

## Teacher Education Assistance for College and Higher Education Grant Program

### AGREEMENT TO SERVE 2008-2009

**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.

This is an Agreement to Serve (Agreement) for the Teacher Education Assistance for College and Higher Education Grant Program (TEACH Grant Program). You must sign an Agreement each year before receiving a TEACH Grant. By signing the Agreement at the end of Section F, you promise to meet the teaching service requirements of the TEACH Grant Program as described in this Agreement, and to repay with interest the full amount of any TEACH Grant as a Federal Direct Unsubsidized Stafford/Ford Loan (Direct Unsubsidized Loan) if you do not meet those requirements.

**Note about terms used in this Agreement:** Throughout this Agreement, the term "school" means an elementary or secondary school where you complete your required teaching service, and the term "school year" means an elementary or secondary school academic year. The term "institution" means the institution of higher education that awarded you a TEACH Grant.

#### SECTION A: TEACH GRANT RECIPIENT INFORMATION

**1. Driver's License State and Number**

CA 2233450P

**2. Social Security Number**

970-69-0969

**3. E-Mail Address (optional)**

K.F.KOHLNBUSH@ACCENTURE.COM

**4. Name and Address**

ILUMINADA J AWONGT  
1079 BRADBURY CRES  
AVON LAKE CITY, AZ 22987

**5. Date of Birth**

02/11/1987

**6. Area Code/Telephone Number**

2029992287

7. References: List two persons with different U.S. addresses who have known you for at least three years. The first reference should be a parent or legal guardian.

KIMBERLY FAITH KOHLENBUSH  
77 W 55 STREET  
ALEXANDRIA, AK 22876  
2029982287  
AUNT

ELIZABETH LOUIS BRINSTON  
87 W THEATER ROAD  
PROVIDENCE, KY 22098  
2209982277  
GRANDMOTHER

**SECTION B: INSTITUTIONAL INFORMATION**

8. Institution Name and Address

UNIVERSITY OF LOUISVILLE  
1 MAIN ST  
SPRINGFIELD, VA 12345

9. Institution Code/Branch

09931700

10. Identification Number

970690969C09099317001

**SECTION C: TEACH GRANT PROGRAM TERMS AND CONDITIONS**

The following terms and conditions apply to any TEACH Grant funds I receive for the **2008-2009** award year (July 1, 2008 through June 30, 2009):

1. **Service obligation.**

A. For each academic program for which I receive TEACH Grant funds, I must fulfill a service obligation by teaching full time for a total of at least four school years within eight years after completing the program for which I receive the TEACH Grant. I must meet the requirements for a highly qualified teacher as defined in section 9101(23) of the Elementary and Secondary Education Act of 1965, as amended, or if I am a special education teacher, as defined in section 602(10) of the Individuals with Disabilities Education Act, and teach:

- At a **low-income school**, as defined below; and
- In a **high-need field**, as defined below, in the majority of classes that I teach during each school year.

B. For purposes of the TEACH Grant Program, a **low-income school** is a public or private elementary or secondary school that:

- Is in the school district of a local educational agency that is eligible for assistance under title I of the Elementary and Secondary Education Act; and

- Has been determined by the Department to be a school in which more than 30 percent of the school's total enrollment is made up of children who qualify for services provided under title I of the Elementary and Secondary Education Act.

A list of low-income schools is provided in the Department's [Annual Directory of Designated Low-Income Schools for Teacher Cancellation Benefits](#).

All elementary and secondary schools operated by the U.S. Department of the Interior's Bureau of Indian Education (BIE) or operated on Indian reservations by Indian tribal groups under contract or grant with the BIE qualify as low-income schools.

If the school where I teach meets the requirements of a low-income school during all or a part of a school year of my required four school years of teaching, but does not meet those requirements in subsequent school years, those subsequent years of teaching at that school will still qualify for purposes of satisfying my TEACH Grant service obligation.

**C.** For purposes of the TEACH Grant Program, **high-need fields** are:

- Mathematics,
- Science,
- Foreign language,
- Bilingual education,
- English language acquisition,
- Special education,
- Reading specialist, or
- Another field listed in the [Teacher Shortage Area Nationwide Listing \(Nationwide List\)](#) that is issued annually by the Department. In order to satisfy my service obligation by teaching in another high-need field listed in the Nationwide List, that field must be listed in the Nationwide List for the state in which I begin teaching at the time I begin teaching in that field. Teaching in a geographic region of a state or in a specific grade level not associated with a high-need field of a state that is designated in the Nationwide List does not satisfy the requirements of my TEACH Grant service obligation. If I begin qualifying teaching service in a high-need field that is designated by the state where I am teaching and that is listed in the Nationwide List, but in subsequent school years of teaching that high-need field is no longer included in the Nationwide List, my subsequent years of teaching will continue to qualify for purposes of satisfying my TEACH Grant service obligation.

**D.** I must complete the four-year teaching obligation for each academic program for which I received TEACH Grant funds.

**E.** Each service obligation begins after I complete, or otherwise cease to be enrolled in, the academic program for which I received TEACH Grant funds. If I receive a TEACH Grant for one academic program and later receive a TEACH Grant for a subsequent program, any qualifying teaching service that I perform before completion of the second program may only be applied toward fulfillment of my service obligation for the first program. However, if I receive TEACH Grant funds for enrollment in a subsequent program before completing my service obligation for an earlier program, qualifying teaching service that I perform following the completion of the subsequent program may be applied toward my service obligation for both programs. The following examples illustrate the service obligation requirements described in this paragraph:

*Example 1.* I complete an academic program for which I received a TEACH Grant and immediately enroll in another academic program for which I will receive a TEACH Grant, before I begin teaching. I request and receive a suspension of the eight-year period for completing my service obligation for the first program (see Item 3 of this section) while I am enrolled in the second program. After completing the second program, I must complete four years of qualifying teaching service that will fulfill my service obligation for each program.

*Example 2.* I complete an academic program for which I received a TEACH Grant and begin qualifying teaching service to satisfy my service obligation. After completing one year of qualifying teaching service, I stop teaching and enroll in a second academic program for which I will receive a TEACH Grant. I request and receive a suspension of the eight-year period for completing my service obligation for the first program while I am enrolled in the second program. After completing the second program, I must complete four years of qualifying teaching service that will fulfill my service obligation for the second program as well as the remaining three years of my service obligation for the first program.

*Example 3.* I complete an academic program for which I received a TEACH Grant and begin qualifying teaching service to satisfy my service obligation. After teaching for one year, I enroll in a second academic program for which I receive a TEACH Grant. I am enrolled in the second program for two years, and during that period I continue to teach full time. After completing the second program, I must complete four years of qualifying teaching service that will fulfill my service obligation for the second program and the remaining year of my service obligation for the first program. The qualifying teaching service that I perform while enrolled in the second program may only be applied to my service obligation for the first program.

*Example 4.* I complete an academic program for which I received a TEACH Grant and then fully satisfy my four-year service obligation for that program. I later enroll in another program for which I receive a TEACH Grant. After completing the second program, I must complete four years of qualifying service to fulfill my service obligation for the second

program. No portion of the qualifying service that I completed for the first program may be applied to my service obligation for the second program.

## **2. Documentation of service obligation.**

**A.** Unless I receive a suspension of the eight-year period for completing my service obligation in accordance with Item 3 of this section, or my service obligation is discharged in accordance with Item 5 of this section, I must confirm to the Department in writing within 120 days after I have completed or otherwise ceased enrollment in a program for which I received a TEACH Grant that:

- I am employed as a full-time teacher in accordance with the terms and conditions described above in Item 1 of this section; or
- I am not yet employed as a full-time teacher, but I intend to meet the terms and conditions of my service obligation as described above in Item 1 of this section;

**B.** After completing each of the four required school years of teaching service as described above in Item 1 of this section, I must provide the Department with documentation of that teaching service on a form that will be available from the Department. This form must be certified by the chief administrative officer of the school where I am teaching, and must confirm that for the specified year:

- I was a highly-qualified teacher, as defined above in Item 1 of this section;
- I taught in a low-income school, as defined above in Item 1 of this section; and
- I taught a majority of classes during the period being certified in a high-need field, as defined above in Item 1 of this section.

**C.** If I do not complete a full school year of qualifying teaching service, but I complete at least one-half of a school year, the half-year of teaching will be counted as one of my four required years of teaching service only if my school employer considers me to have fulfilled my contract requirements for the school year for purposes of salary increases, tenure, and retirement because I was unable to complete a full school year of teaching due to:

- A condition covered under the Family and Medical Leave Act of 1993 (FMLA) (29 U.S.C. 2601 *et seq.*) that is listed in 29 CFR 825.112; or
- A call or order to active duty status for more than 30 days as a member of a reserve component of the Armed Forces named in 10 U.S.C. 10101 or service as a member of the National Guard on full-time National Guard duty, as defined in 10 U.S.C. 101(d)(5), under a call to active service in connection with a war, military operation, or a national emergency. The reserve components of the Armed Forces named in 10 U.S.C. 10101 are the following: the Army National Guard of the United States, the Army Reserve, the Navy Reserve, the Marine Corps Reserve, the Air National Guard of the United States, the Air Force Reserve, and the Coast Guard Reserve.

**D.** If I teach at more than one qualifying school during a school year, that year of teaching will count as one of my required four school years of teaching service if I provide the Department with a certification from one or more of the chief administrative officers of the schools involved that the combined teaching is the equivalent of one school year of full-time employment, and if all of my teaching was in one or more of the high-need fields as defined above in Item 1 of this section.

**3. Temporary suspension of period for completing service obligation.**

**A.** If I have completed or otherwise ceased to be enrolled in an academic program for which I received a TEACH Grant, I may request a suspension of the eight-year period for completing my service obligation based on:

- My enrollment in a program of study for which I would be eligible to receive a TEACH Grant, or my enrollment in a program (including an alternative teacher certification program) that has been determined by a state to satisfy the requirements for certification or licensure to teach in the state's elementary or secondary schools;
- A condition covered under the FMLA that is listed in 29 CFR 825.112; or
- Being called or ordered to active duty status for more than 30 days as a member of a reserve component of the Armed Forces named in 10 U.S.C. 10101 (as listed above in Item 2 of this section), or service as a member of the National Guard on full-time National Guard duty, as defined in 10 U.S.C. 101(d)(5), under a call to active service in connection with a war, military operation, or a national emergency.

**B.** I may receive a suspension of the eight-year period for completing my service obligation under the conditions described above in Paragraph A for periods of one year at a time. These periods may not exceed a combined total of three years for suspensions based on my enrollment in certain programs of study or a condition covered by the FMLA, as described above. If I receive a suspension based on a call or order to active duty status, as described above, the suspension will end upon completion of my active duty military service.

**C.** I must request a suspension, on a form approved by the Department, before I am subject to any of the conditions that would cause my TEACH Grant to be converted to a Direct Unsubsidized Loan, as described below in Item 4 of this section. If I do not request a suspension before I am subject to one of the conditions described in Item 4 of this section, my TEACH Grant will be converted to a Direct Unsubsidized Loan.

**D.** The conditions listed above in Paragraph A are the only conditions under which I may receive a suspension of the eight-year period for completing my service obligation.

**4. Requirement to repay for failure to complete service obligation or to meet other TEACH Grant requirements.**

**A.** Any TEACH Grant that I received will be converted to a Direct Unsubsidized Loan that I must repay in full, with interest, to the Department under any of the following conditions:

- I request that a TEACH Grant I received be converted to a Direct Unsubsidized Loan because I have decided not to teach or have decided not to teach in a qualified school or field, or for any other reason.
- I cease enrollment in a program for which I received a TEACH Grant and I do not notify the Department within 120 days of ceasing enrollment that:
  - I am employed as a full-time teacher in accordance with the terms and conditions described in Item 1 of this section; or
  - I am not yet employed as a full-time teacher as described above, but I intend to meet the terms and conditions of my service obligation as described in Item 1 of this section.
- I cease enrollment in the program for which I received a TEACH Grant before completing the program, and within one year after I cease enrollment :
  - I have not been determined to be eligible for a suspension of the eight-year period for completing my service obligation under one of the conditions described above in Item 3, Paragraph A of this section;
  - I have not reenrolled in a program for which I would be eligible to receive a TEACH Grant; or
  - I have not begun qualifying teaching service as described above in Item 1 of this section.
- I complete the academic program for which I received a TEACH Grant, but I do not actively confirm to the Department at least once each year that I intend to satisfy my service obligation.
- I complete the academic program for which I received a TEACH Grant, but I do not begin or do not maintain qualifying employment within a timeframe that would allow me to complete my service obligation within the eight-year period described in Item 1 of this section.

**B.** If a TEACH Grant that I receive is converted to a Direct Unsubsidized Loan, I will be responsible for repaying the full amount of the TEACH Grant, with interest. Interest will be charged from the date of each TEACH Grant disbursement. If a TEACH Grant is converted to a Direct Unsubsidized Loan, there is no grace period. The repayment period on the loan begins on the date the grant is converted into a loan.

**C.** Any TEACH Grant that is converted to a Direct Unsubsidized Loan will be subject to the terms and conditions that apply to a Direct Unsubsidized Loan under applicable laws and regulations, including the terms and conditions described in

Section D of this Agreement, and will be reported to one or more national credit bureaus as explained in Section D, Item 14.

**D.** A TEACH Grant that has been converted to a Direct Unsubsidized Loan cannot be reconverted to a TEACH Grant.

**5. Discharge of a TEACH Grant service obligation.**

**A.** The Department will discharge my service obligation under the following conditions:

- The Department receives acceptable documentation of my death; or
- The Department determines that I am totally and permanently disabled, as defined in regulations at 34 CFR 682.200(b), and I meet certain additional conditions during a three-year conditional discharge period as described in regulations at 34 CFR 685.213.

**B.** If the Department discharges my service obligation under one of the two conditions described above, the TEACH Grant funds will not be converted to a Direct Unsubsidized Loan and neither I nor my family will be required to repay those funds.

**6. Cancellation of a TEACH Grant.**

**A.** I may cancel all or part of a TEACH Grant by notifying the institution within 14 days after the date the institution notifies me of my right to cancel all or part of the TEACH Grant, or by the first day of the payment period, whichever is later (the institution can tell me the first day of the payment period).

**B.** If I notify the institution that I want to cancel all or a portion of a TEACH Grant within the timeframe described above in Paragraph A, the institution must return the TEACH Grant funds to the Department and they will not be converted to Direct Unsubsidized Loan.

**C.** If I notify the institution that I want to cancel all or a portion of a TEACH Grant outside of the timeframe described above in Paragraph A, but within 120 days of the TEACH Grant disbursement date, the institution may return the TEACH Grant funds to the Department, but is not required to do so. If the institution declines to do so, I may request that the Department convert the TEACH Grant to a Direct Unsubsidized Loan that I may then repay.

<p><b>SECTION D: TERMS AND CONDITIONS AND BORROWER'S RIGHTS AND RESPONSIBILITIES FOR TEACH GRANTS THAT ARE CONVERTED TO DIRECT UNSUBSIDIZED LOANS</b></p>
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**Important Notice:** This section of the Agreement provides important information about the terms and conditions of any TEACH Grants you receive that are converted to Direct Unsubsidized Loans. Throughout this section, the word "loan" refers to any TEACH Grant you received that is converted to a Direct Unsubsidized Loan. The words "we," "us," and "our" refer to the Department.



### **1. The William D. Ford Federal Direct Loan Program.**

The William D. Ford Federal Direct Loan Program (Direct Loan Program) is authorized by Title IV, Part D, of the Higher Education Act of 1965, as amended (the HEA). Loans made under the Direct Loan Program are known as "Direct Loans."

Our Direct Loan Servicing Center services, answers questions about, and processes payments on Direct Loans. We will provide you with the address and telephone number of the Direct Loan Servicing Center after a TEACH Grant that you received has been converted to a Direct Unsubsidized Loan.

### **2. Laws that apply to TEACH Grants that are converted to Direct Unsubsidized Loans.**

The terms and conditions of any TEACH Grant that is converted to a Direct Unsubsidized Loan are determined in accordance with the HEA (20 U.S.C. 1070 *et seq.*), the Department's regulations, and other applicable federal laws and regulations. These laws and regulations are referred to as "the Act" throughout this section of the Agreement. Applicable state law, except as preempted by federal law, may provide you with certain rights, remedies, and defenses in addition to those stated in this Agreement.

NOTE: Any change to the Act applies to loans in accordance with the effective date of the change.

### **3. Disclosure of loan terms for TEACH Grants that are converted to Direct Unsubsidized Loans.**

The terms described in this section apply to TEACH Grants that are converted to Direct Unsubsidized Loans under the conditions described in Section C, Item 4. Under this Agreement, the principal amount that you owe, and are required to repay, will be the sum of all TEACH Grants you receive that are converted to Direct Unsubsidized Loans, plus any unpaid interest that is capitalized and added to the loan principal amount.

Any disclosure statement that we send to you in connection with any TEACH Grant you receive under this Agreement, or in connection with any TEACH Grant that is converted to a Direct Unsubsidized Loan, are hereby incorporated into this Agreement.

### **4. Legal notices.**

Any notice required to be given to you will be effective if mailed by first class mail to the most recent address that we have for you. You must immediately notify us of a change of address or status as specified below in Item 5.

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

## **5. Information you must report to us.**

You must notify us if any of the following events occur at any time after a TEACH Grant that you received is converted to a Direct Unsubsidized Loan:

- You change your address or telephone number;
- You change your name (for example, maiden name to married name); or
- You have any other change in status that would affect your loan (for example, if you received a deferment while you were unemployed, but you have found a job and therefore no longer meet the eligibility requirements for the deferment).

## **6. Effect of TEACH Grants that are converted to Direct Unsubsidized Loans on annual and aggregate loan limits.**

Any TEACH Grant that is converted to a Direct Unsubsidized Loan will not count toward the annual or aggregate loan limits that apply to other federal student loans you have received or may receive in the future to help pay for your education.

## **7. Interest rate.**

The interest rate on a Direct Unsubsidized Loan is a fixed rate of 6.8%.

## **8. Payment of interest.**

We charge interest on a TEACH Grant that is converted to a Direct Unsubsidized Loan during all periods (starting on the date of the first and each subsequent disbursement of the TEACH Grant), including deferment and forbearance periods. By signing this Agreement, you agree to pay all interest that is charged to you during the period beginning on the date of the first TEACH Grant disbursement and continuing until the loan is repaid.

At the time a TEACH Grant is converted to a Direct Unsubsidized Loan, you will be given the opportunity to pay the interest that accrued from the date of the first disbursement of the TEACH Grant. If you do not pay this interest, it will be added to the principal balance of the loan. This is called "capitalization." Capitalization increases the unpaid principal balance of your loan, and we will then charge interest on the increased principal amount.

For example, if you received \$16,000 in TEACH Grant funds for a four-year educational program that you began in September 2008 and completed in June 2012, and your TEACH Grant funds were converted to a Direct Unsubsidized Loan in June 2017 under one of the conditions described in Section C, Item 4 of this Agreement, approximately \$7,656 in interest would have accrued before the grants were converted to a loan. The chart below shows the difference in the monthly and total amounts you would repay under the Standard Repayment Plan depending on whether you pay this accrued interest at the time of conversion to a loan, or allow the accrued interest to be capitalized. (Note: All amounts are estimates; your actual monthly and total repayment amounts may differ from the amounts shown in the chart.)

	<b>If you pay the interest at the time the TEACH Grant funds are converted to a loan...</b>	<b>If you do not pay the interest and it is capitalized...</b>
<b>TEACH Grant Amount</b>	\$16,000	\$16,000
<b>Accrued interest from September 1, 2008 to June 1, 2017 (at 6.8%)</b>	\$7,708 (paid at time of conversion to a loan)	\$7,708 (capitalized)
<b>Principal to be Repaid</b>	\$16,000	\$23,708
<b>Monthly Payment (Standard Repayment Plan)</b>	\$184	\$273
<b>Number of Payments</b>	120	120
<b>Total Amount Repaid</b>	\$22,095	\$32,740

In this example, you would pay \$88 less per month and \$10,572 less altogether if you pay the accrued interest at the time the TEACH Grant funds are converted to a Direct Unsubsidized Loan.

You will also be given the opportunity to pay the interest that accrues during deferment, forbearance, or other periods as provided under the Act. If you do not pay this interest, it will be capitalized at the end of the deferment, forbearance, or other period.

You may be able to claim a federal income tax deduction for interest payments you make on Direct Loans. For further information, refer to IRS Publication 970, which is available at <http://www.irs.ustreas.gov>.

## **9. Repayment incentive programs.**

A repayment incentive is a benefit that we offer to encourage you to repay your loan on time. Under a repayment incentive program, the interest rate we charge on your loan may be reduced. The repayment incentive program described below may be available to you. The Direct Loan Servicing Center can provide you with more information on other repayment incentive programs that may be available.

### *Interest Rate Reduction for Electronic Debit Account Repayment*

Under the Electronic Debit Account (EDA) repayment option, your bank automatically deducts your monthly loan payment from your checking or savings account and sends it to us. You receive a 0.25 percent interest rate reduction while you repay under the EDA option. In addition, EDA helps to ensure that your payments are made on time. We will include information about the EDA option in your first bill. You can also get the information on the Direct Loan Servicing Center's web site, or by calling the Direct Loan Servicing Center. The Direct Loan Servicing Center's web site address and toll-free telephone number are provided on all correspondence that the Direct Loan Servicing Center sends you.

## 10. Repaying your loan.

You must repay the full amount of any TEACH Grant that is converted to a Direct Unsubsidized Loan, plus accrued interest from the date of the first disbursement of the TEACH Grant. You must repay the loan in monthly installments during a repayment period that begins on the date the TEACH Grant is converted to a Direct Unsubsidized Loan under one of the conditions described in Section C, Item 4. The Direct Loan Servicing Center will notify you of the date your first payment is due, and will provide you with a repayment schedule that identifies your payment amounts and due dates.

You must make payments on your loan even if you do not receive a bill or repayment notice. Billing information is sent to you as a convenience, and you are obligated to make payments even if you do not receive a notice or bill.

Loan payments that you make or that are made on your 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, except during periods of repayment under an Income-Based Repayment Plan, when payments will be applied first to interest that is due, then to fees that are due, and then to the principal amount.

If you are unable to make your scheduled loan payments, we may allow you to temporarily stop making payments, reduce your payment amount, or extend the time for making payments, as long as you intend to repay your loan. Allowing you to temporarily delay or reduce loan payments is called forbearance.

We may adjust payment dates on your loans or may grant you forbearance to eliminate a delinquency that remains even though you are making scheduled installment payments.

You may prepay all or any part of the unpaid balance on your loans at any time without penalty. If you do not specify which loans you are prepaying, we will determine how to apply the prepayment in accordance with the Act. After you have repaid a Direct Unsubsidized Loan in full, we will send you a notice telling you that you have paid off your loan. You should keep this notice in a safe place.

You may choose one of the following repayment plans to repay your loan:

- ***Standard Repayment Plan*** - Under this plan, you will make fixed monthly payments and repay your loan in full within 10 years (not including periods of deferment or forbearance) from the date the loan entered repayment. Your payments must be at least \$50 a month and will be more, if necessary, to repay the loan within the required time period.
- ***Graduated Repayment Plan*** - Under this plan, you will usually make lower payments at first, and your payments will gradually increase over time. You will repay your loan in full within 10 years (not including periods of deferment or forbearance) from the date the loan entered repayment. No single payment will be more than three times the amount of any other payment.

- ***Extended Repayment Plan*** - Under this plan, you will repay your loan in full over a period not to exceed 25 years (not including periods of deferment or forbearance) from the date the loan entered repayment. You may choose to make fixed monthly payments or graduated monthly payments that start out lower and gradually increase over time. Your payments must be at least \$50 a month and will be more, if necessary, to repay the loan within the required time period. You are eligible for this repayment plan only if (1) you had no outstanding balance on a Direct Loan Program loan as of October 7, 1998 or on the date you obtained a Direct Loan Program loan after October 7, 1998, and (2) you have an outstanding balance on Direct Loan Program loans that exceeds \$30,000.
- ***Income Contingent Repayment Plan*** - Under this plan, your monthly payment amount will be based on your annual income (and that of your spouse if you are married), your family size, and the total amount of your Direct Loans. Until we obtain the information needed to calculate your monthly payment amount, your payment will equal the amount of interest that accrues each month on your loan unless you request a forbearance. As your income changes, your payments may change. If your loan is not repaid in full after 25 years under this plan, the unpaid portion will be forgiven. You may have to pay income tax on any amount forgiven.
- ***Income-Based Repayment Plan(effective July 1, 2009)*** - Under this plan, your required monthly payment will be based on your income during any period when you have a partial financial hardship. Your monthly payment amount may be adjusted annually. The maximum repayment period under this plan may exceed 10 years. If you meet certain requirements during a specified period of time, you may qualify for cancellation of any outstanding balance on your loans.

If you can show to our satisfaction that the terms and conditions of the above repayment plans are not adequate to meet your exceptional circumstances, we may provide you with an alternative repayment plan.

If you do not choose a repayment plan, we will place you on the Standard Repayment Plan.

You can estimate the monthly and total amounts you would repay under the various repayment plans by using the online calculator available at <http://www.ed.gov/offices/OSFAP/DirectLoan/calc.html> or, if you already have a Direct Loan, by using the calculator on the Direct Loan Servicing Center's web site at [www.dl.ed.gov](http://www.dl.ed.gov).

You may change repayment plans at any time after you have begun repaying your loan. There is no penalty if you make loan payments before they are due, or pay more than the amount due each month.

When you have repaid a loan in full, the Direct Loan Servicing Center will send you a notice telling you that you have paid off your loan.

## **11. Late charges and collection costs.**

If you do not make a payment on a loan when it is due, we may require you to pay reasonable collection costs, including but not limited to attorney fees, court costs, and other fees.

You may be required to pay **(1)** a late charge of not more than six cents for each dollar of each late payment if you 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 your loan. If you default on a loan, you will be required to pay reasonable collection costs, plus court costs and attorney fees.

### **12. Demand for immediate repayment.**

The entire unpaid amount of your loan becomes due and payable (this is called "acceleration") if you default on your loan.

### **13. Defaulting on your loan.**

You will be considered to be in default on your loan if **(1)** you do not make installment payments when due, provided that your failure to make payments has persisted for at least 270 days; or **(2)** you do not comply with other terms of the loan, and we reasonably conclude that you no longer intend to honor your repayment obligation. If you default, we may capitalize all the outstanding interest into a new principal balance, and collection costs will become immediately due and payable.

If you default, the default will be reported to national credit bureaus (see Item 14, "credit bureau notification") and will significantly and adversely affect your credit history. A default will have additional adverse consequences as described below.

If you default:

- We will require you to immediately repay the entire unpaid amount of your loan.
- We may sue you, take all or part of your federal income tax refund and other federal or state payments, and/or garnish your wages so that your employer is required to send us part of your salary to pay off your loan.
- We will require you to pay reasonable collection fees and costs, plus court costs and attorney fees.
- You will lose eligibility for other federal student aid and assistance under most federal benefit programs.
- You will lose eligibility for loan deferments.

### **14. Credit bureau notification.**

We will report information about your loan to one or more national credit bureaus. This information will include the amount and repayment status of your loan (for example, whether you are current or delinquent in making payments).

If you default on a loan, we will also report this to national credit bureaus. We will notify you at least 30 days in advance that we plan to report default information to

a credit bureau unless you resume making payments on the loan within 30 days. You will be given a chance to ask for a review of the debt before we report it.

If a credit bureau contacts us regarding objections you have raised about the accuracy or completeness of any information we have reported, we are required to provide the credit bureau with a prompt response.

### **15. Deferment and forbearance (postponing payments)**

If you meet certain requirements, you may receive a **deferment** that allows you to temporarily stop making payments on your loan. If you cannot make your scheduled loan payments, but do not qualify for a deferment, we may give you a **forbearance**. A forbearance allows you to temporarily stop making payments on your loan, temporarily make smaller payments, or extend the time for making payments.

#### **Deferment**

You may receive a deferment while you are:

- Enrolled at least half-time at an eligible postsecondary institution;
- In a full-time course of study in a graduate fellowship program;
- In an approved full-time rehabilitation program for individuals with disabilities;
- Unemployed (for a maximum of three years; you must be diligently seeking, but unable to find, full-time employment);
- Experiencing an economic hardship (including Peace Corps service), as determined under the Act (for a maximum of three years); or
- 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 you were serving on or after October 1, 2007, for the 180-day period following the demobilization date for your qualifying service.

If you are a member of the National Guard or other reserve component of the U.S. Armed Forces (current or retired) and you are called or ordered to active duty while you are enrolled at an eligible institution or within 6 months of having been enrolled, you are also eligible for a deferment during the 13 months following the conclusion of your active duty, or until you return to enrolled student status, whichever is earlier.

You may be eligible to receive additional deferments if, at the time you received your first Direct Loan, you had an outstanding balance on a loan made under the Federal Family Education Loan (FFEL) Program before July 1, 1993. Contact the Direct Loan Servicing Center for more information about these additional deferments.

You may receive a deferment based on your enrollment in an eligible institution on at least a half-time basis if **(1)** you submit a deferment request form to the Direct Loan Servicing Center along with documentation of your eligibility for the

deferment, or (2) the Direct Loan Servicing Center receives information from the institution you are attending that indicates you are enrolled at least half-time. If the Direct Loan Servicing Center processes a deferment based on information received from your institution, you will be notified of the deferment and will have the option of canceling the deferment and continuing to make payments on your loan.

For all other deferments, you (or, for a deferment based on active duty military service or qualifying National Guard duty during a war or other military operation or national emergency, a representative acting on your behalf) must submit a deferment request form to the Direct Loan Servicing Center, along with documentation of your eligibility for the deferment. In certain circumstances, you may not be required to provide documentation of your eligibility if the Direct Loan Servicing Center confirms that you have been granted the same deferment for the same period of time on a FFEL Program loan.

The Direct Loan Servicing Center can provide you with a deferment request form that explains the eligibility and documentation requirements for the type of deferment you are requesting. You may also obtain deferment request forms and information on deferment eligibility requirements from the Direct Loan Servicing Center's web site.

If you are in default on your loan, you are not eligible for a deferment.

We charge interest on a Direct Unsubsidized Loan during a period of deferment. You may pay the interest as it accrues, or allow it to be capitalized at the end of the deferment period (see Item 8 of this section, "Payment of interest").

### **Forbearance**

We may give you a forbearance if you are temporarily unable to make your scheduled loan payments for reasons including, but not limited to, financial hardship and illness.

We will give you a forbearance if:

- You are serving in a medical or dental internship or residency program, and you meet specific requirements;
- The total amount you owe each month for all of the student loans you received under Title IV of the Act is 20 percent or more of your total monthly gross income (for a maximum of three years);
- You are serving in a national service position for which you receive a national service 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;
- You are performing service that would qualify you for loan forgiveness under the teacher loan forgiveness program that is available to certain Direct Loan and FFEL program borrowers;
- You qualify for partial repayment of your loans under the Student Loan Repayment Program, as administered by the Department of Defense; or



- You are called to active duty in the U.S. Armed Forces.

To request a forbearance, contact the Direct Loan Servicing Center. The Direct Loan Servicing Center can provide you with a forbearance request form that explains the eligibility and documentation requirements for the type of forbearance you are requesting. You may also obtain forbearance request forms and information on forbearance eligibility requirements from the Direct Loan Servicing Center's web site.

Under certain circumstances, we may also give you a forbearance without requiring you to submit a request or documentation. These circumstances include, but are not limited to, the following:

- Periods necessary for us to determine your eligibility for a loan discharge;
- A period of up to 60 days in order for us to collect and process documentation related to your request for a deferment, forbearance, change in repayment plan, or consolidation loan (we do not capitalize the interest that is charged during this period); or
- Periods when you are involved in a military mobilization, or a local or national emergency.

We charge interest on a Direct Unsubsidized Loan during a period of forbearance. You may pay the interest as it accrues, or allow it to be capitalized at the end of the forbearance period (see Item 8 of this section, "Payment of interest").

#### **16. Discharge (having your loan forgiven).**

We will discharge (forgive) your loan if:

- The Direct Loan Servicing Center receives acceptable documentation of your death.
- Your loan is discharged in bankruptcy. However, federal student loans are not automatically discharged if you file for bankruptcy. In order to have your loan discharged in bankruptcy, you must prove to the bankruptcy court that repaying the loan would cause undue hardship.
- We determine that you are totally and permanently disabled (as defined in the Act), based on a physician's certification, and you meet additional requirements during a 3-year conditional discharge period. During that period, your earnings from work must not exceed the poverty line amount for a family of two, and you must not receive any additional loans under the Direct Loan, FFEL, or Federal Perkins Loan programs, or any additional TEACH Grants.

In certain cases, we may also discharge all or a portion of a TEACH Grant that was converted to a Direct Unsubsidized Loan if:

- You could not complete the program of study for which you received the TEACH Grant because the institution closed;
- Your eligibility for the TEACH Grant was falsely certified as a result of a crime of identity theft; or

- You withdrew from the program for which you received a TEACH Grant and the institution did not pay a refund of the TEACH Grant award that it was required to pay under federal regulations.

Even if you do not meet the requirements of the TEACH Grant Program and your TEACH Grant is converted to a Direct Unsubsidized Loan, we may forgive a portion of that loan if you teach full time for five consecutive years in certain low-income elementary and/or secondary schools and meet certain other qualifications, and if you did not owe a Direct Loan or FFEL program loan as of October 1, 1998, or as of the date you obtain a loan after October 1, 1998.

A public service loan forgiveness program is available under which you may qualify for cancellation of the remaining balance due on your eligible Direct Loan Program loans after you have made 120 payments (after October 1, 2007) on those loans under certain repayment plans while employed in certain public service jobs.

To request loan discharge or forgiveness based on one of the conditions described above (except for discharges due to death or bankruptcy), you must complete a loan discharge application that you may obtain from the Direct Loan Servicing Center.

In some cases, you may assert, as a defense against collection of a TEACH Grant that was converted to a Direct Unsubsidized Loan, that the institution did something wrong or failed to do something that it should have done. You can make such a defense against repayment only if the institution's act or omission directly relates to the TEACH Grant that the institution awarded or to the educational services that the grant was intended to pay for, and if what the institution did or did not do would give rise to a legal cause of action against the institution under applicable state law. If you believe that you have a defense against repayment of your loan, contact the Direct Loan Servicing Center.

We do not guarantee the quality of the academic programs provided by institutions that participate in federal student financial aid programs. If you received a TEACH Grant that was converted to a Direct Unsubsidized Loan, you must repay your loan even if you did not complete the education paid for with the TEACH Grant, are unable to obtain employment in the field of study for which your institution provided training, or are dissatisfied with, or do not receive, the education you paid for with the TEACH Grant.

### **17. Loan consolidation.**

A Direct Consolidation Loan Program is available that allows you to consolidate (combine) one or more of your eligible federal education loans into one loan. Consolidation allows you to extend the period of time that you have to repay your loans, and to combine several loan debts into a single monthly payment. This may make it easier for you to repay your loans. However, you will pay more interest if you extend your repayment period through consolidation, since you will be making payments for a longer period of time. Contact the Direct Loan Servicing Center for more information about loan consolidation.

### **18. Department of Defense and other federal agency loan repayment.**

Under certain circumstances, military personnel may have their federal education loans repaid by the Secretary of Defense. For more information, contact your local military service recruitment office.

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

### **19. AmeriCorps program education awards.**

Under the National and Community Service Act of 1990, you may receive an education award that can be used to repay a Direct Subsidized Loan or Direct Unsubsidized Loan if you successfully complete a term of service in an AmeriCorps program. For more information, contact an official of the AmeriCorps program.

## **SECTION E: 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.

If a TEACH Grant that you received is converted to a Direct Unsubsidized Loan, we will 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 authorities for collecting the requested information from and about you are §420L *et seq.* and §451 *et seq.* of the Higher Education Act (HEA) of 1965, as amended (20 U.S.C. 1070g *et seq.* and 20 U.S.C. 1087a *et seq.*) and the authorities for collecting and using your social security number (SSN) are §484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) and §31001(i)(1) of the Debt Collection Improvement Act of 1996 (31 U.S.C. 7701(c)). Participating in the Teacher

Education Assistance for College and Higher Education (TEACH) Grant Program and/or 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 TEACH Grant, and, if a TEACH Grant that you receive is converted to a Direct Unsubsidized Loan, to determine your eligibility to receive a benefit on the loan (such as a deferment, forbearance, discharge, or forgiveness), to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect and report on your loan(s) if your loan(s) 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, on a case-by-case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices.

The routine uses of the information that we collect about you, if your TEACH Grant has not been converted to a Direct Unsubsidized Loan, include, but are not limited to, its disclosure to federal, state, or local agencies, to institutions of higher education, and to third party servicers to determine your eligibility to receive a TEACH Grant, to investigate possible fraud, and to verify compliance with federal student financial aid program regulations.

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 be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. Before making any such disclosure, we will require the contractor to maintain Privacy Act safeguards. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

If your TEACH Grant has been converted to a Direct Unsubsidized Loan, the routine uses of this information also include, but are not limited to, its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to creditors, to financial and educational institutions, and to guaranty agencies to verify your identity, to determine your program eligibility and benefits, to permit making, servicing, assigning, collecting, adjusting or discharging your loan(s), to enforce the terms of the loan(s), to investigate possible fraud and to verify compliance with federal

student financial aid program regulations, to locate you if you become delinquent in your loan payments or if you default, or to verify whether your debt qualifies for discharge or cancellation. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state or local agencies. To provide financial aid history information, disclosures may be made to educational institutions. To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions to efficiently submit student enrollment status, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies.

### **FINANCIAL PRIVACY ACT NOTICE**

Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3421), for any TEACH Grant that is converted to a Direct Unsubsidized Loan the Department 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 1845-0083. 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 20202-4700.

**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

<b>SECTION F: GRANT RECIPIENT'S AGREEMENT TO SERVE, PROMISE TO REPAY FOR FAILURE TO MEET SERVICE OBLIGATION, AND AUTHORIZATIONS</b>
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1. For any TEACH Grant I receive for the **2008-2009** award year, I agree to fulfill my service obligation as described in Section C of this Agreement, and to comply

with all other terms and conditions of the TEACH Grant Program as described in this Agreement.

**2.** For any TEACH Grant I receive for the **2008-2009** award year that is converted to a Direct Unsubsidized Loan under one of the conditions described in Section C, Item 4 of this Agreement -

- I promise to repay the full amount of the Direct Unsubsidized Loan to the Department, plus interest, in accordance with the Terms and Conditions for Direct Unsubsidized Loans as provided in Section D of this Agreement.
- I authorize the Department to investigate my credit record and report information about my loan status to persons and organizations permitted by law to receive that information.
- Unless I notify the Department differently, I authorize the Department to defer repayment of principal on my loan while I am enrolled at least half time at an eligible school.
- I authorize the Department and its respective agents and contractors to contact me regarding repayment of my loan at the current or any future number that I provide for my cellular telephone or other wireless device using automated dialing equipment or artificial or prerecorded voice or text messages.
- I authorize the Department 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 my institutions, lenders and guarantors, the Department, and their agents to release information about my loan to each other.

**3.** I agree to notify the Department if any of the following events occur at any time after I receive a TEACH Grant:

- I change my address or telephone number; or
- I change my name (for example, maiden name to married name).

**4.** I understand that the Department has the authority to verify information reported on this Agreement with other federal agencies.

**5.** I will not sign this Agreement before reading the entire Agreement, 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 Agreement.

**6.** My signature below certifies that I have read, understand, and agree to the terms and conditions of TEACH Grants and Direct Unsubsidized Loans as explained in Sections C and D, the important notices in Section E, and the agreement to serve, promise to repay, and authorizations in Section F of this Agreement.

**7.** TEACH Grant Recipient's Signature

ILUMINADA J AWONGT

## 8. Today's Date

06/16/2008 11:02:50

### Transaction History

Your identity was confirmed by the PIN web site at:	06/16/2008 11:01:23
You completed the School Info section of your ATS at:	06/16/2008 11:01:37
You completed the Student Info section of your ATS at:	06/16/2008 11:02:21
You reviewed and signed your ATS at:	06/16/2008 11:02:43
You submitted your ATS at:	06/16/2008 11:02:50