

Direct Loans

William D. Ford Federal Direct Loan Program

U.S. Department of Education
P.O. Box 9003
Niagara Falls, NY 14302-9003

Disclosure Statement William D. Ford Federal Direct Loan Program

Direct Subsidized Loan
Direct Unsubsidized Loan

Borrower Information

1. Name and Address

2. Date of Disclosure Statement

08/08/11

1111 1st Street
Yonkers, NY 10590

3. Area Code/Telephone Number

254-555-1234

School Information

4. School Name and Address

5. School Code/Branch

Baylor University
One Bear Place #97028
Waco, TX 76798-7028

G03545

Loan Information

6. Loan Identification Number(s)

7. Loan Period(s)

8. Loan Fee %

123456789S99G03545001
123456789U99G03545001

08/22/2011 - 05/08/2012
08/22/2011 - 05/08/2012

1%
1%

9. Information about the loan(s) that your school plans to disburse (pay out) follows. This information is explained in detail on the back. The actual disbursement dates and amounts may be different than the dates and amounts shown below. The school and your servicer will notify you of the actual disbursement dates and amounts.

Direct Subsidized Loan	Gross Loan Amount \$3,500.00	- Loan Fee Amount \$34.00	+ Interest Rebate Amount \$18.00	= Net Loan Amount \$3,484.00
------------------------	---------------------------------	------------------------------	-------------------------------------	---------------------------------

Your school plans to disburse the Net Loan Amount as follows:

Date 08/12/2011	Net Disbursement Amount \$1,742.00	Date 12/30/2011	Net Disbursement Amount \$1,742.00
--------------------	---------------------------------------	--------------------	---------------------------------------

Direct Unsubsidized Loan	Gross Loan Amount \$2,000.00	- Loan Fee Amount \$20.00	+ Interest Rebate Amount \$10.00	= Net Loan Amount \$1,990.00
--------------------------	---------------------------------	------------------------------	-------------------------------------	---------------------------------

Your school plans to disburse the Net Loan Amount as follows:

Date 08/12/2011	Net Disbursement Amount \$995.00	Date 12/30/2011	Net Disbursement Amount \$995.00
--------------------	-------------------------------------	--------------------	-------------------------------------

If there are further disbursements to be made on the loan(s) the school will inform you.

Disclosure Statement (continued)

This Disclosure Statement provides information about the Direct Subsidized Loan and/or Direct Unsubsidized Loan that your school plans to disburse (pay out) by crediting your account at the school, paying you directly, or both. It replaces any Disclosure Statements that you may have received previously for the same loan(s). Keep this Disclosure statement for your records.

Before any money is disbursed, you must have a signed Direct Subsidized Loan/Direct Unsubsidized Loan Master Promissory Note (MPN) on file. The MPN, the Borrower's Rights and Responsibilities statement, and the Plain Language Disclosure explain the terms of your loan(s). If you have any questions about your MPN or this Disclosure Statement, contact your school.

Item 9 on the front of this Disclosure Statement provides the following information about the amount of each loan that your school plans to disburse to you:

- **Gross Loan Amount** - This is the total amount of the loan that you are borrowing. You will be responsible for repaying this amount.
- **Loan Fee Amount** - This is the amount of the fee that we charge on your loan. It is based on a percentage of your Gross Loan Amount. The percentage is shown in item 8. The Loan Fee Amount will be subtracted from your Gross Loan Amount.
- **Interest Rebate Amount** - This is the amount of an up-front interest rebate that you may receive as part of a program to encourage the timely repayment of Direct Loans. If you receive a rebate, the Interest Rebate Amount will be added back after the Loan Fee Amount is subtracted.

To keep an up-front interest rebate that you receive on your loan, you must make all of your first 12 required monthly payments on time (we must receive each payment no later than 6 days after the due date) when your loan enters repayment. You will lose the rebate if you do not make all of your first 12 required monthly payments on time. This will increase the amount that you must repay.

- **Net Loan Amount** - This is the amount of your loan money that remains after the Loan Fee Amount is subtracted and the Interest Rebate Amount is added. The school will disburse the Net Loan Amount to you by crediting your account at the school, paying you directly, or both.

Item 9 shows the school's plan for disbursing your Net Loan Amount to you. The actual disbursement dates and amounts may be different than the dates and amounts that are shown. The school and your servicer will notify you of the actual disbursement dates and amounts.

Before your loan money is disbursed, you may cancel all or part of your loan(s) at any time by notifying the school.

After your loan money is disbursed, there are two ways to cancel all or part of your loan(s):

- If the school obtains your written confirmation of the types and amounts of Title IV loans that you want to receive for an award year before crediting loan money to your account at the school, you may tell the school that you want to cancel all or part of the loan within 14 days after the date the school notifies you of your right to cancel all or part of the loan, or by the first day of the school's payment period, whichever is later (the school can tell you the first day of the payment period). If the school does not obtain your written confirmation of the types and amounts of loans you want to receive before crediting the loan money to your account, you may cancel all or part of the loan by informing the school within 30 days of the date the school notifies you of your right to cancel all or part of the loan. In either case, the school will return the cancelled loan amount to us.

If you ask the school to cancel all or part of your loan(s) outside the timeframes described above, the school may process your cancellation request, but it is not required to do so.

- Within 120 days of the date the school disburses your loan money (by crediting the loan money to your account at the school, by paying it directly to you, or both), you may return all or part of your loan(s) to us. Contact your servicer for guidance on how and where to return your loan money.

You do not have to pay interest or the loan fee on the part of your loan that is cancelled or returned within the timeframes described above, and if you received an up-front interest rebate, the rebate does not apply. Your loan will be adjusted to eliminate any interest, loan fee, and rebate amount that applies to the amount of the loan that is cancelled or returned.

If you have questions regarding the next steps in the processing of your loan, contact your school.

After the first disbursement of your loan has been made, your loan will be assigned to a loan servicer and you will be provided with the servicer's name, address and contact information. Your servicer will service, answer questions about, and process payments on your loan after you enter repayment.