

The Waiver of Grace Form

This Waiver of Grace form is used to initiate early repayment with your current lenders. By initiating early repayment with them while you are still in school, your loans are then eligible for consolidation. As you will see when reviewing the form, the form also requests an in-school deferment. This is done to avoid having to make any payments on these loans while we are consolidating them. So, in fact, you will NOT be in repayment as long as you are in-school on a part-time basis or more.

It is important to understand the reason we are consolidating your loans and the impact this will have.

- We are consolidating these loans while you remain in school to lock in the current interest rate before the department of education completes their annual interest rate adjustment on July 1st of this year. There are also many changes to the Higher Education Act that will take place on July 1st. We believe these changes will have a negative impact on you and your ability to manage your student loans thereafter and feel it is beneficial for you to consolidate before these changes take place.
- Other parts of your federal student loans will also be affected by doing this consolidation prior to separating from school.
 - The grace period you are allotted on your Stafford and Perkins loans will no longer be available to you. You will not actually enter repayment on these loans until you separate from school. However, once you have separated, instead of the 6-month grace period for Stafford loans and the 9-month grace period for Perkins loans, you will commence repayment upon separation from school. However, if you are experiencing an economic hardship or are unemployed, you will be able to take advantage of all your deferment or forbearance rights granted to you by the department of education.
 - You will forgo the right you have for the government to pay the interest on your Perkins loans. Keep in mind, the government will continue to pay the interest on all subsidized Stafford loans while you remain in school.

CONSOLIDATION / WAIVE GRACE CONSENT FORM

If you wish to consolidate your fully disbursed subsidized and unsubsidized Stafford loans and/or Perkins loans while in an in-school deferment, and are currently enrolled on at least a half-time basis, then by signing below you are formally requesting to enter immediate repayment on those loans and agree to the following provisions with each of your lenders:

- I request early repayment on my Stafford and/or Perkins loans set forth in the Consolidation Loan Application submitted with this Form.
- I understand I am waiving the six (6) month grace period that follows my separation date from school to which I am entitled on my Stafford loans or the nine (9) month grace period that I am entitled to on my Perkins loans and acknowledge that I will not receive a grace period on my Consolidation loan.
- I forfeit my right to have the government pay the interest during the applicable in-school and grace periods on any subsidized Stafford and/or Perkins loans I am consolidating.
- I request an in-school deferment on my non-consolidated Stafford and/or Perkins loans and my new consolidation loan. The government will pay interest on my subsidized non-consolidated Stafford loans during this deferment but the subsidy for any Perkins loans will be terminated upon consolidation.
- Any outstanding interest on my unsubsidized Stafford loan(s) will be capitalized upon entering repayment.
- I will lose any incentive programs on my Stafford loans to be consolidated that may have been offered by my current lender and my deferment eligibility may change.
- If I decide not to consolidate my Stafford and/or Perkins loans after electing to enter early repayment, my in-school deferment period and grace period cannot be reinstated for those loans.
- I understand that any new Stafford and/or Perkins loans I receive after the consolidation of my existing loans will remain in an in-school deferment status, and will receive the applicable benefits and grace period following my separation date from school.

Upon receipt of this signed Waiver Form, the respective lender(s) shall temporarily terminate your in-school deferment on your subsidized and unsubsidized Stafford and/or Perkins loans in order for your loans to be consolidated. Please be aware that you will be receiving two separate notices regarding your new consolidation loan. The first notification will provide you with the repayment terms and the second notification will grant you an in-school deferment for the new consolidation and any subsequent loans.

BORROWER'S SIGNATURE

DATE

BORROWER'S *PRINTED* NAME

BORROWER'S SSN