

SUBJECT: Loan Consolidation

This confirms our agreement to accept temporary reasonable and affordable monthly payment arrangements of \$_____ in conjunction with your request to participate in the Federal Family Education Loan Program (FFELP) Loan Consolidation Program, as authorized by 428C of the Higher Education Act of 1965, as amended.

Before final approval may be granted by our client for you to participate in this program, the Department of Education requires that you be provided with the terms and conditions of this program:

- I. Three consecutive monthly payments of \$_____ must be received timely. According to Federal law, a loan may be considered for consolidation only after you have made one voluntary reasonable and affordable full payment each of the three months; and the payment is received by the guaranty agency or its agent within 15 days of the scheduled due date. If a payment is received untimely (past due), too early (more than 15 days before the scheduled due date), or for less than the agreed amount, this offer becomes null and void and the series of payments must begin again.
- II. After the three aforementioned payments have been applied to your account, your loan(s) may be eligible for consolidation. You must continue to make your monthly payments as agreed upon until you are notified that your loan(s) has been consolidated.
- III. The lender will establish a new repayment schedule after consolidation. Your monthly payments may increase or decrease according to the new schedule.
- IV. Upon consolidation, the major national credit bureaus will be notified by the guaranty agency or its agent, to update your credit profile to reflect that your account has been satisfied.
- V. Collection cost of 18.5 percent will be added (capitalized) to the outstanding principal balance due on your account upon consolidation. The 18.5% will be based on the unpaid principal and accrued interest outstanding at the time of consolidation.
- VI. The lender may capitalize the outstanding accrued interest due on your account upon consolidation.
- VII. Refusal to agree to the capitalization of collection costs renders you ineligible for participation in this program. You must sign and return this letter to the address listed below in order to participate in the Consolidation Program.
- VIII. Refusal to agree to the capitalized collection costs for the Consolidation Program does not remove the guaranty agency's authority to assess charges to cover the cost incurred in collecting on your defaulted loan(s). These charges are currently 20-25 percent.

By signing below, I am indicating that I wish to participate in the Consolidation Program according to the terms described in this document. When my loan(s) is eligible for consolidation, according to the above mentioned terms, I authorize the lender to capitalize collection costs of 18.5 percent of the outstanding unpaid principal as well as any unpaid accrued interest at the time of consolidation.

Signature: _____ **Date:** _____

Printed Name: _____ **Social Security Number:** _____

First Scheduled Repayment Due Date Of Three (3) Consecutive Payments: _____

Return this signed document to:

GRC
PO Box 6138
Indianapolis, IN 46206-6137
Fax# 317-598-4028

GRC
PO Box 82513
Las Vegas, NV 89180-2513
Fax# 702-804-8453

This is an attempt by a debt collector to collect a debt and any information obtained will be used for that purpose.