

**CONTRACT**  
**BETWEEN THE STATE OF TENNESSEE,**  
**TENNESSEE STUDENT ASSISTANCE CORPORATION**  
**AND**  
**PROCURING PARTY NAME**

This Contract, by and between the State of Tennessee, Tennessee Student Assistance Corporation, hereinafter referred to as the "State" or "TSAC" and **PROCURING PARTY LEGAL ENTITY NAME**, hereinafter referred to as the "**Procuring Party**," is for the provision of the purchase of rehabilitated loans from TSAC through its Loan Rehabilitation Program, as further defined in the "SCOPE OF SERVICES."

The Procuring Party is **A/AN INDIVIDUAL, FOR-PROFIT CORPORATION, NON-PROFIT CORPORATION, SPECIAL PURPOSE CORPORATION OR ASSOCIATION, PARTNERSHIP, JOINT VENTURE, OR LIMITED LIABILITY COMPANY**

The Procuring Party's place of Incorporation or Organization is **LOCATION**

The Procuring Party's Edison Vendor ID:

**A. SCOPE OF SERVICES:**

- A.1. The Procuring Party shall purchase loans from TSAC through its Loan Rehabilitation Program. Loan Rehabilitation is a service that allows borrowers with defaulted Federal Stafford (subsidized and unsubsidized) Loans, Federal PLUS (parent and graduate/professional) Loans, Federal Consolidation Loans, and SLS (Supplemental Loans for Students) to remove the default status of their loans and repair their credit history if nine (9), consecutive, on-time, voluntary monthly payments have been made within a ten (10) month period, as further defined in this Scope of Services.
- A.2. TSAC, through its contracted servicer, shall offer the Procuring Party loans that meet the Loan Rehabilitation Program requirements.
- A.3. TSAC, through its contracted servicer, shall have the capability of processing rehabilitated defaulted FFELP loans, including and without limitation, Federal Stafford (subsidized and unsubsidized) Loans, Federal PLUS (parent and graduate/professional) Loans, and Federal Consolidation Loans.
- A.4. TSAC, through its contracted servicer, shall identify those borrowers who meet the Loan Rehabilitation Program requirements and validate their eligibility based on TSAC and the U.S. Department of Education regulatory and statutory requirements, and comply with all applicable statutes, regulations, directives, and initiatives for the Federal Family Education Loan Program.
- A.5. TSAC, through its contracted servicer, shall ensure that the formats, programs, procedures, and documentation for the Loan Rehabilitation Program meets TSAC and the U.S. Department of Education regulatory and statutory requirements, and complies with all applicable statutes, regulations, directives, and initiatives for the Federal Family Education Loan Program.
- A.6. The effective date of the purchase transaction by the Procuring Party shall be the fifteenth (15) day of each month. Should the fifteenth fall on either a Saturday, Sunday, or State recognized holiday, the purchase transaction shall occur on the next business day.
- A.7. TSAC, through its contracted servicer, shall provide the estimated number and dollar value of loans to be rehabilitated up to five (5) business days before the effective date of the purchase transaction to the Procuring Party in a mutually agreed upon format, either email or other electronic process.

- A.8. TSAC, through its contracted servicer, shall provide the actual number and dollar value of loans to be rehabilitated up to three (3) business days before the effective date of the purchase transaction to the Procuring Party in a mutually agreed upon format, either email or other electronic process.
- A.9. TSAC, through its contracted servicer, shall provide a report of all loans that are eligible for rehabilitation in each rehabilitation cycle to the Procuring Party in a mutually agreed upon format, either email or other electronic process. The report shall include, at a minimum:
- Record Identifier,
  - Borrower Social Security Number,
  - Borrower Full Name,
  - Borrower Address,
  - Borrower Phone Number,
  - Borrower DOB,
  - Student Social Security Number, if PLUS loan,
  - Student Full Name, if a PLUS loan,
  - Student Address, if a PLUS loan,
  - Student Phone Number, if a PLUS loan,
  - Student DOB, if a PLUS loan,
  - Loan Type,
  - Guarantor ID,
  - Guarantee Date,
  - Guarantee Amount,
  - Interest Rate,
  - Principal Outstanding,
  - Collection Costs,
  - Total Loan Balance,
  - Next Due Date,
  - Sale Date,
  - Reference First Name,
  - Reference Middle Initial,
  - Reference Last Name,
  - Reference Address 1,
  - Reference Address 2,
  - Number and Dollar volume of loans to be rehabilitated, and
  - Effective Purchase Date.
- A.10. TSAC, through its contracted servicer, shall forward the report, as described in A.9., to the Procuring Party with the loan files and collateral for each loan (i.e., Master Promissory Note) included in that rehabilitation cycle within thirty (30) business days from the effective date of the purchase transaction. If the loan file and/or collateral are missing, TSAC, through its contracted servicer, shall forward a Memorandum of Understanding that states that TSAC will repurchase a loan if the Procuring Party is unable to prove the debt due to missing loan files and/or loan collateral.
- A.11. TSAC, through its contracted servicer, within the timeframe as specified by the U.S. Department of Education, shall report to the national consumer reporting agencies to remove the default status of the loan, as per TSAC and the U.S. Department of Education statutory and regulatory requirements. Additionally, TSAC, through its contracted servicer, within the timeframes as specified by the U.S. Department of Education, shall report the rehabilitated status to the previous loan holder(s) advising the previous loan holder(s) to remove the default status of the loan as previously reported to the national consumer reporting agencies.

- A.12. The Procuring Party shall have the capability of processing rehabilitated defaulted FFELP loans, including and without limitation, Federal Stafford (subsidized and unsubsidized) Loans, Federal PLUS (parent and graduate/professional) Loans, and Federal Consolidation Loans.
- A.13. The Procuring Party shall purchase all eligible rehabilitated loans.
- A.14. Any premiums or discounts paid by the Procuring Party shall not affect the borrower's loan balance.
- A.15. The Procuring Party shall ensure that the rehabilitated loans purchased through TSAC's Loan Rehabilitation Program are uploaded to their system within forty-five (45) business days from the effective date of the purchase transaction.
- A.16. The Procuring Party shall establish a repayment schedule with rehabilitated borrowers that meets TSAC and the U.S. Department of Education statutory and regulatory requirements on Loan Rehabilitation, and complies with all applicable statutes, regulations, directives, and initiatives for the Federal Family Education Loan Program.<sup>1</sup>
- A.17. The Procuring Party shall provide to TSAC a performance measurement report within five (5) days of the first of each month that reflects the performance of the rehabilitated loan portfolio regarding delinquency and redefault in a mutually agreed upon sortable electronic format. At a minimum, the supporting detail report shall include (if applicable):
- Borrower Social Security Number;
  - Borrower Full Name;
  - Loan Type;
  - Guarantee Date;
  - Guarantee Amount;
  - Principal Outstanding;
  - Rehabilitation Date;
  - Total Loan Balance;
  - Next Due Date;
  - Number of days delinquent;
  - Cure Date;
  - Cure Type;
  - Re-default Date;

The summary report shall include the following:

- The total number and dollar amount of loans that were paid in full;
- The total number and dollar amount of loans cured by payment;
- The total number and dollar amount of loans cured by deferment;
- The total number and dollar amount of loans cured by forbearance;
- The total number and dollar amount of loans less than sixty (60) days delinquent;
- The total number and dollar amount of loans at least sixty (60) days and less than two hundred seventy (270) days delinquent;
- The total number and dollar amount of loans more than two hundred seventy (270) days delinquent;
- The total number, dollar amount, and type of loans in redefault;
- The total number, dollar amount, and type of loans consolidated for that month; and
- The total number, dollar amount, and type of loans cured by disability, death, or bankruptcy.

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<sup>1</sup> "Loan Rehabilitation Agreement" Title 34 Code of Federal Regulations, Pt. 682.405

<b>PAYMENT STATUS</b>	<b>Number of Loans<sup>2</sup></b>	<b>\$ Amount of Loans<sup>2</sup></b>	<b>% of Loans<sup>2</sup></b>
Paid in Full			
Current by payment			
Current by deferment			
Current by forbearance			
Delinquent > 60 days			
Delinquent 60 - 270 days			
Delinquent < 271 days			
Loans in Re-default			
Loans Consolidated			
Cured by Disability, Death, Bankruptcy			
<b>TOTAL</b>			

A.18. The Procuring Party shall ensure that the formats, programs, procedures, and documentation for the Loan Rehabilitation Program meets TSAC, and the U.S. Department of Education regulatory and statutory requirements, and complies with all applicable statutes, regulations, directives, and initiatives for the Federal Family Education Loan Program.

A.19. The Procuring Party shall be capable of meeting or exceeding the requirements stated in this Scope of Services.

**B. CONTRACT TERM:**

This Contract shall be effective for the period beginning October 26, 2015, and ending on October 25, 2016. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

**C. PAYMENT TERMS AND CONDITIONS:**

C.1. The Procuring Party's remittance for each rehabilitated loan shall consist of separate ACH payments on the scheduled effective date of the purchase. If the Procuring Party pays par value, the payment will represent the total rehabilitated loan value.

If the Procuring Party pays a premium for the rehabilitated loans, the first payment will represent the total rehabilitated loan value. The second ACH payment will consist of the premium. The premium shall be the product of the applicable percentage per the table below that is in excess of 100%, applied to the total rehab loan value.

If the Procuring Party pays a discount for the rehabilitated loans, the discount shall be the product of the percentage, as per the table below, applied to the total rehabilitated loan value.

Contract Attachment A includes definitions and parameters of individual loan categories. The corresponding payment rates between these categories shall be as according to the schedule below:

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<sup>2</sup> There should be no duplication of reporting

<b>Payment Rates</b> <b>(Premium, Par, or Discount Percent of Loan Value By Loan Type)</b>	
<b>Loan Type</b>	<b>10/15/2015 - 10/14/2016</b>
<b>Subsidized*</b>	%
<b>Unsubsidized*</b>	%
<b>Parent PLUS/Grad PLUS*</b>	%
<b>SLS*</b>	%
<b>Consolidated*</b>	%
<b>Subsidized R&amp;A</b>	%
<b>Unsubsidized R&amp;A</b>	%
<b>Parent PLUS/Grad PLUS R&amp;A</b>	%
<b>SLS R&amp;A</b>	%
<b>Consolidated R&amp;A</b>	%

- a. The total rehabilitated loan value shall be the total of the full principal balance outstanding, accrued interest, and any additional permissible costs, as defined in Title IV of the Higher Education Act of 1965, as amended, that are payable by the borrower.
- b. For any federal legislative mandates that increase or decrease rehabilitation loan yields, the resulting percentage of change in loan yields shall be applied to increase or decrease the discount basis points to determine the new total value for Rehabilitated Loans.
- c. TSAC shall make no guarantee as to the amount of rehabilitated loans to be purchased by the Procuring Party under this Contract.

**D. STANDARD TERMS AND CONDITIONS:**

- D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The Contract may be terminated by either party by giving written notice to the other, at least sixty (60) days before the effective date of termination. Said termination shall not be deemed a breach of contract by the State. Should the State exercise this provision, the State shall have no liability to the Procuring Party. Should either the State or the Procuring Party exercise this provision, the Procuring Party shall be required to compensate the State for satisfactory, authorized services completed as of the termination date and shall have no liability to the State except for those units of service which can be effectively used by the Procuring Party. The final decision, as to what these units of service are, shall be determined by the State. In the event of disagreement, the Procuring Party may file a claim with the Tennessee Claims Commission in order to seek redress.
- Upon such termination, the Procuring Party shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If either party fails to properly perform or fulfill its obligations under this Contract in a timely or proper manner or violates any terms of this Contract, the other party shall have the right to immediately terminate the Contract. The Procuring Party shall compensate the State for completed services.
- D.5. Subcontracting. Neither the Procuring Party nor the State shall assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the other. If such subcontracts are approved, they shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings).
- D.6. Conflicts of Interest. The Procuring Party warrants that no amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Procuring Party in connection with any work contemplated or performed relative to this Contract other than as required by section A. of this Contract.
- D.7. Nondiscrimination. The State and the Procuring Party hereby agree, warrant, and assure that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the State or the Procuring Party on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law.
- D.8. Records. The Procuring Party shall maintain documentation for its transactions with the State under this Contract. The books, records, and documents of the Procuring Party, insofar as they relate to work performed or money paid under this Contract, shall be maintained for a period of three (3) full years from the final date of this Contract and shall be subject to audit, at any reasonable time and upon reasonable notice, by the state agency, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.9. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or

provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.

- D.10. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

Claims against the State of Tennessee, or its employees, or injury damages expenses or attorney's fees are heard and determined by the Tennessee Claims Commission or the Tennessee Board of Claims in the manner prescribed by law (*Tennessee Code Annotated*, Sections 9-8-101 *et seq.*, 9-8-301 *et seq.*, and 9-8-401 *et seq.*). Damages recoverable against the State of Tennessee shall be expressly limited to claims paid by the Board of Claims or the Claims Commission pursuant to *Tennessee Code Annotated*, Section 9-8-301 *et seq.*

- D.11. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.12. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.13. State and Federal Compliance. The Procuring Party and the State shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.14. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Procuring Party agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Procuring Party acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.15. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.16. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.17. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D. 18. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Health Information Technology for Economic and Clinical Health (HITECH) Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules").

- a. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Contract.

- b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of the Contract so that both parties will be in compliance with the Privacy Rules.
- c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver such information without entering into a business associate agreement or signing another such document.
- d. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.

**E. SPECIAL TERMS AND CONDITIONS:**

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Jane Pennington, Associate Executive Director of Loan Administration  
Tennessee Student Assistance Corporation  
Parkway Towers - Suite 1510  
404 James Robertson Parkway  
Nashville, TN, 37243  
[Jane.Pennington@tn.gov](mailto:Jane.Pennington@tn.gov)  
Telephone: 615.253.7487  
FAX: 615.741.6101

The Procuring Party:

Procuring Party Contact Name & Title  
Procuring Party Name  
Address  
Email Address  
Telephone: Number  
FAX: Number

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

E.3 Tennessee Department of Revenue Registration. The Contractor shall be registered with the Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material requirement of this Contract.

E.4 Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
- b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

E.5 Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Procuring Party by the State or acquired by the Procuring Party on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Procuring Party to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Procuring Party's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Procuring Party of this Contract; previously possessed by the Procuring Party without written obligations to the State to protect it; acquired by the Procuring Party without written restrictions against disclosure from a third party which, to the Procuring Party's knowledge, is free to disclose the information; independently developed by the Procuring Party without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Procuring Party to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Procuring Party due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

E.6 Disclosure of Personal Identity Information. The Contractor shall report to the State any instances of unauthorized disclosure of confidential information that come to the attention of the

Contractor. Any such report shall be made by the Contractor within twenty-four (24) hours after the instance has come to the attention of the Contractor. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals that are deemed to be part of a potential disclosure. The Contractor shall bear the cost of notification to individuals having personal identity information involved in a potential disclosure event, including individual letters and/or public notice.

- E.7. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below.
- a. this Contract document with any attachments or exhibits (excluding the items listed at subsections b. through e., below);
  - b. any clarifications of or addenda to the Contractor's Cost Proposal seeking this Contract;
  - c. the State solicitation, as may be amended, requesting proposals in competition for this Contract;
  - d. any technical specifications provided to proposers during the procurement process to award this Contract;
  - e. the Contractor's Cost Proposal seeking this Contract.
- E.8. Loan Servicers. The Procuring Party shall not engage the services of a loan servicer or assign the purchased rehabilitated loans to a loan servicer without obtaining the prior written approval of the State. Any deviation from this selection method may be considered a breach and result in the termination of the contract.
- E.9. Consolidation Loans. To ensure that the interests of State are protected, the Procuring Party shall not reflect a Consolidation Loan rate of greater than five percent (5%) of the total loans purchased from the State through this Contract as reflected in the Performance Measurement Report, Section A.17. Failure to maintain a consolidation rate of five percent (5%) or less without the written approval of the State may result in the termination of the contract.

**IN WITNESS WHEREOF,**

**PROCURING PARTY LEGAL ENTITY NAME:**

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**PROCURING PARTY SIGNATURE**

**DATE**

**TENNESSEE STUDENT ASSISTANCE CORPORATION:**

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**RUSS DEATON, INTERIM EXECUTIVE DIRECTOR**

**DATE**

## LOAN TYPES

Due to the Bipartisan Student Loan Certainty Act of 2013, Direct Loans interest rates will be tied to the financial market. Under the new interest rate structure, rates will be determined each June for new loans and will be fixed for the life of the loan. The rates are calculated using a 10-year Treasury Note Index plus an add-on amount for each loan program and include interest rate caps.

**Stafford Subsidized:** For students who meet a financial needs test, the government pays all interest costs on behalf of borrowers while they are in school, and during grace and deferment periods. Repayment begins six months after graduation.

- For most Stafford loans made before July 1, 2006: Variable rate applies (changing annually with an 8.25 percent cap).
- New subsidized Stafford loans to undergraduates beginning July 1, 2008 (per recent budget reconciliation law):
  - 6.0 percent for a loan first disbursed between July 1, 2008, and June 30, 2009
  - 5.6 percent for a loan first disbursed between July 1, 2009, and June 30, 2010
  - 4.5 percent for a loan first disbursed between July 1, 2010, and June 30, 2011
  - 3.4 percent for a loan first disbursed between July 1, 2011, and June 30, 2012
  - 3.4 percent for a loan first disbursed between July 1, 2012, and June 30, 2013
  - 3.8 percent for a loan first disbursed between July 1, 2013, and June 30, 2014
  - 4.66 percent for a loan first disbursed between July 1, 2014, and June 30, 2015
  - 4.29 percent for a loan first disbursed between July 1, 2015, and June 30, 2016

**Stafford Unsubsidized (Undergraduate):** Students who do not meet a financial needs test or who need to supplement their subsidized loans may receive unsubsidized Stafford loans. Borrowers may defer payment of interest during school, grace, and deferment periods, but they are responsible for all interest that accrues. Repayment begins six months after graduation.

Interest Rates are set by law, as follows:

- -4.66 percent for a loan first disbursed between July 1, 2014, and prior to July 1, 2015
- -4.29 percent for a loan first disbursed between July 1, 2015, and prior to July 1, 2016

**Parent PLUS:** Offered to parents of students enrolled at least half time in eligible programs at participating and eligible post-secondary institutions. For PLUS loans made to parents that are first disbursed on or after July 1, 2008, the borrower has the option of beginning repayment on the PLUS loan either 60 days after the loan is fully disbursed or wait until six months after the dependent student on whose behalf the parent borrowed ceases to be enrolled on at least a half-time basis.

Interest Rates are set by law, as follows:

- 7.21 percent for a loan first disbursed between July 1, 2014, and prior to July 1, 2015
- 6.84 percent for a loan first disbursed between July 1, 2015, and prior to July 1, 2016

**Grad PLUS:** Available to graduate and professional students at participating and eligible postsecondary institutions.

Interest Rates are set by law, as follows:

- 7.21 percent for a loan first disbursed between July 1, 2014, and prior to July 1, 2015
- 6.84 percent for a loan first disbursed between July 1, 2015, and prior to July 1, 2016

## ATTACHMENT A

**Consolidated Loan:** Allows students to consolidate Stafford Loans and PLUS Loans into one single debt. This results in reduced monthly repayments and a longer term for the loan.

**SLS (Supplemental Student Loan for Students):** Federally sponsored supplemental loan program. It was eliminated in 1994 and, as a result, independent undergraduate students (and dependent students whose parents are unable to obtain PLUS loans) are now offered additional unsubsidized Stafford loan eligibility equal to the prior SLS annual and aggregate loan limits.