

Repayment Agreement Under the Loan Rehabilitation Program

Borrower's Name (please print clearly):

Borrower's Account Number:

This letter confirms my acceptance into the loan rehabilitation program and my agreement to repay my defaulted Federal Family Education Loan (FFEL) Program student loans held by United Student Aid Funds, Inc. I understand that compliance with this agreement is a prerequisite to the sale of my loans to the authorized, approved lender.

Please check the appropriate paragraph:

I understand that I must make at least nine (9) qualifying payments within a ten (10) month period in the agreed amount of \$ _____ with a beginning due date of _____, with each payment due on the same day each month thereafter. I must make the full payments 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 over a ten (10) month period, then I will need to begin a new series of agreed-upon payments in order to qualify for rehabilitation of my loans.

I am currently making payments. I understand that these payments, if timely, will be included in the calculation of the required nine (9) qualifying payments. I will continue to meet my established due date that begins on _____, with each payment being due on the same day each month thereafter. mm/dd/yyyy

We encourage you to participate in the program and take advantage of the opportunity. We are providing you with the following terms and conditions:

- (1) 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 due date 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). According to federal law, a loan may be considered for rehabilitation only after each of the nine (9) voluntary reasonable and affordable payments have been made. Further, a defaulted loan may only be rehabilitated one time.
- (2) I understand that this agreement is null and void if I file for bankruptcy during the rehabilitation cycle.
- (3) I cannot change the payment amount without United Student Aid Funds, Inc. 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 required payment amount.
- (5) I understand that if my wages are currently active in Administrative Wage Garnishment:
 - (a.) Unless directed by me, my employer will be instructed to suspend future garnishment payments after I have made five (5) voluntary, qualifying payments under this rehabilitation agreement.
 - (b.) I am only eligible one time for benefit of suspension of Administrative Wage Garnishment.
 - (c.) Suspension of Administrative Wage Garnishment will not occur if I have not returned all required documents.
 - (d.) Any garnishment payments received after I have made five (5) voluntary, qualifying payments will be refunded directly to me.
 - (e.) My employer will be notified to reinstate Administrative Wage Garnishment if at any time, I fail to maintain the required payment schedule that has been established under this agreement.

- (6) I understand that this agreement will become null and void if I fail to sign and return this rehabilitation agreement. Further, I also understand that this agreement will become void, if I am required but fail or refuse to provide proof of my adjusted gross income and/or family size or any other income and expense document within the first 12 months of the first payment due date.
- (7) Rehabilitation will not occur until I have signed and returned this rehabilitation agreement.
- (8) After the nine (9) qualifying payments have been made, the loan may be considered for purchase by an eligible lender to complete the loan rehabilitation. I understand that I must continue to make payments to United Student Aid Funds, Inc. beyond the required minimum period until I am notified in writing by United Student Aid Funds, Inc. or my new lender that the sale has been completed and that I am to begin making payments directly to my lender.
- (9) Once my loan is rehabilitated and is no longer in default, the national credit bureaus will be notified to delete the derogatory credit rating previously reported by the guarantor in reference to the loan.
- (10) The collection costs that have been added will be reduced to 16% of the unpaid principal and accrued interest at the time of the loan rehabilitation. The adjusted collection cost as well as 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.
- (11) After the sale of my loan(s), any payments made to United Student Aid Funds, Inc. will be forwarded to my lender for credit to my account. Any involuntary payment (treasury offset) or payments on file will be refunded to me at the address on my billing statement.
- (12) Once my loan(s) are rehabilitated, I can apply for additional financial aid if I return to school. I will also regain remaining deferment and forbearance eligibility on the rehabilitated loan(s).
- (13) 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.
- (14) I may object verbally or in writing to the rehabilitation terms outlined in the form by contacting Financial Asset Management Systems, Inc. at 1-877-291-2646 or in writing, to the address listed on this letter.

To participate in the loan rehabilitation program and take advantage of the benefits above we must receive this completed form back with your signed approval. Once we receive this form with your signature, and you have made nine (9) on-time, qualifying payments, your loan(s) will be considered for loan rehabilitation. If the loan(s) is rehabilitated, we will notify you once the loan rehabilitation is complete.

Signature: _____ Date: _____
mm/dd/yyyy

Printed Name: _____

Social Security Number: _____