

## **Your Federal Loan Rehabilitation Terms and Conditions**

We congratulate you on your decision to participate in the Federal Loan Rehabilitation program under the following terms and conditions:

- Your agreed upon qualifying calculated rehabilitation payment based on the accuracy of the financial information you verbally provided is \$5.00 and is subject to change. You have agreed to make payments of \$
- At least nine (9) qualifying payments must be received timely, with a first due date on \_\_\_\_\_, and then on the agreed upon dates thereafter. To be considered timely, each payment must be received no earlier than twenty (20) days before your due date and no later than twenty (20) days after your due date. According to federal law, a loan may be considered eligible for rehabilitation only after you have made at least nine (9) voluntary qualifying payments within a ten (10) month period that begins with the month in which the first required due date falls and ends with the ninth consecutive calendar month following that month.
- Your rehabilitation is considered null and void if you are required to provide proof of Adjusted Gross Income (AGI) and family size or other required income and expense documentation, but you refuse or fail to provide the required documentation within 12 months of the first payment due date.
- Failure to sign and return the rehabilitation terms and conditions page within 12 months of the first payment due date cancels your rehabilitation.
- Your rehabilitation is considered null and void if you file for bankruptcy.
- After nine (9) qualifying payments have been applied to your loan(s), the loan(s) may be considered for purchase by an eligible lender to complete the Loan Rehabilitation. We encourage you to make your qualifying payments, as agreed upon, and meet the above minimum standards to have your loan(s) considered for purchase by an eligible lender. Only after purchase by an eligible lender will your loan(s) be considered rehabilitated. After August 14, 2008 you are only eligible to rehabilitate your federally backed loan(s) one time. In the event that your current loan(s) have previously rehabilitated on or after August 14, 2008, those loans are not eligible for this rehabilitation and your rehabilitation is considered null and void.
- If your defaulted loan appears on your credit report when you complete Loan Rehabilitation, consumer reporting agencies will be notified to delete the collection account reported on behalf of your Guarantor. Late or missed payments reported by your servicer before the loan defaulted will remain until removed as required by the Fair Credit Reporting Act.
- To remind you, your Loan Rehabilitation qualifying payments are currently assessed collection costs at a rate of 24.34% and that is subject to change per federal regulations and your Guarantor's policies. After you complete Loan Rehabilitation, your collection costs, if applicable, will be re-assessed at 16% of your loan principal and interest balance at the time your loan is sold to an eligible lender. These collection costs will be added to the unpaid principal of the loan.
- Your lender will establish a new repayment schedule after rehabilitation and your payments may increase or decrease according to the new schedule.
- Once your loan(s) are rehabilitated, or after six (6) qualifying payments have been made, you can apply for additional financial aid if you return to school. To be eligible for additional financial aid, each of the 6 qualifying payments must be received no earlier than 20 days before or no later than 20 days after your scheduled due date. Since you are only eligible to reinstate your financial aid one time while in default, you may not be considered eligible for financial aid if you have previously exhausted your full title IV benefit opportunities.
- You are eligible for the balance of any remaining forbearance and deferments after your loan(s) have been successfully rehabilitated.
- You may request an adjustment to your qualifying payment amount at any time throughout the rehabilitation process due to a change in your total financial circumstances. Additional documentation of the change of circumstance will be required. You may make this request by calling Pioneer Credit Recovery, Inc. three (3) days prior to your next scheduled payment date.
- In the event that your loans are certified for federal offset, they will remain subject to federal offset until successfully rehabilitated and purchased by an eligible lender.
- If your wages are currently in active Administrative Wage Garnishment (AWG), then Pioneer Credit Recovery, Inc. will, unless otherwise directed by you, notify your employer to suspend future garnishment after you have made five (5) qualifying payments under your rehabilitation agreement and all required rehabilitation paperwork has been received in our office. AWG will be reinstated if you fail to maintain the required payment schedule established under this rehabilitation agreement. You may only obtain the benefit of a suspension of AWG while attempting to rehabilitate a defaulted loan once. All required paperwork must be returned to our office prior to a suspend notification being sent to your employer.
- All payment agreements are subject to NCSEAA's approval in accordance with federal regulations and are subject to return.
- **You may object to the rehabilitation terms outlined herein at any time by contacting Pioneer Credit Recovery, Inc. at 1-866-334-6291 or in writing to: Pioneer Credit Recovery, Inc., P.O. Box 310, Perry, NY 14530.**

**Signature:**