\%RURZ HON Name (please print clearly):

Last Name

## U.S. Department of Education Account Number:



This letter confirms my acceptance in the Loan Rehabilitation Program and my agreement to repayment of my defaulted Federal Family Education Loan (FFEL) program student loans held by the U.S. Department of Education (Department). I understand that compliance with this agreement is a prerequisite to the sale of my loans to the authorized, Department-approved lender.
Please check the appropriate paragraph:
mm/dd/yyyy
$\square$ I understand that I must make at least nine (9) monthly payments in the amount of \$ $\qquad$ , beginning $\qquad$ with each payment due on the same day each month thereafter. I must make the full payment in the agreed amount within twenty (20) days of their monthly due dates over a ten (10) month period. If I fail to make the required number of on-time payments in a ten (10) month period, I will need to begin a new series of agreed-upon payments in order to qualify for rehabilitation of my loans.
$\square$ I am currently making monthly payments. I understand that these payments, if timely, will be included in the calculation of the required minimum number of monthly payments. I will continue to meet my established monthly payment due date.

I also understand and agree to the following terms and conditions:

1. I understand that the amount of my nine (9) qualifying monthly payments are lower than the amount of the payments that I would be required to make over the remaining term of my rehabilitated loan(s). Since the balance of my loan(s) is expected to exceed $\$ 7,500$ at the time of rehabilitation, I have requested to consolidate my loan(s) immediately after rehabilitation to take advantage of the extension of repayment amortization terms and/or graduated repayment plans offered by the loan consolidation program. I also understand that it will be necessary to submit a loan consolidation application and complete the funding process in order to take advantage of these extended repayment options.
2. I understand that this agreement is null and void if I do not honor the terms of this agreement by making a full payment within twenty (20) days of the monthly due date every month for a minimum of nine (9) months. Should this occur, I will need to begin a new series of agreed-upon payments in order to qualify for rehabilitation of my loan(s).
3. I cannot change the monthly payment amount without the Department's agreement or the agreement of the collection agency servicing my account.
4. I may have to provide a new financial statement in order to support a request to change my monthly-required payment amount.
5. I must continue to make monthly payments to the Department beyond the required minimum period until I am notified in writing by the Department or my new lender that the sale has been completed and that I am to begin making payments directly to my lender.
6. Any interest that I owe at the time my loan(s) is sold will be capitalized by the lender, that is, the lender will add any unpaid interest to the principal I owe on the loan(s) and this will become the new principal balance on the loan(s). Interest will then accrue on this new higher principal. The Department agrees to waive collection of any cost the Department incurs as a result of the sale of my loan(s) under this rehabilitation agreement unless I default on the loan(s) in the future and the Department takes assignment of the loan(s). The Department will collect as part of the debt then owed, the collection cost originally waived under this agreement. This will substantially increase the amount that will then be owed to satisfy the debt to the Department.
7. After the sale of my loan(s), any payments made to the Department will be forwarded to my lender for credit to my account. Any involuntary payment (Treasury offset) or post-dated check will be refunded to me at the address on my billing statement.
8. My new lender will establish a new due date and will calculate a new monthly payment amount based upon the balance owed at the time of sale. The amount of the required monthly installment payment may substantially increase.

I have read the above and agree to the terms and conditions of the Loan Rehabilitation Program and this repayment agreement.

Signed: $\qquad$ Date: $\qquad$
Please forward this signed and dated agreement to Financial Asset Management Systems, Inc. (FAMS) via any of the following methods:

Financial Asset Management Systems, Inc. (FAMS)
P.O. Box 451437

Atlanta, GA 31145-1437

- Email: ffelforms@fams.net
- Web upload: https://studentloan.famspayonline.net
- Fax: 1-678-623-8091 or 1-678-623-5159


## Waiver of Consolidation:

I understand that the rehabilitation repayment terms do not require payments large enough to pay off my loans within a tenyear period. I understand that if I complete the required series of payments and my loan is sold, after that sale, my loans will be considered rehabilitated. After I make the required payments, I intend that the Department sell my loans to a lender.

I understand that the monthly payments I will then be required to make to the lender after the sale may be substantially larger than the payments I am now required to make.

I understand that in order to continue to make payments after the sale of the loan, I will need to obtain a Consolidation Loan for this debt to make use of the longer repayment periods allowed for Consolidation Loans.

I understand that I am free to apply for a Consolidation Loan at any time in the future. I hereby decline to apply, at this time, for a Consolidation Loan to pay off the defaulted loan(s), which I am now repaying to the Department of Education.

You are not required to return this waiver in order to obtain rehabilitation of your loan(s).

## Signed:

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Name: $\qquad$ FAMS ID : $\qquad$
First Name

