Direct Loans

William D. Ford Federal Direct Loan Program

Federal Direct Consolidation Loan

OMB No. 1845-0053
Form Approved
Exp. Date 1/31/2005

Borrower's Name CHRISTOPHER J BRAY

Borrower's Social Security Number 361-76-0909

Section E: Repayment Plan Selection

Carefully read the repayment plan information in "Direct Consolidation Loans" that accompanies this application and promissory note to understand your repayment plan options. Then, complete this section to select your repayment plan. Remember--

- All student loans must be repaid under the same repayment plan. Parent PLUS loans may be repaid under a different repayment plan.
- If you select the Income Contingent Repayment Plan, you must complete the "Repayment Plan Selection" and "Income Contingent Repayment Plan Consent to Disclosure of Tax Information" forms that accompany this application and promissory note. Your selection cannot be processed without these forms.
- **If you want to consolidate a defaulted student loan(s) and you have not made a satisfactory repayment arrangement with your current holder(s), you must select the Income Contingent Repayment Plan.**

31. Place an "X" in the box that corresponds to your repayment plan selection for each loan type. Note that Direct PLUS Consolidation Loans cannot be repaid under the Income Contingent Repayment Plan.

	Income Contingent	Standard	Extended	Graduated
STUDENT LOANS *Direct Subsidized and Unsubsidized Consolidation Loans*	☐	X	☐	☐
PARENT LOANS *Direct PLUS Consolidation Loans*	Not Available	☐	☐	☐

Section F: Promissory Note (Continued on reverse side)

To be completed and signed by borrower and spouse, if applicable.

Promise to Pay:

I promise to pay to the U.S. Department of Education (ED) all sums (hereafter "loan" or "loans") disbursed under the terms of this Promissory Note (note) to discharge my prior loan obligations, plus interest, and other fees that may become due as provided in this note. If I fail to make payments on this note when due, I will also pay collection costs including but not limited to attorney's fees and court costs. If ED accepts my application, I understand that ED will on my behalf send funds to the holder(s) of the loan(s) selected for consolidation in order to pay off this loan(s). I further understand that the amount of this loan will equal the sum of the amount(s) that the holder(s) of the loan(s) verified as the payoff balance(s) on that loan(s) selected for consolidation. My signature on this note will serve as my authorization to pay off the balance(s) of the loan(s) selected for consolidation as provided by the holder(s) of such loan(s).

This amount may be more or less than the estimated total balance I have indicated in Section D. Further, I understand that if any collection costs are owed on the loans selected for consolidation, these costs may be added to the principal balance of the consolidation loan.

I understand that this is a Promissory Note. I will not sign this note before reading it, including the text on the reverse side, even if I am advised not to read the note. I am entitled to an exact copy of this note and a statement of the Borrower's Rights and Responsibilities. My signature certifies that I have read, understand, and agree, to the terms and conditions of this note, including the Borrower Certification and Authorization printed on the reverse side and the accompanying Borrower's Rights and Responsibilities.

If consolidating jointly with my spouse, we agree to the same terms and conditions contained in the Borrower Certification and Authorization. In addition, we confirm that we are legally married to each other and understand and agree that we are and will continue to be held jointly and severally liable for the entire amount of the debt represented by the Federal Direct Consolidation Loan without regard to the amounts of our individual loan obligations that are consolidated and without regard to any change that may occur in our marital status. We understand that this means that one of us may be required to pay the entire amount due if the other is unable or refuses to pay. We understand that the Federal Direct Consolidation Loan we are applying for will be cancelled only if both of us qualify for cancellation. We further understand that we may postpone repayment of the loan only if we provide ED with written requests that confirm Federal Direct Consolidation Loan Program deferment or forbearance eligibility for both of us at the same time.

I UNDERSTAND THAT THIS IS A FEDERAL LOAN THAT I MUST REPAY.

32. Signature of Borrower Christopher J Bray Date 03/19/2007
(Electronic Signature)

Signature of Spouse (if consolidating jointly) _____ Date _____

Promissory Note (continued)

Governing Law and Notices

This Promissory Note (note) applies to Federal Direct Consolidation Loans (Direct Consolidation Loans). In this note, the Higher Education Act of 1965, as amended, 20 U.S.C. 1070 et seq., and applicable U.S. Department of Education (ED) regulations are referred to as "the Act." The terms of this note will be interpreted according to the Act and other applicable federal statutes and regulations. Applicable state law, except as preempted by federal law, may provide for certain borrower rights, remedies, and defenses in addition to those stated in this note.

Disclosure of Terms

When the loan(s) that I am consolidating is paid off, I will be sent a Disclosure Statement and Repayment Schedule (disclosure). The disclosure will identify my Direct Consolidation Loan amount and additional terms of my loan. If I have questions about the information disclosed, I will contact ED. If the information in this note conflicts with the information in the disclosure, the disclosure will be controlling.

Important additional terms of this loan are disclosed in the statement of Borrower's Rights and Responsibilities accompanying this note.

I understand that my Direct Consolidation Loan may consist of up to three separate loan identification numbers depending on the loan(s) I choose to consolidate. These loan identification numbers will represent prior subsidized loans, prior unsubsidized loans, and prior parent PLUS loans. The Borrower's Rights and Responsibilities identifies which eligible loans are included in each of these categories. Each applicable loan identification number is represented by this note.

Interest

Except for interest ED does not charge me during an in-school, grace, or deferment period, I agree to pay interest on the principal amount of my Direct Consolidation Loan from the date of disbursement until the loan is paid in full or discharged. ED may add interest that accrues but is not paid when due to the unpaid principal balance of this loan, as provided under the Act. This is called capitalization.

Interest will be calculated according to the applicable formulas provided for by the Act.

The interest rate on my Direct Consolidation Loan will be based on the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher one-eighth of one percent, but shall not exceed 8.25%. This is a fixed interest rate, which means that the rate will remain the same throughout the life of the loan.

Late Charges and Collection Costs

If I fail to make any part of an installment payment within 30 days after it becomes due, ED may collect from me a late charge that will not exceed six cents for each dollar of each late installment. If I default on the loan, I will pay reasonable collection fees and costs, plus court costs and attorney's fees associated with collection of the debt.

Grace Period

My Direct Consolidation Loan will receive a grace period if I meet all of the following conditions: (1) I have at least one William D. Ford Federal Direct Loan (Direct Loan) Program loan or attend a Direct Loan school, (2) at least one Direct Loan or Federal Family Education Loan (FFEL) Program loan that I am consolidating is in an in-school period, and (3) my application for a Direct Consolidation Loan is received by ED prior to the end of my in-school period. A six-month grace period begins the day after I cease to be enrolled at least half time at an eligible school. (If my enrollment status changes to less than half time after I apply but before the first disbursement of my Direct Consolidation Loan, I will not have to make payments on my Direct Consolidation Loan for the number of months remaining in my grace period at the time the first disbursement is made.)

Repayment

Unless my Direct Consolidation Loan is in an in-school or grace period when it is disbursed, I must select a repayment plan. If I do not select a repayment plan, ED will choose a plan for me in accordance with ED's regulations. My first payment will be due within 60 days of the first disbursement of my Direct Consolidation Loan unless it is in an in-school, grace, or deferment period. A repayment schedule will be furnished to me and will establish repayment terms, including my payment amount and the length of my repayment period. Payments will be scheduled in monthly installments. The amount of my monthly payment may be adjusted to reflect changes in the variable interest rate. ED may adjust my repayment schedule if ED learns that any of the loans listed herein is not eligible to be consolidated. My repayment period will be up to 30 years in length, depending on the amount of my student loan indebtedness and my repayment plan. Any period for which ED has granted a deferment or forbearance will not be included in determining my repayment period.

I may prepay all or any part of the unpaid balance on my loan at any time without penalty. I agree to accept written notification of such pay off in lieu of receiving the original note.

Acceleration and Default

At the option of ED, the entire unpaid balance shall become immediately due and payable when either of the following events occurs: (i) I make false representation that results in my receiving a loan for which I am not eligible, or (ii) I default on the loan.

The following events shall constitute a default on a loan: (i) I fail to pay the entire unpaid balance after ED has exercised its option under the preceding paragraph; or (ii) I fail to make installment payments when due, or fail to comply with other terms of the loan, and ED reasonably concludes I no longer intend to honor my repayment obligation. My failure must have persisted for at least 270 days. If I default, ED will capitalize all outstanding interest into a new principal balance.

If I default, this will be reported to national credit bureau organizations and will significantly and adversely affect my credit rating. I acknowledge that a default shall have additional adverse consequences to me as disclosed in the Borrower's Rights and Responsibilities.

Following default, the loan may at ED's option, be subject to income contingent repayment in accordance with the Act.

Any notice required to be given to me will be effective when mailed by first class mail to the latest address that ED has for me. I will immediately notify ED of any change of my address. Failure by ED to enforce or insist on compliance with any term on this note shall not waive any right of ED. No provision of this note may be changed or waived except in writing by ED. If any provision of this note is determined to be unenforceable, the remaining provisions shall remain in force.

Borrower Certification and Authorization

I declare under penalty of perjury that the following is true and correct:

(1) I certify that the information provided by me and my spouse, if applicable, in this note is true, complete, and correct to the best of my knowledge and belief and is made in good faith.

(2) I certify that I do not now owe a refund on a Federal Pell Grant, Basic Educational Opportunity Grant, Federal Supplemental Educational Opportunity Grant, or a State Student Incentive Grant, or if I owe a refund, I have made satisfactory arrangements with the holder to repay the amount owed. I further certify that I am not now in default on any loan I am consolidating or, if I am in default, I have either made a satisfactory repayment arrangement with the holder of that defaulted loan, or I will repay under the income contingent repayment plan. I understand that income contingent repayment is not available for the parent PLUS loan portion of my Direct Consolidation Loan.

(3) I certify that all of the loans selected have been used to finance my education, my spouse's education, or my child's education.

(4) I certify that I do not have any other application pending for a Federal Consolidation Loan with any other lender. If my student loans are in a grace or repayment period and if none of the loans I am consolidating is a Direct Loan Program loan, I further certify that I have sought and been unable to obtain a Federal Consolidation Loan from a FFEL Program lender, or a lender would not provide me with a Federal Consolidation Loan with income-sensitive repayment terms acceptable to me. If I have parent PLUS loans and none of the loans I am consolidating is a Direct Loan Program loan, I further certify that I have sought and been unable to obtain a Federal Consolidation Loan from a FFEL Program lender. If, however, I am consolidating jointly with my spouse, only one borrower, my spouse or I, must have sought a Federal Consolidation Loan from a FFEL Program lender.

(5) I understand that this loan shall, to the extent used to discharge loans that I have selected, count against the applicable aggregate loan limits under the Act.

(6) I understand that the amount of my Direct Consolidation Loan is the sum of the balance(s) of my outstanding eligible loan(s) that I have chosen to consolidate. My outstanding balance on each loan to be consolidated includes unpaid principal, unpaid accrued interest, and late charges as defined by federal regulations and as certified by each holder. Collection costs may also be included. For a Direct Loan or FFEL Program loan that is in default, ED limits collection costs that may be charged to the borrower to no more than those currently authorized under the FFEL Program and may impose reasonable limits on collection costs paid to the holder. If the amount ED advances to my holder(s) exceeds the amount needed to pay off the balance(s) of the selected loan(s), I understand that the holder will refund the excess to ED for application against the outstanding balance of this loan. If the amount that ED advances to my holder(s) is less than the amount needed to pay off the balance(s) of the loan(s) selected for consolidation, ED will include the remaining amount in this loan unless I pay the remaining balance myself.

(7) I authorize ED to contact the holder(s) identified on my application to determine the eligibility and/or payoff amount for the loan(s) I have identified. I further authorize release to ED or its agent any information required to consolidate my education loan(s) pursuant to the Act.

(8) I authorize ED to issue the proceeds of my Direct Consolidation Loan to the holder(s) of the loan(s) so selected to discharge the debt.

(9) I authorize ED to investigate my credit record and report information concerning my loan status to proper persons and organizations authorized to receive this information.

(10) I authorize the release of information pertinent to this loan: (i) by my school(s) and ED, to members of my immediate family unless I submit written direction otherwise; and (ii) by and amongst my school(s), ED, and their agents.

(11) I authorize my school(s), ED, and their agents, to verify my social security number with the Social Security Administration (SSA) and, if the number on my loan record is incorrect, then I authorize SSA to disclose my correct social security number to these parties.

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Important Notices

Privacy Act Disclosure Notice

The Privacy Act of 1974 (5 U.S.C. 552a) requires that we disclose to you the following information:

The authority for collecting this information is §451 et seq. of the Higher Education Act of 1965, as amended (the HEA) (20 U.S.C. §1807a et seq.). The principal purposes for collecting this information are to determine your eligibility for a Federal Direct Consolidation Loan that is made under the William D. Ford Federal Direct Loan (Direct Loan) Program, to document your agreement to repay this loan, and to identify and locate you if it is necessary to enforce the loan.

We ask that you provide the information requested on this Federal Direct Consolidation Loan Application and Promissory Note (application and promissory note) on a voluntary basis. However, you must provide all of the requested information that is available to you so the Department may process the application and promissory note because the Department needs the information to consolidate your loans into a Federal Direct Consolidation Loan.

The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called "Title IV Program Files" (originally published on April 12, 1994, Federal Register, Vol. 59, p. 17351) and "National Student Loan Data System" (originally published on December 20, 1994, Federal Register, Vol. 59, p. 65532). Thus, this information may be disclosed to parties that we authorize to assist us in administering the Federal student aid programs, including contractors that are required to maintain safeguards under the Privacy Act. Disclosures may also be made for verification of information, determination of eligibility, enforcement of conditions of the loan or grant, debt collection, and the prevention of fraud, waste, and abuse and these disclosures may be made through computer matching programs with other Federal agencies. Disclosures may be made to determine the feasibility of entering into computer matching agreements. We may send information to members of Congress if you ask them in writing to help you with Federal student aid questions. If we are involved in litigation, we may send information to the Department of Justice (DOJ), a court, adjudicative body, counsel, or witness if the disclosure is related to financial aid and certain other conditions are met. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for consideration of action and we may disclose to DOJ to get its advice related to the Title IV, HEA programs or questions under the Freedom of Information Act. Disclosures may be made to qualified researchers under Privacy Act safeguards. In some circumstances involving employment decisions, grievances, or complaints or involving decisions regarding the letting of a contract or making of a grant, license, or other benefit, we may send information to an appropriate authority. In limited circumstances, we may disclose to a Federal labor organization recognized under 5 U.S.C. Chapter 71.

Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) provides that, in order to receive any grant, loan, or work assistance under Title IV of the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so that data may be recorded accurately.

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

Paperwork Reduction Notice
According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is **1845-0053**. The time required to complete this information collection is estimated to average 1.0 hour (60 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving the form, please write to:** U.S. Department of Education, Washington, DC 20202-4651. **If you have any comments or concerns regarding the status of *your individual submission* of this form, write directly to:**

U.S. Department of Education
Consolidation Department
Loan Origination Center
P.O. Box 242800
Louisville, KY 40224-2800

Transaction History

Below is a summary of actions that you completed during the electronic consolidation application and promissory note process:

Your identity was confirmed by the PIN web site on	03/19/2007 at 12:06:04 CT
You agreed to use an electronic consolidation application and promissory note on	03/19/2007 at 14:20:08 ET
You confirmed that you read, understood, and agreed to the statement of Borrower's Rights and Responsibilities on	03/19/2007 at 14:21:31 ET
You reviewed your draft consolidation application and promissory note and confirmed that you read, understood, and agreed to the Certification and Authorization, Promise to Pay, Disclosure of Terms, and Important Notices on	03/19/2007 at 14:22:06 ET
You signed your consolidation application and promissory note on	03/19/2007 at 14:22:54 ET
You reviewed your signed consolidation application and promissory note and entered your Confirmation Code on	To be completed
You confirmed your acceptance of the terms and conditions of this consolidation application and promissory note and submitted it to us on	03/19/2007 at 14:24:18 ET
Your consolidation application and promissory note Confirmation Code is:	F0B