

A D D E N D U M

The College Cost Reduction and Access Act (Pub. L. 110-84), signed into law on September 27, 2007, and the Higher Education Opportunity Act (Pub. L. 108-315), signed into law on August 14, 2008, changed the terms of loans made under the Federal Perkins Loan Program authorized by Part E of the Higher Education Act of 1965, as amended.

CHANGES AFFECTING FEDERAL PERKINS LOANS

LOAN REHABILITATION

If you default on your Federal Perkins Loan, you may rehabilitate your defaulted loan under the terms and conditions specified in your promissory note by making nine on-time, consecutive, monthly payments, as determined by the loan holder. After your loan is rehabilitated, collection costs on the loan may not exceed 24% of the unpaid principal and accrued interest as of the date following the application of the ninth consecutive payment.

FORBEARANCE

Upon making a properly documented request to the holder of your loan, orally or in writing, you are entitled to forbearance of principal and interest, or principal only, renewable at intervals of up to 12 months for periods that collectively do not exceed three years, under the terms and conditions specified in your promissory note.

DEFERMENT

As of October 1, 2007, you may defer making scheduled installment payments, and will not be liable for any interest that might otherwise accrue on your Federal Perkins Loans, for an unlimited period during which you are 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, (as these terms are defined in 34 CFR §674.34(h) of the Perkins Loan Program regulations) and, if your active duty service includes October 1, 2007 or begins on or after that date, the 180-day period following the demobilization date for your service.

As of October 1, 2007, if you are serving on active duty military service on that date, or begin serving on or after that date for at least a 30-day period, you may defer making scheduled installment payments, and will not be liable for any interest that might otherwise accrue on your Federal Perkins Loans, for up to 13 months following the conclusion of your service and initial grace period if you are a member of the National Guard or other reserve component of the Armed Forces of the United States or a member of such forces in retired status (as these terms are defined in 34 CFR §674.34(i)(2)) and you were enrolled in a program of instruction at the time, or within six months prior to the time you were called to active duty. Active duty does not include active duty for training or attendance at a service school or employment in a full-time, permanent position in the National Guard unless you are reassigned from that position to another form of active duty service.

CANCELLATION FOR TEACHING SERVICE

Upon making a properly documented written request to the holder of your loan, you are entitled to have up to 100% of the original principal loan amount of your Federal Perkins Loan cancelled for qualifying teaching service that includes August 14, 2008, or begins on or after that date, in a school or location, operated by an educational service agency, that has been determined to have a high concentration of students from low-income families. An official Directory of designated low-income schools and locations operated by educational service agencies is published annually by the Department.

CANCELLATION FOR PRE-KINDERGARTEN OR CHILD CARE PROGRAM

Upon making a properly documented written request to the holder of your loan, you are entitled to have up to 100% of the original principal loan amount cancelled for qualifying service that includes August 14, 2008, or begins on or after that date, as a full-time staff member in a pre-kindergarten or child care program that is licensed or regulated by the State and that is operated for a period comparable to a full school year in the locality if your salary is not more than the salary of a comparable employee of the local educational agency.

CANCELLATION FOR ATTORNEYS EMPLOYED IN A DEFENDER ORGANIZATION

Upon making a properly documented written request to the holder of your loan, you are entitled to have up to 100% of the original principal loan amount cancelled for qualifying full-time service that includes August 14, 2008, or begins on or after that date, as an attorney employed in a defender organization established in accordance with section 3006(g)(2) of title 18, U.S.C.

CANCELLATION FOR FIREFIGHTERS

Upon making a properly documented written request to the holder of your loan, you are entitled to have up to 100% of the original principal loan amount cancelled for qualifying service that includes August 14, 2008, or begins on or after that date, as a full-time firefighter for a local, State or Federal fire department or fire district.

CANCELLATION FOR FACULTY OF A TRIBAL COLLEGE OR UNIVERSITY

Upon making a properly documented written request to the holder of your loan, you are entitled to have up to 100% of the original principal loan amount cancelled for qualifying full-time service that includes August 14, 2008, or begins on or after that date, as a faculty member at a Tribal College or University, as that term is defined in section 316 of title 20, U.S.C.

CANCELLATION FOR SERVICE AS A LIBRARIAN

Upon making a properly documented written request to the holder of your loan, you are entitled to have up to 100% of the original principal loan amount cancelled for qualifying full-time service that includes August 14, 2008, or begins on or after that date, as a librarian, if you have a master's degree in library science and you are employed in an elementary or secondary school that is eligible for assistance under part A of title I of the

elementary and Secondary Education Act of 1965, or you are employed in a public library that serves a geographic area that contains one or more of such schools.

CANCELLATION FOR SERVICE AS A SPEECH-LANGUAGE PATHOLOGIST

Upon making a properly documented written request to the holder of your loan, you are entitled to have up to 100% of the original principal loan amount cancelled for qualifying full-time service that includes August 14, 2008, or begins on or after that date, as a full-time speech-language pathologist if you have a master's degree and if you are working exclusively with schools that are eligible for assistance under title I of the Elementary and Secondary Education Act of 1965.

CANCELLATION FOR MILITARY SERVICE IN AN AREA OF HOSTILITY

Upon making a properly documented written request to the holder of your loan, you are entitled to have up to 100% of the original principal loan amount cancelled for qualifying full-time service that includes August 14, 2008, or begins on or after that date, as a member of the Armed Forces of the United States in an area of hostility that qualifies for special pay under section 310 of title 37 of the U.S. Code.

CANCELLATION RATES

For each complete year of service under the Teaching Service, Attorneys Employed in a Defender Organization, Firefighter, Faculty of a Tribal College or University, Librarian, Speech-Language Pathologist and Military Service Cancellation provisions, a portion of your loan will be canceled at the rate of 15% of the original principal loan amount for the first and second years of service; 20% of the original principal amount for the third and fourth years of service; and 30% of the original principal loan amount for the fifth year of service. The complete year of qualifying service must be performed after the enrollment period covered by the loan.

For each complete year of service under the Pre-Kindergarten or Child Care Program Cancellation provision, your loan will be cancelled at a rate of 15% of the original principal loan amount. The complete year of qualifying service must be performed after the enrollment period covered by the loan.

TOTAL AND PERMANENT DISABILITY DISCHARGE

Upon making a properly documented written request to the school on or after July 1, 2008, you are entitled to a discharge of the total amount owed on your Federal Perkins Loan if the Department of Veterans Affairs determines that you are unemployable due to a service-connected disability.

YOU ARE RECEIVING A LOAN THAT MUST BE REPAYED