

Addendum to the Federal Consolidation Loan Application and Promissory Note Federal Family Education Loan Program

The Higher Education Reconciliation Act of 2005 (HERA) changed some of the terms of Federal Consolidation Loans made under the Federal Family Education Loan Program (FFELP). As a result, certain terms of the loan you receive under the accompanying Federal Consolidation Loan Application and Promissory Note (Application and Promissory Note) differ from the terms in the Application and Promissory Note and Borrower's Rights and Responsibilities Statement.

This Addendum describes the changes made to the loan terms by the HERA. Your loan is subject to those changes. The changes set forth in this Addendum are incorporated into and made a part of the accompanying Application and Promissory Note that you sign and the Borrower's Rights and Responsibilities Statement.

- **Section B., Spouse Information, and all references throughout the Application and Promissory Note to consolidating jointly with your spouse.** *Effective for Applications and Promissory Notes received on or after July 1, 2006*, a married couple may no longer borrow a Federal Consolidation Loan as joint borrowers. You do not need to complete Section B of the Application and Promissory Note or provide other information relating to your spouse or your spouse's loans.
- **Section F., Borrower Certification and Authorization.** *Effective for Applications and Promissory Notes signed on or after July 1, 2006*, by signing your Application and Promissory Note, you are certifying, under penalty of perjury, that if you have been convicted of, or have pled *nolo contendere* or guilty to, a crime involving fraud in obtaining federal student assistance under Title IV of the Higher Education Act of 1965, as amended, you have completed the repayment of such funds to the U.S. Department of Education, or to the loan holder in the case of a Title IV federal student loan.
- **Instructions for Completing the Federal Consolidation Loan Application and Promissory Note, Section E., Repayment Plan Selection.** *Effective July 1, 2006*, the last sentence of the Note at the end of Section E is revised to read as follows: "Alternatively, if you have an outstanding balance on a FFELP loan and submit an application for a Federal Consolidation Loan to a FFELP lender eligible to make Federal Consolidation Loans, and the lender denies your application or denies your application for a Federal Consolidation Loan with income-sensitive repayment terms, you may apply for a Federal Direct Consolidation Loan from the U.S. Department of Education."
- **Borrower's Rights and Responsibilities Statement, Item 8, Loan Discharge & Forgiveness.** *Effective July 1, 2006*, all or a portion of a Federal Consolidation Loan is also eligible for discharge if it is determined that the borrower's eligibility for one or more of the loans that were consolidated was falsely certified as a result of a crime of identity theft.
- **Borrower's Rights and Responsibilities Statement, Item 9, Deferment.** *Effective July 1, 2006*, if all of the Title IV loans included in the Federal Consolidation Loan were first disbursed on or after July 1, 2001, a borrower may receive a deferment for a period of up to three years during which the borrower is 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.