) If my school has not obtained my written confirmation of the loans I want to receive, I may cancel all or part of the loan by informing the school within 30 days of the date the school notifies me of my right to cancel the loan. If I cancel all or a portion of a loan as described in this paragraph, the school will return the cancelled amount to my lender, and the loan fees will be eliminated or reduced in proportion to the amount returned.

■ At any time within 120 days of disbursement, I may pay back all or a part of that loan. The loan

fees will be reduced or eliminated in proportion to the amount returned.

12. Repayment — All of my loans made under this MPN must be repaid.

The repayment period for each loan made under this MPN begins on the date of the final disbursement for that loan. This means that each loan I receive under this MPN will start repayment on a different date. Unless I receive a deferment or forbearance, the first payment on each loan will be due within 60 days of the final disbursement of that loan. My lender will notify me of the date my first payment is due. My repayment schedule may include all of my FFELP loans that are owned by the lender.

I am obligated to make payments on my loan(s) even if I do not receive a billing statement or repayment notice. My minimum annual payment required on all my FFELP loans will not, unless the lender otherwise agrees, be less than \$600, except during a portion of the repayment period as provided in a graduated or income-sensitive repayment plan, in an extended repayment plan with graduated payments, or in an income-based repayment plan. Notwithstanding the preceding sentence, my minimum annual scheduled payments will not be less than the amount of interest due and payable, except as provided under an income-based repayment plan.

My repayment period for each loan generally lasts at least 5 years but may not exceed 10 years (except under an extended or income-based repayment plan). The maximum period for repaying a loan does not include periods of deferment or forbearance.

I will be given the opportunity to choose one of the following repayment plans:

■ **Standard Repayment Plan** — If I choose this plan, I will make fixed monthly payments and repay my loan(s) in full within 10 years from the date the loan(s) entered repayment. Payments must be at least \$50 a month and will be more if necessary to repay the loan(s) within the required time period.

■ **Graduated Repayment Plan** — If I choose this plan, I will usually make lower monthly payments at first, and my payments will increase over time. No single payment will be more than three times greater than any other payment.

■ **Extended Repayment Plan** — If I choose this plan, I will make monthly payments based on fixed annual or graduated repayment amounts over a period not to exceed 25 years. If I make fixed

payments, payments must be at least \$50 a month and will be more if necessary to repay the loan(s) within the required time period. I am only eligible for this plan if (i) at the time I obtain a loan under this MPN I have no outstanding balance on a FFELP loan made before October 7, 1998, and (ii) I accumulate outstanding FFELP loans exceeding \$30,000.

■ **Income-Sensitive Repayment Plan** — If I choose this plan, my monthly payments will be adjusted annually, based on my expected total monthly gross income from all sources. I may contact my lender at any time for more information about this repayment plan option.

■ **Income-Based Repayment Plan** (effective July 1, 2009; for graduate and professional student PLUS borrowers only) — If I choose this plan, my required monthly payment amount will be based on my income during any period when I have a partial financial hardship. My monthly payment amount may be adjusted annually. The maximum repayment period under this plan may exceed 10 years. If I choose this plan and meet certain requirements over a 25-year period, I may qualify for cancellation of any outstanding balance on my loans. I may contact my lender at any time for more information about this repayment plan.

If I am a graduate or professional student, these repayment plans will be explained in more detail during my exit counseling session.

Under each plan, the number or amount of payments may need to be adjusted to reflect capitalized interest and/or new loans made to me.

If I do not choose an income-sensitive, income-based, graduated, or extended repayment plan within 45 days after notification of my repayment choices, or if I choose an income-sensitive repayment plan but do not provide the required documentation within the lender-specified time frame, my lender will require that I repay the loan(s) under a standard repayment plan. If I choose an income-based repayment plan but do not provide the required documentation within the time frame specified by the lender, I will be required to repay the loan(s) under a schedule provided by the lender in accordance with the Act. I may change the repayment plan on my loan(s) once a year, except that I may end an income-based repayment plan at any time to repay under the standard repayment plan.

There will be no penalty for prepaying any portion of my loan(s).

Except as provided by the Act for payments made under the income-based repayment plan, all payments and prepayments may be applied in the following order: late charges, fees, and collection costs first, outstanding accrued interest second, and outstanding principal last.

If I fail to make any part of an installment payment within 15 days after it becomes due, I may owe a late charge. This charge may not exceed six cents for each dollar of each late installment.

13. Sale or Transfer of Loan(s) — The lender may sell or otherwise transfer one or all of my loans without my consent. If ownership of a loan is transferred and the entity to which I must make payments changes, I will be notified of that entity's name, address and telephone number, the effective date of the sale or transfer, and the date when I must begin sending payments to that entity. Sale or transfer of my loan(s) does not affect my rights and responsibilities under such loan(s). If the lender sells my loan(s) to another originating lender, the lender may also transfer the right to offer subsequent loans under the MPN to such purchaser. I always have the right to terminate a lender's ability to make loans to me under this MPN by written notice to the lender.

14. Loan Discharge — My loan(s) will be discharged if acceptable documentation of my death or the death of the student for whom I acquired a loan is submitted to my lender.

My loan(s) may also be discharged if I become totally and permanently disabled as defined by the Act and meet certain other requirements.

My loan(s) will not automatically be discharged in bankruptcy. In order to discharge a loan(s) in bankruptcy, I must prove undue hardship in an adversary proceeding before the bankruptcy court.

In certain cases, the Act provides for loan discharge if I (or the student) could not complete a course of study because the school closed, if my loan eligibility was falsely certified by the school, or if a loan in my name was falsely certified as a result of a crime of identity theft. The Act also provides for loan discharge in the amount of any required refund that the school did not make to my loan holder on my behalf.

Neither the lender, the guarantor, nor the Department of Education vouches for the quality or suitability of the academic programs offered by participating schools. Unless I qualify for loan discharge under the Act, I must repay the loan(s) even if I (or the student)

Capitalization of Federal PLUS Loan Interest

What is Capitalization?

Capitalization is a process whereby a lender adds unpaid interest to the principal balance of a loan(s). I am responsible for paying the interest due on my Federal PLUS Loan(s) from the date the lender disburses the loan funds until the loan(s) is paid in full.

If I am granted a deferment or forbearance and I choose to defer and capitalize interest charges, the principal balance of my loan(s) will increase each time my lender capitalizes unpaid interest. As a result, I will pay more interest charges over the life of the loan(s). When I resume repaying my loan(s), my monthly payment amount may be higher or, if my loan(s) is subject to the \$50 minimum payment, I may be required to make more payments.

I should contact my lender if I have any questions or need more information.

This chart compares the monthly payments on a loan(s) where interest is paid while the loan is in a deferment or forbearance status and a loan(s) where the interest is capitalized. This example uses an interest rate of 8.5% and represents the loan amount outstanding when the borrower first enters repayment. This is an estimate only. The actual interest capitalized will depend on factors such as disbursement date, number of disbursements, and the frequency of capitalization. The estimate of interest capitalized in these examples is based on quarterly capitalization over a 12-month period.

Treatment of Interest	Loan Amount	Capitalized Interest for 12 Months	Principal to Be Repaid	Monthly Payment	Number of Payments	Total Amount Repaid
When you pay the interest	\$15,000	\$0	\$15,000	\$186	120	\$23,593*
When you don't pay the interest	\$15,000	\$1,316	\$16,316	\$202	120	\$24,276

*Total amount repaid includes \$1,275 of interest paid by the borrower during the 12-month period of deferment or forbearance.

Results: During repayment, you may pay \$16 less per month and \$683 less over the lifetime of your loan(s) when you pay the interest as it is charged.

do not complete the education paid for with the loan(s), am unable to obtain employment in the field of study for which the school provided training, or am dissatisfied with, or do not receive, the education paid for with the loan(s).

For additional information, I should contact my lender or guarantor.

15. Consequences of Default — Default is defined in detail in my MPN. If I default, the entire unpaid balance and collection fees on the applicable loan(s) will become immediately due and payable. Failure to repay any loan made under this MPN may result in any or all of the following:

- Loss of federal and state income tax refunds,
- Loss of other federal or state payments,
- Legal action against me,
- Collection charges (including attorney fees) being assessed against me,
- Loss of my professional license,
- An increase in my interest rate,
- Loss of eligibility for other student aid and assistance under most federal benefit programs,
- Loss of eligibility for loan deferments,
- Negative credit reports to consumer reporting agencies,
- Assignment of my loan to the Department, and/or
- My employer withholding part of my wages to give them to my guarantor or the Department (administrative wage garnishment).

16. Consumer Reporting Agency Notification — Information concerning the amount, disbursement, and repayment status (current or delinquent) of my loan(s) will be reported by my lender to one or more national consumer reporting agencies on a regular basis. My loan(s) will be identified as an education loan(s). If I default on any loan(s) made under this MPN, the default will also be reported by the guarantor to all national consumer reporting agencies. Before any guarantor reports such a default, it will give me at least 30 days notice that default information will be disclosed to the consumer reporting agencies unless I enter into a repayment arrangement within 30 days of the date on the notice. The guarantor will give me a chance to ask for a review of the debt(s) before the default is reported. My lender or guarantor, as applicable, must provide a timely response to a request from any consumer reporting agency regarding objections I might raise with that agency about the accuracy and completeness of information reported by the lender or guarantor.

17. Special Repayment Arrangements — A Federal Consolidation Loan Program is available under which I may consolidate federal education loans received from different lenders, the same lender, and/or under different federal education loan programs into one loan. Depending on the amount I borrow, this program may result in an extension of my repayment period. Consolidation permits multiple debts to be combined into one monthly payment. For additional information, I should contact my lender or guarantor.

I may consolidate my FFELP loans into the Direct Loan Program to take advantage of the public service loan forgiveness program. This program provides for the cancellation of the remaining balance due on eligible Direct Loan Program loans after I have made 120 payments (after October 1, 2007) on those loans under certain repayment plans while employed in certain public service jobs.

I may also consolidate my FFELP loans first disbursed on or after October 1, 2008 (including Federal Consolidation Loans that repaid FFELP or Direct Loan Program loans first disbursed on or after

October 1, 2008) into the Direct Loan Program to take advantage of the no accrual of interest benefit for active duty service members. No interest will be charged on the portion of my Direct Consolidation Loan that repaid FFELP or Direct Loan Program loans first disbursed on or after October 1, 2008 during periods of qualifying active duty military service (for up to 60 months).

The Act may provide for certain loan forgiveness or repayment benefits on my loans in addition to the benefits described in this MPN. If other forgiveness or repayment options become available, my loan holder will provide information about these benefits.

Under certain circumstances, military personnel may have their federal education loan(s) repaid by the Secretary of Defense. I should address any questions to the local service recruiter. This is a recruiting program and does not pertain to prior service individuals or those not eligible for enlistment in the Armed Forces.

Other agencies of the federal government may also offer student loan repayment programs as an incentive to recruit and retain employees. I should contact the agency's human resources department for more information.

18. Deferments — Under certain circumstances, I have a right to defer (postpone) repayment. The types of deferments that are available to me generally depend on when I first obtained a FFELP loan. Upon request, my lender will provide me with a deferment application that explains the eligibility requirements. If I am in default on a loan, I am not eligible for a deferment on that loan.

Deferment of repayment for loans made under this MPN is available:

- While I am enrolled at least half time at an eligible school,
- During the 6-month period after I cease to be enrolled at least half time,
- While the student for whom I obtained a loan is enrolled at least half time at an eligible school,
- During the 6-month period after the student for whom I obtained a loan ceases to be enrolled at least half time,
- While I am engaged in a full-time course of study in a graduate fellowship program,
- While I am engaged in a full-time rehabilitation training program for individuals with disabilities (if the program is approved by the Department of Education),
- While I am conscientiously seeking, but unable to find, full-time employment (for up to three years),
- While I am experiencing an economic hardship as determined by federal law (for up to three years),
- While I am serving on active duty during a war or other military operation or national emergency or performing qualifying National Guard duty during a war or other military operation or national emergency and, if I was serving on or after October 1, 2007, for an additional 180-day period following the demobilization date for my qualifying service, or
- If I am a member of the National Guard or other reserve component of the U.S. Armed Forces (current or retired) and I am called or ordered to active duty while I am enrolled at least half time at an eligible school or within 6 months of having been enrolled at least half time, during the 13 months following the conclusion of my active duty service, or until I return to enrolled student status on at least a half-time basis, whichever is earlier.

For in-school deferments based on my enrollment status and (if I am a graduate or professional student) for the 6-month period after I cease to be

enrolled at least half time, my lender will process the deferment based on (i) my request along with documentation verifying my eligibility, or (ii) the lender's receipt of a school certification of eligibility in connection with a new loan, or (iii) the lender's receipt of student status information indicating that I am enrolled on at least a half-time basis. If my lender processes a deferment based on (ii) or (iii), I will be notified of the deferment and will have the option of canceling the deferment and continuing to make payments on my loan(s).

For all other deferments, I must provide my lender with a deferment request (or, for a deferment based on active duty or qualifying National Guard duty during a war or other military operation or national emergency, a representative may request the deferment on my behalf). I must also provide information and documentation that establishes my eligibility, except in certain circumstances when my lender may establish my eligibility by confirming I have received a deferment on another FFELP loan or on a Direct Loan.

NOTE: If at the time I obtain a loan under this MPN I have an outstanding balance on a FFELP loan disbursed before July 1, 1993, information on deferment conditions that apply will be found in my earlier promissory note materials.

19. Forbearance — If I am unable to make any scheduled loan payment(s), the lender may allow me to reduce my payment amount, to extend the time for making payments, or to temporarily stop making payments as long as I intend to repay my loan(s). Allowing me to temporarily delay or reduce loan payments is called a forbearance. Interest continues to accrue during a forbearance period.

The lender may grant me a forbearance due to poor health or other acceptable reasons.

My lender is generally not required to grant a forbearance and may require me to provide my reasons for the request and other information.

The lender may grant me a forbearance to eliminate a delinquency that persists even though I am making scheduled installment payments. My lender may grant me an administrative forbearance for up to 60 days in order to collect and process documentation supporting my request for a deferment, forbearance, change in repayment plan, consolidation, or discharge.

Circumstances that require my lender to grant me a forbearance, if I provide appropriate documentation, include:

- Serving in a medical or dental internship or residency program, if I meet certain criteria.
- 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.
- 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.

For additional information, I should contact my lender.

Follow these steps to estimate your loan payment.

<p>Step 1: Calculate Your Monthly Interest Charges</p> <p>Round your Federal PLUS Loan balance up to the nearest \$500. If your loan amount is not on the table, follow the example below to estimate your monthly accrued interest.</p> <p>Example: Federal PLUS Loan of \$5,479 at 8.5% interest. Round up to nearest \$500 = \$5,500.</p> $\begin{array}{r} \$5,000 = \$35.42/\text{month} \\ + \quad 500 = \$ \quad 3.54/\text{month} \\ \hline \$5,500 = \$38.96/\text{month}^* \end{array}$ <p>Your monthly interest \$ _____.</p>	<p style="text-align: center;">Approximate Monthly Interest</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 50%;">Loan Amount</th> <th style="width: 50%;">8.5%</th> </tr> </thead> <tbody> <tr><td>\$ 500</td><td>\$ 3.54</td></tr> <tr><td>\$ 1,000</td><td>\$ 7.08</td></tr> <tr><td>\$ 3,000</td><td>\$ 21.25</td></tr> <tr><td>\$ 5,000</td><td>\$ 35.42</td></tr> <tr><td>\$ 6,000</td><td>\$ 42.50</td></tr> <tr><td>\$ 7,000</td><td>\$ 49.58</td></tr> <tr><td>\$ 9,000</td><td>\$ 63.75</td></tr> <tr><td>\$ 10,000</td><td>\$ 70.83</td></tr> <tr><td>\$ 15,000</td><td>\$106.25</td></tr> <tr><td>\$ 20,000</td><td>\$141.67</td></tr> <tr><td>\$ 25,000</td><td>\$177.08</td></tr> </tbody> </table>	Loan Amount	8.5%	\$ 500	\$ 3.54	\$ 1,000	\$ 7.08	\$ 3,000	\$ 21.25	\$ 5,000	\$ 35.42	\$ 6,000	\$ 42.50	\$ 7,000	\$ 49.58	\$ 9,000	\$ 63.75	\$ 10,000	\$ 70.83	\$ 15,000	\$106.25	\$ 20,000	\$141.67	\$ 25,000	\$177.08
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<p>Step 2: Estimate Your Capitalized Interest</p> <p>Complete this step only if you will capitalize interest on a Federal PLUS Loan. <i>This is an estimate only.</i> Actual interest capitalized will depend on factors such as disbursement dates, number of disbursements, and the frequency of capitalization.</p>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;"></th> <th style="width: 15%;">Monthly Interest (From Step One)</th> <th style="width: 5%;"></th> <th style="width: 15%;">Number of Months in Deferment or Forbearance</th> <th style="width: 5%;"></th> <th style="width: 15%;">Estimate of Capitalized Interest</th> </tr> </thead> <tbody> <tr> <td>Example</td> <td>\$ <u>38.96</u></td> <td>X</td> <td><u>22</u></td> <td>=</td> <td>\$ <u>857.12</u></td> </tr> <tr> <td>Your capitalized interest</td> <td>\$ _____</td> <td>X</td> <td>_____</td> <td>=</td> <td>\$ _____</td> </tr> </tbody> </table>		Monthly Interest (From Step One)		Number of Months in Deferment or Forbearance		Estimate of Capitalized Interest	Example	\$ <u>38.96</u>	X	<u>22</u>	=	\$ <u>857.12</u>	Your capitalized interest	\$ _____	X	_____	=	\$ _____
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Example	\$ <u>38.96</u>	X	<u>22</u>	=	\$ <u>857.12</u>														
Your capitalized interest	\$ _____	X	_____	=	\$ _____														

<p>Step 3: Estimate Your Monthly Payment</p> <p>Round your loan balance up to the nearest \$500. If your principal amount is not on the table, follow the example below to estimate your monthly payment. If you previously had interest capitalized, add it to the outstanding loan amount to get the new principal amount.</p> <p>Example: Federal PLUS Loan of \$6,357.12 (\$5,500.00 + \$857.12) at 8.5% interest. Round up to nearest \$500 = \$6,500.</p> $\begin{array}{r} \$6,000 = \$74.39/\text{month} \\ + \quad 500 = \$ \quad 6.20/\text{month} \\ \hline \$6,500 = \$80.59/\text{month} \end{array}$ <p>Estimated monthly payment = \$80.59</p> <p>*Minimum monthly payment = \$50 or amount of interest accruing each month.</p>	<p style="text-align: center;">Estimated Monthly Payments (10-Year Term)</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 50%;">Loan Amount</th> <th style="width: 50%;">8.5%</th> </tr> </thead> <tbody> <tr><td>\$ 500*</td><td>\$ 6.20</td></tr> <tr><td>\$ 1,000*</td><td>\$ 12.40</td></tr> <tr><td>\$ 3,000*</td><td>\$ 37.20</td></tr> <tr><td>\$ 5,000</td><td>\$ 61.99</td></tr> <tr><td>\$ 6,000</td><td>\$ 74.39</td></tr> <tr><td>\$ 7,000</td><td>\$ 86.79</td></tr> <tr><td>\$ 9,000</td><td>\$111.59</td></tr> <tr><td>\$ 10,000</td><td>\$123.99</td></tr> <tr><td>\$ 15,000</td><td>\$185.98</td></tr> <tr><td>\$ 20,000</td><td>\$247.97</td></tr> <tr><td>\$ 25,000</td><td>\$309.96</td></tr> </tbody> </table>	Loan Amount	8.5%	\$ 500*	\$ 6.20	\$ 1,000*	\$ 12.40	\$ 3,000*	\$ 37.20	\$ 5,000	\$ 61.99	\$ 6,000	\$ 74.39	\$ 7,000	\$ 86.79	\$ 9,000	\$111.59	\$ 10,000	\$123.99	\$ 15,000	\$185.98	\$ 20,000	\$247.97	\$ 25,000	\$309.96
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	Loan Amount		Estimate of Capitalized Interest (From Step Two)		New Principal Balance	Estimated Monthly Payment
Example	\$ <u>5,500</u>	+	\$ <u>857.12</u>	=	\$ <u>6,357.12</u>	\$ <u>80.59</u>
Your Monthly Payment	\$ _____	+	\$ _____	=	\$ _____	\$ _____