

RE: Federal Student Loan – Account Number

TERMS AND CONDITIONS FOR LOAN REHABILITATION AGREEMENT

If you object to any of the terms or conditions of the Rehabilitation Agreement (Agreement), or have questions or concerns regarding the rehabilitation process, call Pioneer Credit Recovery, Inc. at 1-800-242-1581 or notify us in writing at P.O. Box 110, Perry, NY 14530 within 30 days.

On _____ you agreed to enter into a loan rehabilitation agreement with Educational Credit Management Corporation (ECMC). Once your loan(s) are rehabilitated:

- Your loan(s) will be removed from default
- Within 45 days of rehabilitation, ECMC will request all national consumer reporting agencies (aka credit reporting agencies) to which the default was reported to remove the record of default from your credit history
- Notice of the rehabilitation will be provided to the holder prior to ECMC
- You will regain eligibility for remaining deferments, forbearances and other Title IV financial aid

Upon completion of your portion of the rehabilitation process, an eligible lender will place your loan(s) into a Standard Repayment Plan. This repayment plan could mean an increase in your monthly payment amount.

However, after the rehabilitation is complete, you have a choice of repayment plans that will best meet your needs. Below is a description of each plan. Your rehabilitation lender will be able to assist you with questions or changes if you would like to apply for a different plan.

Repayment Plans:

- **Standard Repayment:** Repaying the loan in equal monthly payments of at least \$50 for the life of the loan not to exceed 120 months (10 years)
 - ❖ NOTE: Unless changed by you, this is the plan you will be enrolled into when your loan is placed back with the lender.
- **Graduated Repayment:** Repayment begins with a lower monthly payment and increases so that the loan is paid off in 120 months (10 years).
- **Extended Repayment:** Available to first-time federal student loan borrowers after Oct. 7, 1998. Students MUST HAVE at least \$30,000 in Federal Family Education Loan FFEL or Direct loans.
- **Income-Based Repayment (IBR):** Uses your income and family size to cap your monthly payments at 15 percent of your discretionary monthly income, but never more than the 10-year Standard Repayment Plan amount. If a balance remains after 25 years of qualifying payments, any remaining debt is forgiven.
 - ❖ NOTE: If your loan is a Parent PLUS loan or you consolidated a Parent PLUS loan, this plan is not available.
- **Income-Sensitive Repayment (ISR):** Available to FFEL borrowers who want to lower payments for a relatively brief period of time. Your lender/servicer determines your monthly payment based on your adjusted gross income, verified through an annual application. Maximum repayment period is 10 years.

Payments and Conditions

Your monthly payment amount is _____ *first due on* _____ *and on the same day of each month thereafter.* You have 30 days to object to this payment amount by contacting Pioneer Credit Recovery, Inc. at 1-800-242-1581 or in writing by notifying us at P.O. Box 110, Perry, NY 14530. To rehabilitate your loan(s), Pioneer Credit Recovery, Inc. must receive nine, full, voluntary, on-time payments within a 10-month period. Each payment must be received within 20 days of the payment due date to be considered on time. Once you have made the required payments, the loan(s) listed on Attachment A are eligible to be purchased by a participating lending institution.

See reverse side for instructions for returning your signed form to Pioneer Credit Recovery, Inc.

Payments can be mailed to:

Pioneer Credit Recovery, Inc.
P.O. Box 92
Arcade, NY 14009

Within 120 days, you must provide ECMC or its agents with the required documentation. If you do not provide the documentation to ECMC or its agents to calculate or confirm your payment amount, this Agreement is null and void.

Successful rehabilitation is contingent upon you fulfilling your obligations under the terms of the Agreement, and lender participation in the program at the time you complete your portion of the rehabilitation process. If you do not fulfill your obligations under the Agreement or ECMC is unable to secure a lender to rehabilitate your loan(s), the Agreement will be null and void, and collection activity on the loan(s) listed on Attachment A will resume.

- The Agreement does not in any way alter or affect the terms and conditions contained in the original promissory note(s), except to the extent provided for by this Agreement.
- Failure to make timely payments, as defined in the applicable federal regulations, will result in the loss of eligibility to have the loan(s) rehabilitated under this Agreement.
- After you have made nine, full, voluntary, on-time payments within a 10-month period, ECMC will attempt to secure a rehabilitation lender for your loan(s).
- Any loan rehabilitated after Aug. 14, 2008, cannot be rehabilitated again if the loan(s) returns to default status following the rehabilitation.
- After the loan(s) has been rehabilitated, you will regain eligibility for benefits under Title IV of the Higher Education Act, including any remaining deferment eligibility, as of the date of rehabilitation.
- Upon rehabilitation, the outstanding balance of your loan(s), including collection costs, will be capitalized. The collection costs will be a percentage (not to exceed 10 percent) of the principal and interest balance at the time of rehabilitation. Collection costs are determined pursuant to federal regulations. See 34 C.F.R. § 682.410(b)(2).
- If you are currently subject to administrative wage garnishment, ECMC will suspend the garnishment after you have made five qualifying monthly payments under the Agreement. You may only obtain the benefit of a suspension of administrative wage garnishment once while attempting to rehabilitate your defaulted loan(s).
- If you are unable to meet your payment due date because of financial hardship, you may still remain eligible for loan rehabilitation. Contact a Pioneer Credit Recovery, Inc. representative at 1-800-242-1581 to discuss your options.
- These terms and conditions are in conjunction with the Agreement and subject to applicable federal regulations. See 34 C.F.R. § 682.405.

To accept this Agreement, you must either sign and return it, or forward it to PCR_Support@pioneer-credit.com stating in the body of the email that you received the attached Agreement and agree to the terms and conditions contained therein.

Print Name:

Date:

Signature:

**Complete and return this form to*:
Pioneer Credit Recovery, Inc.
P.O. Box 110
Perry, NY 14530
Or fax to: 1-877-653-2839
Or email to: PCR_Support@pioneer-credit.com**

* If you choose to email your document(s) please understand that you assume all responsibility for the protection of your personal information while in transit to us and you should consider appropriate email security measures*