

**PLAIN LANGUAGE DISCLOSURE FOR DIRECT PLUS LOANS  
WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM**

**1. GENERAL INFORMATION**

You are receiving a Direct PLUS Loan under a Direct PLUS Loan Master Promissory Note (MPN) that you signed previously (see Item 2). This Plain Language Disclosure (Disclosure) summarizes important information about the terms and conditions of your loan. For the complete terms and conditions of your loan, refer to your MPN and the Borrower's Rights and Responsibilities Statement that you received with your MPN. If you need another copy of the Borrower's Rights and Responsibilities Statement, contact your servicer.

Please read this Disclosure carefully and keep a copy in a safe place. In this Disclosure, the words "we," "us," and "our" refer to the U.S. Department of Education (the Department). The word "you" refers to the borrower, who may be a graduate or professional student or the parent of a dependent undergraduate student.

We may use a servicer to handle billing and other communications related to your loan. If you have questions about your loan, contact your servicer. Your servicer will provide you with its address and telephone number after the school notifies us that the first disbursement of your loan has been made. It is important to keep in contact with your servicer.

You must repay this loan, even if you or your dependent undergraduate student are unhappy with the education provided by the school, do not complete the program of study paid for with the loan, or cannot find work in that area of study. Borrow only the amount you can afford to repay, even if you are eligible to borrow more.

By signing the MPN, you certified under penalty of perjury that if you or your dependent undergraduate student, as applicable, have been convicted of, or have pled *nolo contendere* (no contest) or guilty to, a crime involving fraud in obtaining federal student aid funds under Title IV of the Higher Education Act of 1965, as amended (the HEA), you or the student have fully repaid those funds to us, or to the loan holder in the case of a Title IV federal student loan.

Information about your loans will be submitted to the National Student Loan Data System (NSLDS). Information in NSLDS is accessible to schools, lenders, and guarantors for specific purposes that we authorize.

**2. DIRECT PLUS LOAN MASTER PROMISSORY NOTE (MPN)**

You may receive more than one loan under the MPN that you previously signed for up to 10 years if the school that you or your dependent student attend is authorized to use the multi-year feature of the MPN and chooses to do so. If the school is not authorized to use the multi-year feature of the MPN or chooses not to do so, or if you do not want to receive more than one loan under the same MPN, you must sign a new MPN for each loan. If you do not want to receive more than one loan under the same MPN, you must notify the school or your servicer in writing.

If you are a parent borrowing for more than one dependent undergraduate student, you need a separate MPN for each student. If you are borrowing for yourself as a graduate or professional student and also as a parent for one or more dependent undergraduate students, you need one MPN to borrow for yourself and a separate MPN to borrow for each dependent student.

**3. LOAN TERMS AND CONDITIONS**

Unless we tell you otherwise in this Disclosure, your MPN and the Borrower's Rights and Responsibilities Statement control the terms and conditions of your loan. The terms and conditions of loans made under your MPN are determined by the Higher Education Act of 1965, as amended (the HEA) and other applicable federal laws and regulations. In this Disclosure, we refer to these laws and regulations to as "the Act." Any change to the Act that affects the terms of the MPN that you signed applies to your loans in accordance with the effective date of the change.

**4. DIRECT PLUS LOANS**

Direct PLUS Loans are loans made to graduate or professional students or to parents of dependent undergraduate students to help pay for the cost of education beyond high school ("dependent" is defined in the Act and is different from the definition used by the Internal Revenue Service). Refer to your MPN for detailed information on the eligibility requirements to receive a Direct PLUS Loan.

**5. USE OF LOAN MONEY**

You may use your loan money only to pay for authorized educational expenses (for example, tuition, room, board, books) for yourself (if you are a graduate or professional student) or for your dependent undergraduate student (if you are a parent borrower) at the school that determined you were eligible to receive the loan. If you accept this loan, eligibility for other student assistance may be affected.

**6. INFORMATION YOU MUST REPORT**

While you or your dependent student are still in school, you must notify the school if:

- You change your address or telephone number;
- You change your name (for example, maiden name to married name);
- You or your dependent student do not enroll at least half-time for the loan period certified by the school, or do not enroll at the school that certified your eligibility for the loan;
- You or your dependent student stop attending school or drop below half-time enrollment; or
- You or your dependent student graduate or transfer to another school.

You must also notify your servicer of any of the above changes at any time after you receive your loan. In addition, you must notify your servicer if you:

- Change employers or if your employer's address or phone number changes; or
- Have any other change in status that affects your loan (for example, if you received a deferment but no longer meet the eligibility requirements for that deferment).

**7. AMOUNT YOU MAY BORROW**

For each academic year, you may borrow up to – but not more than – the estimated cost of attendance minus the amount of any other financial aid awarded for that academic year. The school determines the cost of attendance using federal guidelines.

**8. INTEREST RATE**

The interest rate for Direct PLUS Loans varies depending on when the loan is first disbursed, as explained below. Different loans that you received under the same MPN may have different interest rates. We will notify you of the interest rate for each loan you receive in a disclosure statement that we send to you.

**Direct PLUS Loans first disbursed on or after July 1, 2013.** Loans first disbursed on or after July 1, 2013 have a fixed rate that is calculated in accordance with a formula specified in the Act. The interest rate is calculated each year. When the rate is calculated, it applies to all Direct PLUS Loans for which the first disbursement is made during the period beginning on July 1 of one year and ending on June 30 of the following year. Different fixed interest rates may apply to separate loans made under an MPN depending on when the loan is first disbursed. The maximum interest rate for Direct PLUS Loans first disbursed on or after July 1, 2013 is 10.5%.

**Direct PLUS Loans first disbursed on or after July 1, 2006 and before July 1, 2013.** All Direct PLUS Loans first disbursed during on or after July 1, 2006 and before July 1, 2013 have a fixed interest rate of 7.9%.

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**Direct PLUS Loans first disbursed before July 1, 2006.** Loans first disbursed before July 1, 2006 have a variable interest rate that is adjusted each year on July 1 but will never be more than 9%. For loans with a variable interest rate, we will notify you annually of the actual interest rate for each loan that you receive.

**Reduced interest rate under the Servicemembers Civil Relief Act (SCRA).** If you are in military service, you may qualify for a lower interest rate on your loans. Under the SCRA, the interest rate on loans you received before you began your military service may be limited to 6% during your military service. In most cases, your servicer will determine if you are eligible for this benefit based on information from the U.S. Department of Defense, and, if any of your qualifying loans have an interest rate greater than 6%, will automatically reduce that rate to 6% during your military service. If you think you qualify for the 6% interest rate but have not received it, contact your servicer. Your servicer can also provide more information about this benefit.

### **9. PAYMENT OF INTEREST**

**General.** Except as explained below for borrowers who are active duty service members, you are responsible for paying the interest that accrues on your Direct PLUS Loan from the date the loan is first disbursed until it is repaid in full, including during periods of deferment or forbearance.

**Interest capitalization.** If you do not pay the interest as it accrues during deferment or forbearance, we will add it to the unpaid principal balance of your loan at the end of the deferment or forbearance period. This is called capitalization. Capitalization increases the unpaid principal balance of your loan, and interest then accrues on the increased principal. We may also capitalize unpaid interest that has accrued since the first disbursement of your loan when you enter repayment for the first time.

**No accrual of interest benefit for active duty service members.** Under the no accrual of interest benefit for active duty service members, you are not required to pay the interest that accrues on any type of Direct Loan Program Loan first disbursed on or after October 1, 2008 during periods of qualifying active duty military service (for up to 60 months).

### **10. LOAN FEE**

For each Direct PLUS Loan you receive, we charge a loan fee that is a percentage of the principal amount of the loan. This fee will be subtracted proportionally from each disbursement of your loan and will be shown on a disclosure statement that we send to you.

### **11. INTEREST RATE REDUCTION FOR AUTOMATIC WITHDRAWAL OF PAYMENTS**

Under the automatic withdrawal option, your bank automatically deducts your monthly loan payment from your checking or savings account and sends it to us. You will receive a 0.25% reduction in your interest rate while you repay under the automatic withdrawal option. This payment option is described in the Borrower's Rights and Responsibilities Statement. Contact your loan servicer for more information.

### **12. DISBURSEMENT OF LOAN MONEY**

Generally, the school will disburse (pay out) your loan money in more than one installment, usually at the beginning of each academic term (for example, at the beginning of each semester or quarter). If the school does not use academic terms or does not have academic terms that meet certain requirements, it will generally disburse your loan in at least two installments, one at the beginning of the period of study for which you are receiving the loan, and one at the midpoint of that period of study. The school may disburse your loan money by crediting it to your or your dependent student's account at the school, or may give it to you directly by check or other means.

### **13. CANCELING YOUR LOAN**

Before your loan money is disbursed, you may cancel all or part of your loan at any time by notifying the school. After your loan money is disbursed, there are two ways to cancel all or part of your loan:

- **You may notify the school (within certain timeframes).** If your school obtains your written confirmation of the types and amounts of Title IV loans that you want to receive for an award year before crediting loan money to your or your dependent student's account at the school, you may tell the school that you want to cancel all or part of that loan within 14 days after the date the school notifies you of your right to cancel all or part of the loan, or by the first day of the school's payment period, whichever is later (the school can tell you the first day of the payment period).

If the school does not obtain your written confirmation of the types and amounts of loans you want to receive before crediting the loan money to your account, you may cancel all or part of that loan by informing the school within 30 days of the date the school notifies you of your right to cancel all or part of the loan.

If you ask the school to cancel all or part of your loan within the timeframes described above, the school will return the cancelled loan amount to us. If you ask the school to cancel all or part of your loan outside the timeframes described above, the school may process your cancellation request, but it is not required to do so.

- **You may return all or part of your loan to us.** Within 120 days of the date the school disbursed your loan money (by crediting the loan money to your or your dependent student's account at the school, by paying it directly to you, or both), you may cancel all or part of your loan by returning all or part of the loan money to us. Contact your servicer for guidance on how and where to return your loan money.

You do not have to pay interest or the loan fee on the part of your loan that is cancelled or returned within the timeframes described above. We will adjust your loan amount to eliminate any interest and loan fee that applies to the amount of the loan that is cancelled or returned.

### **14. REPAYING YOUR LOAN**

You must repay each Direct PLUS Loan that you receive according to the repayment schedule provided by your servicer. The repayment period for a Direct PLUS Loan begins on the date of the final disbursement of that loan. This means that the repayment period for each loan will begin on a different date. Unless you receive a deferment or forbearance (see Item 20), your first payment on each loan will be due within 60 days of the final disbursement of that loan.

You have a choice of repayment plans. These plans are designed to give you flexibility in meeting your obligation to repay your loan. We will ask you to choose a repayment plan before your loans enter repayment. If you do not choose a plan, we will place you on the Standard Repayment Plan.

You may change repayment plans at any time after you have begun repaying your loan. You may make loan payments before they are due, or pay more than the amount due each month, without penalty. When you have repaid a loan in full, your servicer will send you a notice telling you that you have paid off your loan. You should keep this notice in a safe place.

**The following repayment plans are available to all Direct PLUS Loan borrowers:**

**Standard Repayment Plan.** You will make fixed monthly payments and repay your loan in full within 10 years (not including periods of deferment or forbearance) from the date the loan entered repayment. Your payments must

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be at least \$50 per month (\$600 per year) and will be more, if necessary, to repay the loan within the required time period.

**Graduated Repayment Plan.** Your payments will usually be lower at first, and will then increase over time. You must repay your loan in full within 10 years (not including periods of deferment or forbearance) from the date the loan entered repayment. Your monthly payment must at least be equal to the amount of interest that accrues each month. No single payment will be more than 3 times greater than any other payment.

**Extended Repayment Plan.** You may choose this plan only if:

- You had no outstanding balance on a Direct Loan as of October 7, 1998 or on the date you obtained a Direct Loan on or after October 7, 1998, and
- You have an outstanding balance on Direct Loans that exceeds \$30,000.

You may choose to make fixed monthly payments or graduated monthly payments that start out lower and gradually increase over time, and will repay your loan in full over a period not to exceed 25 years (not including periods of deferment and forbearance) from the date your loan entered repayment. If you make fixed monthly payments, your payments must be at least \$50 per month (\$600 per year) and will be more, if necessary, to repay the loan within the required time period. If you make graduated payments, your monthly payment must at least be equal to the amount of interest that accrues each month. No single payment under the graduated option will be more than three times greater than any other payment.

**The following additional repayment plans are available only to graduate and professional student Direct PLUS Loan borrowers (parent Direct PLUS Loan borrowers may not repay their Direct PLUS Loans under these plans; however, if a parent Direct PLUS Loan borrower consolidates a Direct PLUS Loan into a Direct Consolidation Loan, the Direct Consolidation Loan may then be repaid under the ICR Plan described below; see Item 22 for information on loan consolidation):**

**Revised Pay As You Earn Repayment Plan (REPAYE Plan).** Under the REPAYE Plan, your monthly payment amount is generally 10% of your discretionary income. Discretionary income for this plan is the difference between your adjusted gross income and 150% of the poverty guideline amount for your state of residence and family size, divided by 12.

If you are married, the income used to determine your REPAYE Plan payment amount will generally be the combined income of you and your spouse, regardless of whether you file a joint or separate federal income tax return.

While you are repaying under the REPAYE Plan, you must provide documentation of your income (and, if you are married, your spouse's income) and certify your family size each year so that we may recalculate your payment amount.

Under the REPAYE Plan, if all of the loans you are repaying under the plan were obtained for undergraduate study, any remaining loan amount will be forgiven after you have made the equivalent of 20 years of qualifying monthly payments over a period of at least 20 years. If any of the loans you are repaying under the REPAYE Plan were obtained for graduate or professional study, any remaining loan amount will be forgiven after you have made the equivalent of 25 years of qualifying monthly payments over a period of at least 25 years. You may have to pay federal income tax on the loan amount that is forgiven.

**Pay As You Earn Repayment Plan (PAYE Plan).** Under the PAYE Plan, your monthly payment amount is generally 10% of your discretionary income. Discretionary income for this plan is the difference between your adjusted gross income and 150% of the poverty guideline amount for your state of residence and family size, divided by 12.

If you are married and file a joint federal income tax return, the income used to determine your PAYE Plan payment amount will be the combined adjusted gross income of you and your spouse.

If you are married and file a separate federal income tax return from your spouse, only your individual adjusted gross income will be used to determine your PAYE Plan payment amount.

The PAYE Plan is available only to new borrowers. You are a new borrower for the PAYE Plan if:

- (1) You had no outstanding balance on a Direct Loan or a FFEL Program loan as of October 1, 2007, or you have no outstanding balance on a Direct Loan or a FFEL Program loan when you obtain a new loan on or after October 1, 2007, and
- (2) You receive a disbursement of a Direct Subsidized Loan, Direct Unsubsidized Loan, or student Direct PLUS Loan (a Direct PLUS Loan made to a graduate or professional student) on or after October 1, 2011, or you receive a Direct Consolidation Loan based on an application received on or after October 1, 2011. However, you are not considered to be a new borrower for the PAYE Plan if the Direct Consolidation Loan you receive repays loans that would make you ineligible under part (1) of this definition.

In addition to being a new borrower, to initially qualify for the PAYE Plan, the monthly amount you would be required to pay under this plan, based on your income and family size, must be less than the amount you would have to pay under the Standard Repayment Plan.

If you are married and file a joint federal income tax return, the loan amount we use to determine whether you qualify for the PAYE Plan will include your eligible loans and your spouse's eligible loans.

If you are married and file a separate federal income tax return from your spouse, the loan amount we use to determine whether you qualify for the PAYE Plan will include only your eligible loans.

While you are repaying under the PAYE Plan, you must provide documentation of your income and certify your family size each year so that we may recalculate your payment amount. If your income increases to the point that the amount you would have to pay under the PAYE Plan based on your income is more than what you would have to pay under the Standard Repayment Plan, you will remain on the PAYE Plan, but your monthly payment will no longer be based on your income. Instead, your monthly payment will be what you would be required to pay under the Standard Repayment Plan.

Under the PAYE Plan, if your loan is not repaid in full after you have made the equivalent of 20 years of qualifying monthly payments over a period of at least 20 years, any remaining loan amount will be forgiven. You may have to pay federal income tax on the loan amount that is forgiven.

**Income-Based Repayment Plan (IBR Plan).** Under the IBR Plan, your monthly payment amount is generally 15% (10% if you are a new borrower; see Note below) of your discretionary income. Discretionary income for this plan is the difference between your adjusted gross income and 150% of the poverty guideline amount for your state of residence and family size, divided by 12.

If you are married and file a joint federal income tax return, the income used to determine your IBR Plan payment amount will be the combined adjusted gross income of you and your spouse.

If you are married and file a separate federal income tax return from your spouse, only your individual adjusted gross income will be used to determine your IBR Plan payment amount.

To initially qualify for the IBR Plan, the monthly amount you would be required to pay under this plan, based on your income and family size, must be less than the amount you would have to pay under the Standard Repayment Plan.

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If you are married and file a joint federal income tax return, the loan amount we use to determine whether you qualify for the IBR Plan will include your eligible loans and your spouse's eligible loans.

If you are married and file a separate federal income tax return from your spouse, the loan amount we use to determine whether you qualify for the IBR Plan will include only your eligible loans.

While you are repaying under the IBR Plan, you must provide documentation of your income and certify your family size each year so that we may recalculate your payment amount. If your income increases to the point that the amount you would have to pay under the IBR Plan based on your income is more than what you would have to pay under the Standard Repayment Plan, you will remain on the IBR Plan, but your monthly payment will no longer be based on your income. Instead, your monthly payment will be what you would be required to pay under the Standard Repayment Plan.

Under the IBR Plan, if your loan is not repaid in full after you have made the equivalent of 25 years (20 years if you are a new borrower) of qualifying monthly payments over a period of at least 25 years (20 years if you are a new borrower), any remaining loan amount will be forgiven. You may have to pay federal income tax on the loan amount that is forgiven.

**NOTE:** You are a new borrower for the IBR Plan if you have no outstanding balance on a Direct Loan or a FFEL Program loan on July 1, 2014, or if you have no outstanding balance on a Direct Loan or a FFEL Program loan on the date you obtain a Direct Loan after July 1, 2014. Your servicer will determine whether you are a new borrower based on the information about your loans in the U.S. Department of Education's National Student Loan Data System.

**Income Contingent Repayment Plan (ICR Plan).** Under the ICR Plan, your monthly payment amount will be either 20% of your discretionary income or a percentage of what you would repay under a Standard Repayment Plan with a 12-year repayment period, whichever is less. Discretionary income for this plan is the difference between your adjusted gross income and the poverty guideline amount for your state of residence and family size, divided by 12.

If you are married and file a joint federal income tax return, the income used to determine your ICR Plan payment amount will be the combined adjusted gross income of you and your spouse.

If you are married and file a separate federal income tax return from your spouse, only your individual adjusted gross income will be used to determine your ICR Plan payment amount.

Until we obtain the information needed to calculate your monthly payment amount, your payment will equal the amount of interest that accrues monthly on your loan unless you request a forbearance.

While you are repaying under the ICR Plan, you must provide documentation of your income and certify your family size each year so that we may recalculate your payment amount.

Under the ICR Plan, if your loan is not repaid in full after you have made the equivalent of 25 years of qualifying monthly payments over a period of at least 25 years, any remaining loan amount will be forgiven. You may have to pay federal income tax on the loan amount that is forgiven.

#### **15. TRANSFER OF LOAN**

We may transfer the servicing of one or all of your loans to another servicer. If there is a change in the address to which you must send payments or direct communications, you will be notified of the new servicer's name, address, and telephone number, the effective date of the transfer, and the date when you must begin sending payments or directing communications to that servicer. Transfer of a loan to a different servicer does not affect your rights and responsibilities under that loan.

#### **16. LATE CHARGES AND COLLECTION COSTS**

If you do not make any part of a payment within 30 days after it is due, we may require you to pay a late charge. This charge will not be more than six cents for each dollar of each late payment. We may also require you to pay other charges and fees involved in collecting your loan.

#### **17. DEMAND FOR IMMEDIATE REPAYMENT**

The entire unpaid amount of your loan becomes due and payable (on your MPN this is called "acceleration") if you:

- Receive loan money, but you or your dependent student do not begin attendance in any classes at the school that certified your eligibility for the loan;
- Use your loan money to pay for anything other than expenses related to the cost of education at the school that certified your eligibility for the loan;
- Make a false statement that causes you to receive a loan that you are not eligible to receive; or
- Default on your loan.

#### **18. DEFAULT**

You are in default on your loan if

- The entire unpaid amount of your loan becomes immediately due and payable because one of the first three events described in Item 17 occurs and you do not pay the amount due;
- You have not made a payment on your loan for at least 270 days; or
- You do not comply with other terms of your loan, and we conclude that you no longer intend to honor your obligation to repay your loan.

If you default on your loan, we will report that fact to nationwide consumer reporting agencies (see Item 19). We may sue you, take all or part of your federal and state tax refunds and other federal or state payments, and/or garnish your wages so that your employer is required to send us part of your salary to pay off your loan. We will require you to pay reasonable collection fees and costs, plus court costs and attorney fees. You will lose eligibility for other federal student aid and assistance under most federal benefit programs. You will lose eligibility for loan deferments.

#### **19. CONSUMER REPORTING AGENCY NOTIFICATION**

We will report information about your loan to nationwide consumer reporting agencies (commonly known as "credit bureaus"). This information will include the disbursement dates, amount, and repayment status of your loan (for example, whether you are current or delinquent in making payments). Your loan will be identified as an education loan.

#### **20. DEFERMENT AND FORBEARANCE (POSTPONING PAYMENTS)**

If you meet certain requirements, you may receive a **deferment** that allows you to temporarily stop making payments on your loan. For example, you may receive a deferment:

- While you are enrolled at least half-time at an eligible school at least half-time and (only for Direct PLUS Loans first disbursed on or after July 1, 2008) during the 6-month period after you cease to be enrolled at least half-time;
- While the student for whom you obtained a loan is enrolled at least half-time at an eligible school and for the 6-month period after the student ceases to be enrolled at least half-time (only for loans first disbursed on or after July 1, 2008);
- While you are unemployed or experiencing an economic hardship (for a maximum of three years);
- While you are serving on active duty during a war or other military operation or national emergency, or performing qualifying National

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Guard duty during a war or other military operation or national emergency, and if you were serving on or after October 1, 2007, for an additional 180-day period following the demobilization date for your qualifying service; or

- If you are a member of the National Guard or other reserve component of the U.S. Armed Forces (current or retired) and you are called or ordered to active duty while enrolled at least half-time at an eligible school, or within 6 months after having been enrolled at least half-time, during the 13 months following the conclusion of your active duty service, or until the date you return to enrolled student status on at least a half-time basis, whichever is earlier.

This is not a complete list of available deferments. For a complete list, refer to the Borrower's Rights and Responsibilities Statement that you received previously.

You are responsible for paying the interest on a Direct PLUS Loan during a period of deferment.

If you are temporarily unable to make your scheduled loan payments but do not qualify for a deferment, we may give you a **forbearance**. A forbearance allows you to temporarily stop making payments on your loan, temporarily make smaller payments, or extend the time for making payments. For example, we may give you a forbearance if you are temporarily unable to make scheduled loan payments because of financial hardship or illness. We may also give you a forbearance under other conditions as described in the Borrower's Rights and Responsibilities Statement that you received previously. You are responsible for paying the interest on a Direct PLUS Loan during a period of forbearance.

To request a deferment or forbearance, contact your servicer.

**21. LOAN DISCHARGE (HAVING YOUR LOAN FORGIVEN)**

We may discharge (forgive) all or part of your loan if:

- You die, or the student for whom you borrowed dies, and we receive acceptable documentation of your or the student's death;
- You become totally and permanently disabled and meet certain other requirements;
- Your loan is discharged in bankruptcy after you have proven to the bankruptcy court that repaying the loan would cause undue hardship;
- You or the student for whom you obtained the loan were unable to complete the program of study because the school closed;
- The school falsely certified your loan eligibility;
- The school did not pay a refund of your loan money that it was required to pay under federal regulations; or
- A loan in your name was falsely certified as a result of a crime of identity theft.

A Public Service Loan Forgiveness program is also available. Under this program, we will forgive the remaining balance due on your eligible Direct Loan Program loans after you have made 120 qualifying payments on those loans (after October 1, 2007) under certain repayment plans while you are employed full-time in certain public service jobs. Contact your servicer for specific eligibility requirements.

To request any type of loan discharge except for a discharge based on death or bankruptcy, you must complete a discharge application. Your servicer can tell you how to obtain an application.

The Act may provide for certain loan forgiveness or repayment benefits on your loans in addition to the benefits described above.

In some cases, you may assert, under applicable law and regulations, a defense against repayment of your loan on the basis that the school did something

wrong or failed to do something that it should have done. You can make such a defense against repayment only if the school's act or omission directly relates to your loan or to the educational services that the loan was intended to pay for. If you believe that you have a defense against repayment of your loan, contact your servicer.

**22. LOAN CONSOLIDATION**

You may consolidate one or more of your eligible federal education loans into a new Direct Consolidation Loan with a single monthly payment. Consolidation may also allow you to extend the period of time that you have to repay your loans. This may make it easier for you to repay your loans. However, you will pay more interest if you extend your repayment period through consolidation, since you will be making payments for a longer period of time. Contact your servicer for more information about loan consolidation.