

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

UNITED STATES OF AMERICA ex rel. DEBRA LEVESKI

PLAINTIFFS

V.

CIVIL ACTION NO.: 1:07cv0867DFH-JMS

ITT EDUCATIONAL SERVICES, INC.

DEFENDANT

FIRST AMENDED COMPLAINT - FILED UNDER SEAL

COMES NOW *qui tam* Relator Debra Leveski, pursuant to Rule 15(a) of the Federal Rules of Civil Procedure, and alleges the following as her First Amended Complaint herein, to wit:

INTRODUCTION

1. This is a civil action brought against ITT Educational Services, Inc. ("ITT"), and on behalf of the United States of America ("U.S."), pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. §§ 3729-3732 (as amended by the False Claims Act Amendments of 1986), to recover damages and civil penalties from ITT.

VENUE AND JURISDICTION

2. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1345 and 31 U.S.C. § 3730(b).
3. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b) and (c) and 31 U.S.C. § 3732(a) as the Defendant during all relevant times maintained its corporate headquarters in, and has directed and orchestrated the conduct that is the subject of this action from, the Southern District of Indiana.
4. Jurisdiction is proper pursuant to 31 U.S.C. § 3730(e) as Relator's allegations in this First

Amended Complaint are based on her direct and independent knowledge and not from any public disclosure. In addition has voluntarily provided that information forming the basis of Relator's direct and independent knowledge to the U.S. before filing her Complaint and First Amended Complaint.

PARTIES

5. Relator Debra Leveski ("Relator") is an adult resident citizen of the U.S. and Lake Orion, Michigan. She was employed by ITT as an inside representative or student recruiter from January 8, 1996, through and until April 15, 2002, engaged in full-time student recruiting. In that capacity, she worked in the ITT admissions department. In the course of her work, Relator became familiar with the marketing activities ITT conducted throughout the U.S. to recruit students for enrollment at "colleges" owned and controlled by ITT.
6. Relator was employed by ITT as a financial aid administrator from April 15, 2002, through and until November 3, 2006, engaged full-time in packaging students for financial aid (including Pell grants, Federal Supplemental Educational Opportunity ("FSEO") grants, PLUS loans and Stafford loans) to meet the tuition and fees associated with ITT attendance for present and future students. From January 1, 2002, through December 31, 2006, ITT obtained \$354,180,000 in Pell grants from the Department of Education ("DOEd").¹
7. ITT is a publically traded corporation, organized under Delaware law. At all periods relevant to this case, ITT maintained its corporate headquarters and principal place of

¹This figure was obtained by multiplying the percentage of ITT Pell grant revenues with ITT's total revenues as stated in its 10K for each year from January 2002, through December 2006.

business at 1300 North Meridian Street, Carmel, Indiana. ITT's headquarters are located within this district. This is also the district from which ITT devised the compensation schemes and related practices challenged in this action. As of September 27, 2007, ITT operated 95 ITT Technical Institutes in 34 states which primarily offer career-focused degrees of study to approximately 47,000 students.

8. The U.S. is named as a Plaintiff herein pursuant to the False Claims Act. As a result of the false records, statements and claims alleged in this First Amended Complaint that were made by, or caused by, ITT, funds of the U.S., through the DOEd, were directly disbursed and awarded to ITT and to Federal Family Education Loan Program ("FFELP") lenders. The funds were disbursed and awarded pursuant to the Higher Education Act, 20 U.S.C. §§ 1071 *et seq.* ("HEA"), as a result of the false claims alleged in this First Amended Complaint.

Conditions for ITT's Entitlement to Proceeds of Pell and FSEO Grant Proceeds

9. ITT, and/or its units or subsidiaries, directly received Pell and FSEO grants from the U.S. made pursuant to the HEA. These funds provided ITT with much of its revenues to pay for its students' tuition and fees. A substantial majority of the students recruited to and enrolled in ITT institutions receive Pell or FSEO grants. Proceeds from all such HEA grants are disbursed directly to ITT by the DOEd and ITT is in charge of administering the grant proceeds it receives by crediting the appropriate amount of grant monies to the account of each eligible student. To receive a Pell or FSEO grant, a student must have financial need. The expected family contribution ("EFC") formula is the standard formula used in determining financial need for Federal Student Aid programs. The

formula produces an EFC number. The lower the EFC number, the greater the student's financial need, and thus eligibility for Pell and FSEO grant funds is contingent on the student's EFC number. The EFC is computed by the Central Processing System and is based on the information presented to the DOEd in the student's FAFSA. The FAFSA is false because it contains a Federal school code for ITT that is a representation that ITT is an eligible institution, which it is not for knowingly violating the enrollment and financial aid incentive prohibition discussed *infra*. The FAFSA also misrepresents that the student is eligible for Pell and FSEO grant proceeds in that he is an eligible borrower, which he is not because ITT is not an eligible institution. ITT causes the student to present the FAFSA to an employee of the DOEd for Pell and FSEO grant funds. The amount ITT awards the student on a Pell grant is based upon the information received from the Central Processing System in an Institutional Student Information Records ("ISIR") that is created based on the information contained in the FAFSA. ITT then credits the amount of Pell grants authorized by the ISIR based upon the student's EFC, and presents a disbursement record to the DOEd for each ITT student. ITT then submits requests to employees of the DOEd for funds to replenish its Pell and FSEO grant accounts. These requests are false because they represent ITT is an eligible institution and the information contained therein is in compliance with FFELP laws and regulations.

10. As a legal prerequisite to any legal entitlement to receive Pell grants, FSEO grants, or FFELP loan proceeds, each of the ITT-owned and/or controlled "colleges" is required by HEA statute and regulation to make certain explicit certifications on the face of a Program Participation Agreement ("PPA"). A sample PPA is attached hereto as exhibit

“A”. The PPA is entered into between an employee of the DOEd and each ITT college. The PPA makes it clear to the signatory institutional representative that, “[t]he execution of this Agreement by the institution and the Secretary is a prerequisite to the institution’s initial and continued participation in any Title IV, HEA program.”

11. Among the explicit certifications and statements signed by, and/or on behalf of, each ITT-controlled institution as a prerequisite for participation in the Title IV program, and as a condition of DOEd payment, is the following certification that the ITT institution:

will not provide, nor contract with any entity that provides, any commission, bonus or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any persons or entities engaged in any student or admission activities or in making decisions regarding the awarding of student financial assistance ...

12. The prohibitions set forth above, will be referred to hereafter as the “enrollment and financial aid incentive prohibition”. The enrollment and financial aid incentive prohibition is an essential and core part of the congressional policy behind the Title IV program. The Title IV program was designed by congress and the DOEd to protect the fiscal integrity and the educational effectiveness of HEA subsidies. One way Congress sought to insure the integrity of the Title IV program was to remove incentives for post-secondary institutions to recruit and enroll students, and sell financial aid to persons, who are not likely to successfully complete ITT’s academic programs, or to benefit therefrom. In the case of FFELP loans, Congress intended to remove incentives to recruit, enroll and award FFELP loans to persons who are not likely to be able and/or willing to

repay their FFELP loans or benefit from the education.

13. Throughout its participation in the Title IV program, ITT and all of its ITT owned "colleges" knew, should have known and continue to know that compliance with the terms of the enrollment and financial aid incentive prohibition were restated in the certification of ITT's own PPA as well as in the HEA statutes and regulations themselves. In fact, in its December 31, 2005, Securities and Exchange Commission 10-K annual report, ITT states, "[t]he HEA prohibits an institution that participates in Title IV programs from providing any incentive, bonus or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any person or entity engaged in any student recruitment or admissions activity or in making decisions regarding the awarding of Title IV program funds."
14. At all times relevant to this First Amended Complaint, ITT knew, should have known, and continues to know that compliance with the terms of the enrollment and financial aid incentive prohibition was a legal prerequisite to and integral to ITT's entitlement to proceeds from Pell grants, FSEO grants, PLUS loans and Stafford loans. ITT knew, should have known and continues to know that it was not entitled to the proceeds of any Pell grant or FSEO grant paid by the DOEd on behalf of any individual or prospective ITT student absent its compliance with the enrollment and financial aid incentive prohibition. ITT knew, should have known and continues to know that it was not entitled to the proceeds of any FFELP loan paid by a FFELP lender on behalf of any individual or prospective ITT student absent its compliance with the enrollment and financial aid incentive

prohibition. Compliance with the enrollment and financial aid incentive prohibition is a condition of payment for an institution to receive any proceeds from a Pell grant, FSEO grant or FFELP loan.

ITT Knowingly Violated the Enrollment and Financial Aid Incentive Prohibition

15. Throughout the entire decade preceding the filing of this action, ITT and its management knew, should have known and continues to know that ITT was in continual violation of the enrollment recruitment and financial aid incentive prohibition. ITT knew, should have known, and continues to know it was in violation of the prohibition when it caused to be presented and submitted each FFELP loan application on behalf of each student or prospective student who purported to be eligible to serve as borrowers of such loans. ITT knew, should have known, and continues to know it was in violation of the prohibition when it presented and submitted each Fiscal Operations Report and Application to Participate ("FISAP") for FSEO grant proceeds. A sample FISAP is attached hereto as exhibit "B". ITT knew, should have known, and continues to know it was in violation of the prohibition when it presented and submitted each request for funds for Pell grant proceeds to credit student accounts using the DOEd's Common Origination and Disbursement process, which is simply a hybrid of the former Recipient Financial Management System process. ITT would present origination and disbursement forms to employees of the DOEd for Pell grant funds it was not due. ITT knew, should have known and continues to know it was in violation of the prohibition when it presented or caused to be presented each Federal Stafford Loan School Certification, where ITT falsely certifies the

student on the Certification is an eligible borrower to receive the Stafford loan proceeds. A copy of this form is attached hereto as exhibit "C". The certification is false because a student is not an eligible borrower unless he attends an eligible institution, which ITT has never been because of its violation of the enrollment and financial aid incentive prohibition. ITT knew, should have known and continues to know it was in violation of the prohibition when it presented or caused to be presented to an employee of the U.S. each Federal PLUS Loan Information and School Certification, where ITT falsely certifies the student on the Certification is an eligible borrower to receive the benefit of PLUS loan proceeds. A copy of this form is attached hereto as exhibit "D". The certification is false because a student is not an eligible borrower unless he attends an eligible institution, which ITT was not because of its violation of the enrollment and financial aid incentive prohibition. ITT management knew, should have known and continues to know that ITT's systematic and continual corporate policy of engaging in the compensation schemes that violated the enrollment and financial aid incentive prohibitions deprived the student and ITT of any entitlement to Stafford or PLUS loan proceeds, and deprived all FFELP lenders who submitted claims for interest subsidies, special allowance payments and default claims on the FFELP loans they hold for loans made to ITT students and prospective students of any right to those subsidies.

16. Throughout the entire decade preceding the filing of this action, ITT caused and directed its institutions to pay (and to withhold) additional compensation to its individual student recruiters, rewarding such student recruiters based solely on

the number or level of enrollment and starts the student recruiter achieved. The term start means a student recruiter persuades a prospective student to enter a specific ITT program and sit in class for the first time. Enrollment means a signed agreement between the prospective student and ITT school for the student to enter into a program, which itemizes the cost and duration for completion of the specific ITT program the student agrees to enter.

17. Throughout the entire decade preceding the filing of this action, ITT caused and directed its institutions to pay (and to withhold) additional compensation to its individual financial aid administrators based solely upon the number and volume of financial aid awards re-packaged or packaged for the current or prospective student, respectively.
18. ITT, in flagrant violation of the HEA prohibition, compensates inside representatives, including Relator when she was an inside representative, based solely upon their success in enrollment activities. In an inside representative's performance, planning and evaluation ("PPE") review, the minimum amount of student enrollments and student starts the inside representative must meet is quantified. The raise an inside representative obtains is directly related to and a function of that inside representative's success in securing enrollments and starts.
19. ITT, in flagrant violation of the HEA prohibition, compensates its financial aid administrators, including Relator when she was a financial aid administrator, based solely upon their success in securing federally subsidized financial aid for ITT students and prospective ITT students. In an ITT financial aid administrator's performance, planning and evaluation ("PPE") review, the

minimum amount of the following the financial aid administrator must meet is quantified: (1) financial aid re-packs finalized for current students to pay for subsequent years of enrollment on the earliest date permitted by the HEA, (2) financial aid packages for new students to pay for initial years of enrollment on the earliest date permitted by the HEA, and (3) Pell grants received by the college on behalf of students by the earliest date permitted by the HEA. The raise a financial aid administrator obtains from ITT is directly related to and a function of that financial aid administrator's success in securing financial aid for ITT students.

20. ITT publishes the top ranking inside representatives and financial aid administrators, based upon their number of student enrollments and starts, and quantity of students for which financial aid is secured, respectively.
21. ITT urges its inside representatives to enroll students without reviewing their transcripts to determine if the student possesses sufficient academic qualifications to benefit from an education at ITT.
22. At the time of signing its PPA with the DOEd, and during the period before the PPA's expiration, ITT knew that its certifications of compliance with the enrollment and financial aid incentive prohibition were false. ITT knew it had no intent or purpose of changing its recruitment or financial aid administrator compensation packages to comply with the prohibition. Accordingly, ITT signed and entered into each PPA fraudulently, intending fraudulently to induce the DOEd to treat ITT as an eligible institution for the purpose of getting payments from the DOEd in response to claims for grants, and to get subsidy payments

allowed by the DOEd and Guaranty agencies for ITT's FFELP lenders. ITT induced DOEd payments to ITT and FFELP lenders when ITT knew that it did not meet (and had no intention or plan to meet) the prerequisites and conditions for serving as an eligible institution. By signing the PPA, ITT intended specifically to deceive the DOEd.

False Claims Presented By ITT

23. During the decade immediately preceding the filing of this First Amended Complaint, ITT has continually caused its colleges and other units to make, and has caused individual prospective students recruited by ITT, through the submission of a Free Federal Application for Financial Aid ("FAFSA"), a sample FAFSA is attached hereto as exhibit "E", to make applications directly to the DOEd seeking and claiming entitlement to Pell grants, FSEO grants and FFELP loans to fund the education of each eligible individual prospective and continuing ITT student. Grant proceeds from all such applications for all such grants were disbursed to ITT by the DOEd, and ITT credited each student's account the amount indicated on the student's ISIR. As a part of each application or claim for each such grant, ITT has caused a knowingly false representation to be made to the DOEd by the student that ITT was at the time an eligible institution then in compliance with a valid PPA. As ITT has known throughout its existence, and continues to know, continuing compliance with the terms of its PPA, including the enrollment and financial aid incentive prohibition has been a prerequisite and precondition for any entitlement on the part of ITT to receive any such grant proceeds, and a prerequisite and precondition for any entitlement of ITT's

FFELP lenders to interest subsidies, special allowance payments or insurance on borrower default. If ITT did not falsely represent it was an eligible institution in the PPA, Federal Stafford Loan School Certification, and Federal PLUS loan Information and School Certification, and cause students to falsely represent ITT was an eligible institution on the FAFSA, no FFELP lenders would be able to make Stafford and PLUS loans to ITT students, or consolidate FFELP loans taken out by ITT students.

24. Throughout the decade immediately preceding the filing of this action, ITT has continually caused its colleges to make, and has caused individual prospective students recruited to ITT to make, applications to private lenders for FFELP loan proceeds, to be disbursed to ITT or one of its subsidiaries. The FFELP, in turn, includes federally subsidized Stafford loans, PLUS loans, and Federal Consolidation Loans. When any such FFELP loan has been the subject of a default, ITT, in turn, has caused the FFELP lender to represent falsely to a Guaranty agency in a Claim Form, a sample of which is attached hereto as exhibit "F", that ITT was then an eligible institution in compliance with its PPA, and the FFELP lender was eligible to claim and receive an insurance payment from the Guaranty agency on the defaulted loan with DOEd funds. Also, ITT caused the FFELP lender to violate its agreement with the Guaranty agency to only submit default claims for eligible FFELP loans. As ITT has known throughout its existence, and continues to know, continuing compliance by it and its subsidiaries with the terms of the PPA, including the enrollment and financial aid incentive prohibition, has been a prerequisite and precondition for any

entitlement on the part of any FFELP lender to receive any such insurance proceeds for a borrower default. In addition, ITT has caused each such FFELP lender to present false claims directly to the DOEd for interest subsidies and special allowance payments on each FFELP loan it holds made to an ITT student, graduate or drop-out, on a LaRS/799 form. A sample LaRS/799 is attached hereto as exhibit "G". As ITT has known throughout its existence, and continues to know, compliance by it and its units with the terms of its PPA, including the enrollment and financial aid incentive prohibition, has been a prerequisite and precondition for any entitlement on the part of any FFELP lender to receive any such interest subsidy or special allowance payment on any such loan it holds that was made to benefit an ITT student. ITT also caused its FFELP lender holding FFELP loans made to benefit an ITT student to falsely represent to the DOEd in a Lender/Service Organization Participation Agreement that the data submitted on the LaRS/799 will be accurate and in compliance with FFELP laws and regulations. A sample Lender/Service Organization Participation Agreement is attached hereto as exhibit "H".

25. Pursuant to 20 U.S.C. § 1077, a FFELP loan is insurable by the DOEd, and thus eligible for interest subsidies, special allowance payments and default guaranty payments, by the DOEd only if, *inter alia*, the student's institution executed and complies with a PPA. 20 U.S.C. §§ 1091 and 1094(a). ITT falsely certified as to each of its students that applied for FFELP loan proceeds that ITT was an eligible institution on the Federal Stafford Loan School Certification and/or Federal PLUS Loan Information and School Certification, by certifying that the student

was eligible to benefit from the Stafford and PLUS loan proceeds. ITT's fraudulent scheme caused private lenders who made FFELP loans to ITT students to present false default claims to a Guaranty agency on loans the FFELP lender holds that were made to ITT students, graduates or drop-outs. These default claims by a FFELP lender holding a loan made to an ITT student were paid with U.S. monies, only because ITT lied about its compliance with the student recruitment and financial aid incentive prohibition in its PPA.

26. Pursuant to 20 U.S.C. § 1078(a)(1)(A), a FFELP lender receives interest subsidies from the DOEd on FFELP loans it holds to reduce the burden on students to pay interest while in school, grace or deferment, and to maximize the FFELP lenders' profits. In order to be eligible for interest subsidies, the FFELP loan must be insured by the DOEd. As indicated in the above paragraph, ITT's execution and compliance with the PPA is a prerequisite to a loan being insurable by the DOEd. Thus, ITT's execution of, and compliance with, the PPA is a prerequisite to the FFELP lenders' initial and continuing right to receive interest subsidies on the loans it holds taken out by ITT students, graduates or drop-outs. ITT's fraudulent scheme has caused FFELP lenders to make false claims for interest subsidies on FFELP loans the lender made to ITT students, graduates or drop-outs. The FFELP lender is only eligible for interest subsidies on loans made to students of an eligible institution. ITT causes FFELP lenders to falsely claim interest subsidies from the DOEd on a LaRS/799 submitted electronically by the lender to the DOEd through the Lenders Reporting System. The FFELP lender uses the false ITT PPA, Federal Stafford Loan School

Certification and Federal PLUS Loan Information and School Certification, Lender/Service Organization Participation Agreement, and LaRS/799 to get false claims for interest subsidies paid by the U.S. The FFELP lenders also use the false statement of ITT students on the FAFSA that ITT is an eligible institution in order to get its false claims for interest subsidies paid by the DOE. The only reason the false claims were paid by the U.S. is because ITT lied to the DOE in its PPA when certifying compliance with the enrollment and financial aid incentive prohibition.

27. Pursuant to 20 U.S.C. § 1087-1(b)(3), a private lender holding an eligible loan shall be deemed to have a contractual right against the U.S., during the life of such loan, to receive a federal subsidy known as the special allowance payment. However, the definition of an eligible loan excludes those loans that are not insured by the DOE. 20 U.S.C. § 1078-1(b)(5). ITT's (1) execution of a PPA, (2) proof of compliance with the PPA by the borrower's institution, (3) execution of a Federal Stafford Loan School Certification and (4) execution of a Federal PLUS Loan School Certification; the FFELP lender's execution of a Lender/Service Organization Participation Agreement and LaRS/799; and the student's execution of a FAFSA are prerequisites to the FFELP lender's legal entitlement to special allowance payments from the DOE on FFELP loans held by that lender. ITT's fraudulent scheme has caused FFELP lenders to present false claims to the DOE using a LaRS/799 form for special allowance payments on FFELP loans the lenders made to ITT students, graduates or drop-outs. The FFELP lenders use the false statement of ITT on the PPA that ITT complies with

the enrollment and financial aid incentive prohibition in order to get their false claims for special allowance payments paid by the DOEd. The FFELP lenders use the false statement of ITT on the Federal Stafford Loan School Certification, and Federal PLUS Loan Information and School Certification in order to get its false claims for special allowance payments paid by the DOEd. Thus, ITT causes the FFELP lender to make false records and statements on their Lender/Service Organization Participation Agreement and LaRS/799 to get false claims for special allowance payments allowed and paid by the U.S. ITT also caused the student to make false records and statements on the FAFSA to get false claims for special allowance payments allowed and paid by the U.S. The only reason the DOEd paid those claims is because ITT lied to the DOEd in its PPA when certifying compliance with the enrollment and financial aid incentive prohibition.

28. ITT knew at the time of each such FFELP loan or grant application, and continues to know, for each such FSEOG grant, Pell grant or FFELP loan that its compliance with, and obedience to, the enrollment and financial aid incentive prohibition was a precondition of, was material to, and was integral to any entitlement of ITT (or any FFELP lender holding loans made to ITT students) to be paid with DOEd funds. ITT also knew, and continues to know, that it was not in compliance with the enrollment and financial aid incentive prohibition, had not been in compliance with the prohibition at the time of the most recent signing of its PPA, had not been in compliance for at least the past decade, and had no intention or plan to come into compliance. ITT knew, and continues to know, that its students were not eligible students to benefit from Stafford loan proceeds when it submitted its Federal Stafford Loan School Certification to the U.S. and

the FFELP lender. ITT knew, and continues to know, that its students were not eligible students to benefit from PLUS loan proceeds when it submitted its Federal PLUS Loan Information and School Certification to the U.S. and FFELP lender for each ITT student. ITT therefore knew at the time of each such loan or grant application (or default, interest subsidy or special allowance claim ITT caused to be made by a FFELP lender) that each such claim was factually and legally false.

29. ITT knew at the time of each such application for each such FSEO grant, Pell grant or FFELP loan, and continues to know, that ITT and the FFELP lender were using ITT's purported status as an eligible institution as a part of each such claim or application for grants and federal loan subsidies. ITT knew that it was therefore using (or causing to be used) the false representations in its PPA, as a legally necessary, material, and integral part of, condition of, and cause of, each such application or claim for a FSEO or Pell grant, or FFELP lender claim for loan default, interest subsidies and special allowance payments. ITT knew that it was therefore using (or causing to be used) the false representations in its Federal Stafford Loan School Certification and Federal PLUS Loan Information and School Certification, and the false representations made by the student in his FAFSA, as a legally necessary, material, and integral part of, condition of, and cause of, each such application or claim for Stafford loan proceeds, loan default, interest subsidies and special allowance payments. Each such use of ITT's representations and certifications in its PPA was known, and continues to be known, by ITT to be integral to the causal chain leading to the making of each disbursement directly to ITT, and the subsidy paid to FFELP lenders on loans

made to ITT students, as a result of each such false claim.

Count 1 - Violations of False Claims Act - 31 U.S.C. § 3729(a)(1) - ITT Knowingly Presented, and Caused Students to Present, False Claims to the DOEd for Pell Grant and FSEO Grant Funds

30. Relator hereby re-alleges and incorporates by reference all allegations set forth in this First Amended Complaint.
31. In performing all of the acts set out herein, ITT knowingly presented and caused to be presented, to the DOEd and to other officers, employees or agents of the U.S., false claims and fraudulent claims for approval and payment out of U.S. funds, and caused losses to the U.S. in the amounts of those payments for Pell grant and FSEO grant proceeds as to each and every such claim to the DOEd for Pell and FSEO grant monies disbursed directly to ITT by the U.S. since no later than January 8, 1996, all in violation of 31 U.S.C. § 3729(a)(1). The presented claims were false because ITT represented on the FIASP and origination and disbursement forms it submitted to the DOEd for FSEO and Pell grant proceeds, respectively, that ITT was an eligible institution and that all grants were made in compliance with HEA laws and regulations. Compliance with the requirements of the PPA and FIASP are conditions of payment for Pell and FSEO grants.
32. In performing all of the acts set out herein, ITT knowingly presented and caused to be presented by ITT students, to the DOEd and to other officers, employees or agents of the U.S., false claims and fraudulent claims for approval and payment out of U.S. funds, and caused losses to the U.S. in the amounts of those payments for Pell grant and FSEO grant proceeds as to each and every such claim to the DOEd for Pell and FSEO grant monies disbursed directly to ITT by the U.S. since no later than January 8, 1996, all in violation of 31 U.S.C. § 3729(a)(1). The presented claims were false because the ITT student certified on the FAFSA

he presented to the U.S. that ITT was an eligible institution, which was caused by ITT providing or making available a Title IV school code for the institution, directing the student to submit a FAFSA identifying ITT by its Title IV school code and directing the student to present the FAFSA to the DOEd or presenting the FAFSA to the DOEd for the student.

33. By virtue of and as a result and cause of the false claims presented, and caused to be presented by ITT, the U.S. suffered actual damages and is entitled to recover three times the amount by which it is damaged, plus civil money penalties of not less than \$5,500 and not more than \$11,000 for each of the false claims presented or caused to be presented, and other monetary relief as determined appropriate from the evidence to be presented at the trial hereof.

Count II - Violations of False Claims Act - 31 U.S.C. § 3729(a)(1) - ITT Knowingly Caused FFELP Lenders to Present False Claims to the U.S. for Interest Subsidies and Special Allowance Payments on a LaRS/799

34. Relator hereby re-alleges and incorporates by reference all allegations set forth in this First Amended Complaint.
35. In performing all of the acts set out herein, ITT knowingly caused FFELP lenders holding loans made to ITT students to present to employees of the U.S., false and fraudulent claims for approval and payment of U.S. money, and caused losses to the U.S. in the amounts of those payments, for interest subsidies and special allowance payments. Since the FFELP lender is not entitled to any special allowance payments or interest subsidies on the loans made to ITT students because ITT is not compliant with the PPA and the student is not an eligible borrower as certified by ITT in each Federal Stafford Loan School Certification and Federal PLUS Loan Information and School Certification, and as certified by the borrower in each FAFSA, all submitted to an employee of the DOEd for each

ITT student, the LaRS/799 contains a false statement as to the amount of money due the FFELP lender in interest subsidies and special allowance payments by the U.S. and that the loans are compliant with all FFELP laws and regulations.

36. By virtue of and as a result and cause of the false claims caused to be presented by ITT, the U.S. suffered actual damages and is entitled to recover three times the amount by which it is damaged, plus civil money penalties of not less than \$5,500 and not more than \$11,000 for each of the false claims ITT caused to be presented by the FFELP lenders holding its students loans, caused to be presented by ITT students and other monetary relief as determined appropriate from the evidence to be presented at the trial hereof.

Count III - Violations of False Claims Act - 31 U.S.C. § 3729(a)(2) - ITT Knowingly Made Used and Caused to be Made and Used False Records and Statements to Get False and Fraudulent Claims Paid and Approved by the U.S. for Pell Grants and FSEO Grants

37. Relator hereby re-alleges and incorporates by reference all allegations set forth in this First Amended Complaint.
38. In performing all of the acts set out herein, ITT used the false record of its PPA, and the false statements contained in its PPA, to get false and fraudulent claims for Pell and FSEO grant proceeds paid from the U.S. ITT compliance with and obedience to the enrollment and financial aid incentive prohibition contained in the PPA is a condition of payment for Pell and FSEO grant claims the U.S. pays ITT. Thus, the underlying claim caused to be paid by the false PPA is itself false because the institution is not eligible for the claimed Pell or FSEO grant proceeds because of its non-compliance with the enrollment and financial aid incentive prohibition. Moreover, the underlying FSEO grant claims are false because ITT represents to the DOEd on a FISAP that it is an eligible institution for the receipt

of FSEO grants. This assertion makes the underlying FSEO grant claims false because ITT is not an eligible institution for the receipt of FSEO grant funds because of ITT's non-compliance with the enrollment and financial aid incentive prohibition ITT certified compliance with on the PPA. The underlying Pell grant claims are false and fraudulent because ITT represents to the DOEd on origination and disbursement forms that it is an eligible institution for receipt of Pell grants. This assertion makes the underlying claim false because ITT is not an eligible institution for the receipt of Pell grant funds because of ITT's non-compliance with the recruitment and financial aid incentive prohibition ITT certified compliance with on the PPA.

39. In performing all of the acts set out herein, ITT knowingly made, used and caused to be made and used false and fraudulent PPA certifications, FAFSAs, FISAPs, origination forms and disbursement forms, that ITT colleges and controlled institutions were eligible to receive Pell and FSEO grant proceeds, to be used as an integral part of the process of causing false and fraudulent claims to be paid as to each and every such claim and payment for such grant proceeds which were disbursed directly to ITT or to any of its subsidiaries. Beginning no later than January 8, 1996, all claims paid or approved to benefit ITT students for Pell or FSEO grant proceeds are false claims, all in violation of 31 U.S.C. § 3729(a)(2).
39. By virtue of and as a result and cause of the false claims paid or caused to be paid by the U.S. caused by ITT's making or using, or causing the making or using, of such false statements and records, the U.S. has suffered actual damages and is entitled to recover three times the amount by which it is damaged, plus civil money penalties of not less than \$5,500 and not more than \$11,000 for each of

the false claims paid or caused to be paid by the U.S. as a result of the false statements and records, and other monetary relief as determined appropriate from the evidence to be presented at the trial hereof.

Count IV - Violations of False Claims Act - 31 U.S.C. § 3729(a)(2) - ITT Knowingly Made, Used and Caused to be Made and Used False Records and Statements to Get False and Fraudulent Claims Paid and Approved by the U.S. for Special Allowance Payments and Interest Subsidies on PLUS and Stafford Loans Made to ITT Students by FFELP Lenders

39. Relator hereby re-alleges and incorporates by reference all allegations set forth in this First Amended Complaint.
40. In performing all of the acts set out herein, ITT knowingly made, used and caused to be made and used false and fraudulent PPA certifications, Federal Stafford Loan School Certifications, Federal PLUS Loan Information and School Certification, FAFSAs, Lender/Service Organization Participation Agreements, and LaRS/799 forms and other representations that holders of FFELP loans made to ITT students were eligible to receive interest subsidies, and special allowance payments. Since FFELP lender entitlement to any interest subsidies or special allowance payments is conditioned upon ITT's compliance with the enrollment and financial aid incentive prohibition, and ITT knowingly violated this prohibition, any and all claims by a FFELP lender for interest subsidies and special allowance payments on FFELP loans made to ITT students are false because the FFELP lender requests the U.S. money on the LaRS/799 to which it is not entitled because of ITT's fraud disqualifying the holder of those FFELP loans from any entitlement to interest subsidies and special allowance payments. The claims by lenders for interest subsidies and special allowance payments are false because the FFELP lender represents on the LaRS/799 that ITT is an eligible institution and the loans comply with all FFELP statutes and regulations,

which is a false.

41. By virtue of and as a result and cause of the false claims paid by the U.S. caused by ITT's use and causing to be used such false statements and records, the U.S. has suffered actual damages and is entitled to recover three times the amount by which it is damaged, plus civil money penalties of not less than \$5,500 and not more than \$11,000 for each of the false claims paid or caused to be paid by the U.S. as a result of the false statements and records by FFELP lenders, and other monetary relief as determined appropriate from the evidence to be presented at the trial hereof.

Count V - Violations of False Claims Act - 31. U.S.C. § 3729(a)(2) - ITT Making, Using and Causing to Be Made or Used, False Records and Statements by FFELP Lenders to Get False or Fraudulent Borrower Default Claims for U.S. Funds Paid or Approved by Guaranty Agencies

42. Relator hereby re-alleges and incorporates by reference all allegations set forth in this First Amended Complaint.
43. In performing all of the acts set forth herein, ITT caused the PPA, Federal Stafford Loan School Certification, Federal PLUS Loan Information and School Certification, FAFSA and Claim Form to be used by ITT students and the FFELP lenders who hold loans made to ITT students, graduates and drop-outs, in order to get false and fraudulent claims for payment on default claims approved by the appropriate Guaranty agency insuring the loan. The underlying claims are false because the FFELP lender indicates on the Claim Form that the loans were made and disbursed in compliance with federal statutes and regulations, including the requirement that a FFELP loan be made to a student of an eligible institution in order for the student's FFELP lender to be eligible for payment of a default claim by the Guaranty agency. As discussed above, ITT is not an eligible institution,

and ITT knowingly misrepresents, and causes ITT students and FFELP lenders to misrepresent, to the DOEd and the Guaranty agency that ITT is an eligible institution. The Claim Form is also false because the lender claims an amount of money from the Guaranty agency which it is not entitled because the borrower is not an eligible borrower.

44. By virtue of and as a result and cause of the false default claims caused to be paid by the Guaranty agency with U.S. funds because of the false statements ITT made and caused to be made, the U.S. has suffered actual damages and is entitled to recover three times the amount by which it is damaged, plus civil money penalties of not less than \$5,500 and not more than \$11,000 for each of the false claims paid or caused to be paid by the U.S. a result of the false statements and records, and other monetary relief as determined appropriate from the evidence to be presented at the trial hereof.

Count VI - Violations of False Claims Act - 31 U.S.C. 31 § U.S.C. 3729(a)(7) - ITT Used and Casused ITT and FFELP Lenders to Use False Certifications and Other Statements to Avoid Obligations to Re-Pay Funds to the DOEd

45. This is a claim on behalf of the United States of America under the False Claims Act, 31 U.S.C. §§ 3729-33, as amended, specifically for violations of Section 3729(a)(7) thereof.
46. In performing all of the acts set out herein, Defendant ITT knowingly used, continues to use, and caused to be used, false and fraudulent PPA certifications, and other representations (including the FAFSA, Lender/Service Organization Participation Agreement, Federal Stafford Loan School Certification, Federal PLUS Loan Information and School Certification, LaRS/799, FIASP, origination and disbursement forms, and the Claim Form) that ITT-controlled colleges were institutions eligible to receive Title IV proceeds from related DOEd programs,

and other false and fraudulent records, to be used as an integral part of the proceeds of and conditions for causing false and fraudulent claims to be made to the DOEd (or to Guaranty Agencies) and to other officers, employees or agents of the United States, for grant proceeds, loan proceeds, interest subsidies, special allowance payments, and loan insurance guaranty payments, in order to be treated by the DOEd as an eligible institution and lender for the lawful receipt of such payments, and in order to avoid the obligation to return or refund to the DOEd funds received by ITT, and the FFELP lenders benefitting from ITT's false statement in its PPA, during periods of time when in fact ITT, because of its violations of the enrollment and financial aid incentive prohibition, was not an eligible institution, and thus all funds received directly by ITT, and the FFELP lenders benefitting from ITT's false statement in its PPA, are reverse false claims, all in violation of 31 U.S.C. § 3729(a)(7).

47. By virtue of and as a result and cause of the false claims presented or caused to be presented by ITT with the use of such statements and records, and the use by ITT of false records or statements to conceal ITT's obligation to return or refund all such payments received by ITT, the U.S. has suffered actual damages and is entitled to recover three times the amount by which it is damaged, plus civil money penalties of not less than \$5,500 and not more than \$11,000 for each of the false claim presented or caused to be presented to the U.S. or a Guaranty agency, and other monetary relief as determined appropriate from the evidence to be presented at the trial hereof.

PRAYER FOR RELIEF

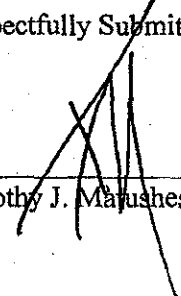
WHEREFORE, the U.S. demands and prays that judgment be entered in favor of the U.S.:

- A. On Counts I-VI under the False Claims Act against ITT for three times (or "treble") the amount of funds paid directly by the DOEd to ITT or its subsidiaries in Pell and FSEO grants, and to any private lender which received default payments, special allowance payments, or interest payments, as to loans, the original proceeds of which were disbursed directly to an institution owned or controlled by ITT, plus all investigative costs, and all civil penalties as are allowable by law for each false claim, and for costs of this civil action; and
- B. For such other relief as the Court deems just and equitable.

WHEREFORE, Relator demands and prays that judgment be entered in her favor as follows:

- A. On Counts I-V under the False Claims Act, for a percentage of all civil penalties and damages obtained from ITT pursuant to 31 U.S.C. § 3730;
- B. Reasonable attorney's fees, and all costs incurred in the prosecution of this action against the Defendant; and
- C. Such other relief as the Court deems just and proper.

Respectfully Submitted

By: 
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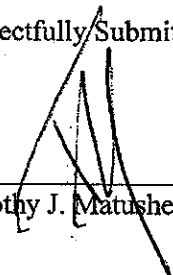
Lane Siesky (IBN 21094-53)
Siesky Law Firm, PC

4424 Vogel Road, Suite 305
Evansville, In, 47715
phone: (812) 402-7700
fax: (812) 402-7744

DEMAND FOR JURY TRIAL

Relator, on behalf of herself and the U.S., respectfully requests a trial by jury on
all counts of this First Amended Complaint.

Respectfully Submitted

By: 
Timothy J. Matusheski (MBN 100998)

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ED Logo UNITED STATES DEPARTMENT OF EDUCATION

**FEDERAL STUDENT AID
SCHOOL ELIGIBILITY CHANNEL**

PROGRAM PARTICIPATION AGREEMENT

Effective Date of Approval: The date on which this Agreement is signed on behalf of the Secretary of Education

Approval Expiration Date: **September 30, 2009**

Reapplication Date: **June 30, 2009**

Name of Institution: **Hillsborough Community College**

Address of Institution: **39 Columbia Drive
Tampa, FL 33606-3572**

OPE ID Number: **00787000**

DUNS Number: **065915209**

Taxpayer Identification Number (TIN): **591219841**

The execution of this Agreement by the Institution and the Secretary is a prerequisite to the Institution's initial or continued participation in any Title IV, HEA Program.

The postsecondary educational institution listed above, referred to hereafter as the "Institution," and the United States Secretary of Education, referred to hereafter as the "Secretary," agree that the Institution may participate in those student financial assistance programs authorized by Title IV of the Higher Education Act of 1965, as amended (Title IV, HEA Programs) indicated under this Agreement and further agrees that such participation is subject to the terms and conditions set forth in this Agreement. As used in this Agreement, the term "Department" refers to the U.S. Department of Education.

SCOPE OF COVERAGE

This Agreement applies to all locations of the Institution as stated on the most current ELIGIBILITY AND CERTIFICATION APPROVAL REPORT issued by the Department. This Agreement covers the Institution's eligibility to participate in each of the following listed Title IV, HEA programs, and incorporates by reference the regulations cited.



- **FEDERAL PELL GRANT PROGRAM**, 20 U.S.C. 1070a et seq; 34 CFR Part 690.
- **FEDERAL FAMILY EDUCATION LOAN PROGRAM**, 20 U.S.C. 1071 et seq; 34 CFR Part 682.
- **FEDERAL DIRECT STUDENT LOAN PROGRAM**, 20 U.S.C. 1087a et seq; 34 CFR Part 685.
- **FEDERAL PERKINS LOAN PROGRAM**, 20 U.S.C. 1087aa et seq; 34 CFR Part 674.
- **FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT PROGRAM**, 20 U.S.C. 1070b et seq; 34 CFR Part 676.
- **FEDERAL WORK-STUDY PROGRAM**, 42 U.S.C. 2751 et seq; 34 CFR Part 675.

GENERAL TERMS AND CONDITIONS

1. The Institution understands and agrees that it is subject to and will comply with the program statutes and implementing regulations for institutional eligibility as set forth in 34 CFR Part 600 and for each Title IV, HEA program in which it participates, as well as the general provisions set forth in Part F and Part G of Title IV of the HEA, and the Student Assistance General Provisions regulations set forth in 34 CFR Part 668.
The recitation of any portion of the statute or regulations in this Agreement does not limit the Institution's obligation to comply with other applicable statutes and regulations.
2.
 - a. The Institution certifies that on the date it signs this Agreement, it has a drug abuse prevention program in operation that it has determined is accessible to any officer, employee, or student at the Institution.
 - b. The Institution certifies that on the date it signs this Agreement, it is in compliance with the disclosure requirements of Section 485(f) of the HEA (Campus Security Policy and Crime Statistics).
3. The Institution agrees to comply with --
 - a. Title VI of the Civil Rights Act of 1964, as amended, and the implementing regulations, 34 CFR Parts 100 and 101 (barring discrimination on the basis of race, color or national origin);
 - b. Title IX of the Education Amendments of 1972 and the implementing regulations, 34 CFR Part 106 (barring discrimination on the basis of sex);
 - c. The Family Rights and Privacy Act of 1974 and the implementing regulations, 34 CFR Part 99;
 - d. Section 504 of the Rehabilitation Act of 1973 and the implementing regulations, 34 CFR Part 104 (barring discrimination on the basis of physical handicap); and
 - e. The Age Discrimination Act of 1975 and the implementing regulations, 34 CFR Part 110.
4. The Institution acknowledges that 34 CFR Parts 602 and 667 require accrediting agencies, State regulatory bodies, and the Secretary to share information about institutions. The Institution agrees that the Secretary, any accrediting agency recognized by the Secretary, and any State regulatory body may share or report information to one another about the Institution without limitation.

5. The Institution acknowledges that the HEA prohibits the Secretary from recognizing the accreditation of any institution of higher education unless that institution agrees to submit any dispute involving the final denial, withdrawal, or termination of accreditation to initial arbitration prior to any other legal action.

SELECTED PROVISIONS FROM GENERAL PROVISIONS REGULATIONS, 34 CFR PART 668

By entering into this Program Participation Agreement, the Institution agrees that:

(1) It will comply with all statutory provisions of or applicable to Title IV of the HEA, all applicable regulatory provisions prescribed under that statutory authority, and all applicable special arrangements, agreements, and limitations entered into under the authority of statutes applicable to Title IV of the HEA, including the requirement that the institution will use funds it receives under any Title IV, HEA program and any interest or other earnings thereon, solely for the purposes specified in and in accordance with that program;

(2) As a fiduciary responsible for administering Federal funds, if the institution is permitted to request funds under a Title IV, HEA program advance payment method, the institution will time its requests for funds under the program to meet the institution's immediate Title IV, HEA program needs;

(3) It will not request from or charge any student a fee for processing or handling any application, form, or data required to determine a student's eligibility for, and amount of, Title IV, HEA program assistance;

(4) It will establish and maintain such administrative and fiscal procedures and records as may be necessary to ensure proper and efficient administration of funds received from the Secretary or from students under the Title IV, HEA programs, together with assurances that the institution will provide, upon request and in a timely manner, information relating to the administrative capability and financial responsibility of the institution to--

(i) The Secretary;

(ii) The State [regulatory bodies] for the State or States in which the institution or any of the institution's branch campuses or other locations are located;

(iii) A guaranty agency, as defined in 34 CFR part 682, that guarantees loans made under the Federal Stafford Loan, and Federal PLUS programs for attendance at the institution or any of the institution's branch campuses or other locations;

(iv) The nationally recognized accrediting agency that accredits or preaccredits the institution or any of the institution's branch campuses, other locations, or educational programs;

(v) The State agency that legally authorizes the institution and any branch campus or other location of the institution to provide postsecondary education; and

(vi) In the case of a public postsecondary vocational educational institution that is approved by a State agency recognized for the approval of public postsecondary vocational education, that State agency;

(5) It will comply with the provisions of §668.15 relating to factors of financial responsibility;

(6) It will comply with the provisions of §668.16 relating to standards of administrative capability;

(7) It will submit reports to the Secretary and, in the case of an institution participating in the Federal Stafford Loan, Federal PLUS, or the Federal Perkins Loan Program, to holders of loans

made to the institution's students under these programs at such times and containing such information as the Secretary may reasonably require to carry out the purpose of the Title IV, HEA programs;

(8) It will not provide any statement to any student or certification to any lender under the Federal Stafford Loan or Federal PLUS Program that qualifies the student for a loan or loans in excess of the amount that the student is eligible to borrow in accordance with §§425(a), 428(a)(2), 428(b)(1)(A) and (B), and 428H of the HEA;

(9) It will comply with the requirements of Subpart D of 34 CFR part §§668 concerning institutional and financial assistance information for students and prospective students;

(10) In the case of an institution that advertises job placement rates as a means of attracting students to enroll in the institution, it will make available to prospective students, at or before the time that those students apply for enrollment-

(i) The most recent available data concerning employment statistics, graduation statistics, and any other information necessary to substantiate the truthfulness of the advertisements; and

(ii) Relevant State licensing requirements of the State in which the institution is located for any job for which an educational program offered by the institution is designed to prepare those prospective students;

(11) In the case of an institution participating in the Federal Stafford Loan, or Federal PLUS Program, the institution will inform all eligible borrowers, as defined in 34 CFR part 682, enrolled in the institution about the availability and eligibility of those borrowers for State grant assistance from the State in which the institution is located, and will inform borrowers from another State of the source for further information concerning State grant assistance from that State;

(12) It will provide the certifications described in paragraph (c) of this section;

(13) In the case of an institution whose students receive financial assistance pursuant to section 484(d) of the HEA, the institution will make available to those students a program proven successful in assisting students in obtaining the recognized equivalent of a high school diploma;

(14) It will not deny any form of Federal financial aid to any eligible student solely on the grounds that the student is participating in a program of study abroad approved for credit by the institution;

(15) In the case of an institution seeking to participate for the first time in the Federal Stafford Loan and Federal PLUS programs, the institution has included a default management plan as part of its application under §600.20 for participation in those programs and will use the plan for at least two years from the date of that application. The Secretary considers the requirements of this paragraph to be satisfied by a default management plan developed in accordance with the default reduction measures described in the June 2001 Dear Partner Letter, GEN-01-08;

(16) In the case of an institution that changes ownership that results in a change of control, or that changes its status as a main campus, branch campus, or an additional location, the institution will, to participate in the Federal Stafford Loan and Federal PLUS Programs, develop a default management plan for approval by the Secretary and implement the plan for at least two years after the change in control or status. The Secretary considers the requirements of this paragraph to be satisfied by a default management plan developed in accordance with the default reduction measures described in the June 2001 Dear Partner Letter, GEN-01-08;

(17) The Secretary, guaranty agencies and lenders as defined in 34 CFR Part 682, nationally recognized accrediting agencies, the Secretary of Veterans Affairs, State [regulatory bodies], State agencies recognized under 34 CFR part 603 for the approval of public postsecondary vocational education, and State agencies that legally authorize institutions and branch campuses

or other locations of institutions to provide postsecondary education, have the authority to share with each other any information pertaining to the institution's eligibility for or participation in the Title IV, HEA programs or any information on fraud and abuse;

(18) It will not knowingly --

(i) Employ in a capacity that involves the administration of the Title IV, HEA programs or the receipt of funds under those program, an individual who has been convicted of, or has pled *nolo contendere* or guilty to, a crime involving the acquisition, use, or expenditure of Federal, State, or local government funds, or has been administratively or judicially determined to have committed fraud or any other material violation of law involving Federal, State, or local government funds;

(ii) Contract with an institution or third-party servicer that has been terminated under section 432 of the HEA for a reason involving the acquisition, use, or expenditure of Federal, State, or local government funds, or that has been administratively or judicially determined to have committed fraud or any other material violation of law involving Federal, State, or local government funds; or

(iii) Contract with or employ any individual, agency, or organization that has been, or whose officers or employees have been--

(A) Convicted of, or pled *nolo contendere* or guilty to, a crime involving the acquisition, use, or expenditure of Federal, State, or local government funds; or

(B) Administratively or judicially determined to have committed fraud or any other material violation of law involving Federal, State, or local government funds;

(19) It will complete, in a timely manner and to the satisfaction of the Secretary, surveys conducted as a part of the Integrated Postsecondary Education Data System (IPEDS) or any other Federal collection effort, as designated by the Secretary, regarding data on postsecondary institutions;

(20) In the case of an institution that offers athletically related student aid, it will comply with the provisions of paragraph (d) of this section;

(21) It will not impose any penalty, including, but not limited to, the assessment of late fees, the denial of access to classes, libraries, or other institutional facilities, or the requirement that the student borrow additional funds for which interest or other charges are assessed, on any student because of the student's inability to meet his or her financial obligations to the institution as a result of the delayed disbursement of the proceeds of a Title IV, HEA program loan due to compliance with statutory and regulatory requirements of or applicable to the Title IV, HEA programs, or delays attributable to the institution;

(22) It will not provide, nor contract with any entity that provides, any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any persons or entities engaged in any student recruiting or admission activities or in making decisions regarding the awarding of student financial assistance, except that this requirement shall not apply to the recruitment of foreign students residing in foreign countries who are not eligible to receive Federal Student Assistance. This provision does not apply to the giving of token gifts to students or alumni for referring students for admission to the institution as long as: the gift is not in the form of money, check, or money order; no more than one such gift is given to any student or alumnus; and the gift has a value of not more than \$100;

(23) It will meet the requirements established pursuant to Part H of Title IV of the HEA by the Secretary, State [authorizing bodies], and nationally recognized accrediting agencies;

(24) It will comply with the refund provisions established in 34 CFR Part 668.22;

(25) It is liable for all improperly administered funds received or refunded under the Title IV, HEA programs, including any funds administered by a third-party servicer;

(26) If the stated objectives of an educational program of the institution are to prepare a student for gainful employment in a recognized occupation, the institution will--

(i) Demonstrate a reasonable relationship between the length of the program and entry level requirements for the recognized occupation for which the program prepares the student. The Secretary considers the relationship to be reasonable if the number of clock hours provided in the program does not exceed by more than 50 percent the minimum number of clock hours required for training in the recognized occupation for which the program prepares the student, as established by the State in which the program is offered, if the State has established such a requirement, or as established by any Federal agency; and

(ii) Establish the need for the training for the student to obtain employment in the recognized occupation for which the program prepares the student.

(c) In order to participate in any Title IV, HEA program (other than the SSIG and NEISP programs), the institution must certify that it--

(1) Has in operation a drug abuse prevention program that the institution has determined to be accessible to any officer, employee, or student at the institution; and

(2)(i) Has established a campus security policy in accordance with section 485(f) of the HEA; and

(ii) Has complied with the disclosure requirements of §668.47 as required by section 485(f) of the HEA.

(d) In order to participate in any Title IV, HEA program (other than the SSIG and NEISP programs), an institution that offers athletically related student aid must--

(1) Cause an annual compilation, independently audited not less often than every 3 years, to be prepared within 6 months after the end of the institution's fiscal year, of--

(i) The revenues derived by the institution from the institution's intercollegiate athletics activities, according to the following categories:

(A) Total revenues.

(B) Revenues from football.

(C) Revenues from men's basketball.

(D) Revenues from women's basketball.

(E) Revenues from all other men's sports combined.

(F) Revenues from all other women's sports combined;

(ii) Expenses made by the institution for the institution's intercollegiate athletics activities, according to the following categories:

(A) Total expenses.

(B) Expenses attributable to football.

(C) Expenses attributable to men's basketball.

(D) Expenses attributable to women's basketball.

(E) Expenses attributable to all other men's sports combined.

(F) Expenses attributable to all other women's sports combined; and

(iii) The total revenues and operating expenses of the institution; and

(2) Make the compilation and, where allowable by State law, the results of the audits required by paragraph (d)(1) of this section available for inspection by the Secretary and the public.

(e) For the purposes of paragraph (d) of this section--

(1) Revenues from intercollegiate athletics activities allocable to a sport shall include without limitation gate receipts, broadcast revenues and other conference distributions, appearance guarantees and options, concessions, and advertising;

(2) Revenues such as student activities fees, alumni contributions, and investment interest income that are not allocable to a sport shall be included in the calculation of total revenues only;

(3) Expenses for intercollegiate athletics activities allocable to a sport shall include without limitation grants-in-aid, salaries, travel, equipment, and supplies; and

(4) Expenses such as general and administrative overhead that are not allocable to a sport shall be included in the calculation of total expenses only.

(f)(1) A program participation agreement becomes effective on the date that the Secretary signs the agreement.

(2) A new program participation agreement supersedes any prior program participation agreement between the Secretary and the institution.

(g)(1)(i) With respect to an institution that has been certified *other than under a provisional certification*--

(A) Except as provided in paragraphs (h) and (i) of this section, the Secretary terminates a program participation agreement through the proceedings in subpart G of this part.

(B) An institution may terminate a program participation agreement.

(C) If the Secretary or the institution terminates a program participation agreement under paragraph (g) of this section, the Secretary establishes the termination date.

(2) With respect to an institution that has been *provisionally certified*, the Secretary revokes a provisional certification through the proceedings in §668.13(d).

(h) An institution's program participation agreement automatically expires on the date that--

(1) The institution changes ownership that results in a change in control as determined by the Secretary under 34 CFR part 600; or

(2) The institution's participation ends under the provisions of §668.26(a)(1), (2), (4), or (7).

(i) An institution's program participation agreement no longer applies to or covers a location of the institution as of the date on which that location ceases to be a part of the participating institution.

WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

If an institution participates in the William D. Ford Federal Direct Loan (Direct Loan) Program, the institution and its representatives shall comply with the statute, guidelines, and regulations governing the Title IV, Part D, William D. Ford Federal Direct Loan Program as required by Section 454 of Public Law 103-66.

The institution will:

1. Provide for the establishment and maintenance of a Direct Loan Program at the Institution that will:

Identify eligible students who seek student financial assistance in accordance with Section 484 of the Higher Education Act of 1965, as amended (the HEA).

Estimate the need of students as required under Title IV, Part F of the HEA.

Provide a certification statement of eligibility for students to receive loans that will not exceed the annual or aggregate limits, except the Institution may exercise its authority, under exceptional circumstances identified by the Secretary, to refuse to certify a statement that permits a student to receive a loan, or certify a loan amount that is less than the student's determination of need, if the reason for such action is documented and provided in written form to a student.

Establish a schedule for disbursement of loan proceeds to meet the requirements of Section 428G of the HEA.

Provide timely and accurate information to the Secretary concerning 1) the status of borrowers while students are in attendance, any new information pertaining to the status of student borrowers of which the Institution becomes aware after the student leaves the Institution, and 2) the utilization of Federal funds under Part D at such times and in such manner as prescribed by the Secretary.

2. Comply with requirements established by the Secretary relating to student loan information with respect to the Direct Loan Program.
3. Provide that students at the Institution and their parents (with respect to such students) will be eligible to participate in the programs under Title IV, Part B of the HEA, Federal Family Education Loan programs, at the discretion of the Secretary for the period during which such Institution participates in the Direct Loan Program, except that a student or parent may not receive loans under both Part B and Part D of the HEA for the same period of enrollment.
4. Provide for the implementation of a quality assurance system, as established by the Secretary and developed in consultation with Institutions of higher education, to ensure that the Institution is complying with program requirements and meeting program objectives.
5. Provide that the Institution will not charge any fees of any kind, regardless of how they are described, to student or parent borrowers for loan application, or origination activities (if applicable), or the provision and processing of any information necessary for a student or parent to receive a loan under Part D of the HEA.
6. Provide that the Institution will originate loans to eligible students and parents in accordance with the requirements of Part D of the HEA and use funds advanced to it solely for that purpose (Option 2 only).
7. Provide that the note or evidence of obligation of the loan shall be the property of the Secretary (Options 2 and 1 only).

8. Implement such other provisions as the Secretary determines are necessary to protect the interest of the United States and to promote the purposes of Part D of the HEA.
9. Accept responsibility and financial liability stemming from its failure to perform its functions under this Program Participation Agreement.

The Institution's continued approval to participate in the Direct Loan Program will be based on the Department of Education's review and approval of the Institution's future applications for recertification to continue participating in the federal student aid programs.

CERTIFICATIONS REQUIRED FROM INSTITUTIONS

The Institution should refer to the regulations cited below. Signature on this Agreement provides for compliance with certification requirements under 34 CFR Part 82, "New Restrictions on Lobbying," and 34 CFR Part 85, "Government-wide Debarment and Suspension (Nonprocurement) and Government-wide Requirement for Drug-Free Workplace (Grants)." Breach of any of these certificates constitutes a breach of this Agreement.

PART 1 CERTIFICATION REGARDING LOBBYING; DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS; AND DRUG-FREE WORKPLACE REQUIREMENTS

1. Lobbying

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 34 CFR Part 82, for persons entering into a grant or cooperative agreement over \$100,000, as defined at 34 CFR Part 82, Sections 82.105, and 82.110, the Institution certifies that:

- (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal grant or cooperative agreement;
- (b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Grant or cooperative agreement, the Institution shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with all subrecipients shall certify and disclose accordingly.
- (c) The Institution shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants, contracts under grants and cooperative agreements, and subcontracts) and that all subrecipients shall certify and disclose accordingly.

2. Debarment, Suspension, and Other Responsibility Matters

As required by Executive Order 12549, Debarment and Suspension, and implemented at 34 CFR Part 85, for prospective participants in primary covered transactions as defined at 34 CFR Part 85, Sections 85.105 and 85.110, the Institution certifies that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract 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 for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State, or local) terminated for cause or default.

3. Drug-Free Workplace (Grantees Other Than Individuals)

As required by the Drug-Free Workplace Act of 1988, and implemented at 34 CFR Part 85, Subpart F, for grantees, as defined at 34 CFR Part 85, Sections 85.605, and 85.610 -

The Institution certifies that it will or will continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an on-going drug-free awareness program to inform employees about-
 - (1) The dangers of drug abuse in the workplace;
 - (2) The Institution's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will -
 - (1) Abide by the terms of the statement, and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency, in writing, within 10 calendar days after receiving notice under this subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to: Director, Grants and Contracts Service, U.S. Department of Education, 400 Maryland Avenue, S.W. (Room 3124, GSA Regional Office Building No. 3), Washington, DC 20202-5140. Notice shall include the identification number(s) of each affected grant;

- (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted -
- (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1972, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

4. Drug-Free Workplace (Grantees Who Are Individuals)

As required by the Drug-Free Workplace Act of 1988, and implemented at 34 CFR Part 85, Subpart F, for grantees, as defined at 34 CFR Part 85, Sections 85.605, and 85.610 -

1. As a condition of the grant, the Institution certifies that it will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant; and
2. If any officer or owner of the Institution is convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, the Institution will report the conviction, in writing, within 10 calendar days of the conviction, to: Director, Grants and Contracts Service, U.S. Department of Education, 400 Maryland Avenue, S.W. (Room 3124, GSA Regional Office Building No. 3), Washington, DC 20202-5140. Notice shall include the identification number(s) of each affected grant.

PART 2 U.S. DEPARTMENT OF EDUCATION DRUG PREVENTION CERTIFICATION

The undersigned Institution certifies that it has adopted and implemented a drug prevention program for its students and employees that, at a minimum, includes--

1. The annual distribution in writing to each employee, and to each student who is taking one or more classes for any kind of academic credit except for continuing education units, regardless of the length of the student's program of study, of:

- Standards of conduct that clearly prohibit, at a minimum, the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on its property or as part of any of its activities.
- A description of the applicable legal sanctions under local, State or Federal law for the unlawful possession or distribution of illicit drugs and alcohol.
- A description of the health risks associated with the use of illicit drugs and the abuse of alcohol.
- A clear statement that the Institution will impose disciplinary sanctions on students and employees (consistent with local, State and Federal law), and a description of those sanctions, up to and including expulsion or termination of employment and referral for prosecution, for violation of the standards of conduct. A disciplinary sanction may include the completion of an appropriate rehabilitation program.
- A description of any drug or alcohol counseling, treatment, or re-entry programs that are available to employees or students.

2. A biennial review by the Institution of its program to:

- Determine its effectiveness and implement changes to the program if they are needed.
- Ensure that its disciplinary sanctions are consistently enforced.

**PART 3 CERTIFICATION REGARDING DEBARMENT,
 SUSPENSION, INELIGIBILITY, AND VOLUNTARY
 EXCLUSION -- LOWER TIER COVERED TRANSACTIONS**

The Institution is to obtain the signatures of Lower Tier Contractors on copies of the certification reproduced below, and retain in the Institution's files.

**CERTIFICATION BY LOWER TIER CONTRACTOR
 (Before Completing Certification, Read Instructions for This Part 3, below)**

- (1) The prospective lower tier participant certifies by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal Department or Agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Name of Lower Tier Organization	PR/Award Number or Project Name
Name of Authorized Representative	Title of Authorized Representative
Signature of Authorized Representative	Date

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or

voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion--Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

NOTE: A completed copy of the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions" form must be retained by the Institution. The original must be returned with the PPA.

IN WITNESS WHEREOF

the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

Signature of Institution's
Chief Executive Officer: _____ Date: _____

Print Name and Title: _____

For the Secretary: _____ Date: _____
U.S. Department of Education

Fiscal Operations Report and Application to Participate (FISAP)

Report: Award Year July 1, 2006 through June 30, 2007; Application: Award Year July 1, 2008 through June 30, 2009

Part I. Identifying Information, Certification and Warning

Section A. Identifying Information

1(a) Name and address of school

1(b) Mailing address (if different from 1(a))

2. OPEID Number _____

3. Type of school (select one)

- 3.1 public
- 3.2 private/non-profit
- 3.3 proprietary

(Select one if proprietary)

- (a) art
- (b) business
- (c) cosmetology
- (d) trade and technical
- (e) other

4. Length/type of longest program (select one)

- 4.1 less than 1 year
- 4.2 .1 year but less than 2 years
- 4.3 2 years but less than 3 years
- 4.4 3 years but less than 4 years
- 4.5 4 years (no higher than a baccalaureate degree)
- 4.6 5 years or more
- 4.7 post-baccalaureate only

5. Additional locations

Schools with separately eligible additional locations that will be funded under this application must list these locations and their addresses and OPEID Numbers on the screen. You may not file a separate application for any separately eligible school listed herein.

We have entered a list of separately eligible additional locations included in this application. yes no

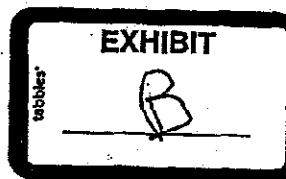
6. Financial Aid Administrator

Name _____
E-mail address _____

Telephone No. _____
Fax No. _____

7. Name and address of private financial aid consultant firm, if any

Name _____
Address 1 _____
Address 2 _____
City _____ State _____ Zip _____



Section B. Certification and Warning

Applicants must review the requirements for certification regarding lobbying included in the regulations cited below before completing this form. Applicants must sign this form to comply with the certification requirements under 34 CFR Part 82, "New Restrictions on Lobbying." This certification is a material representation of fact upon which the Department of Education relies when it makes a grant or enters into a cooperative agreement.

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 34 CFR Part 82, for persons entering into a Federal contract, grant or cooperative agreement over \$100,000, as defined at 34 CFR Part 82, Sections 82.105 and 82.110, the applicant certifies that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal grant or cooperative agreement;

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions (Available at the following link: <http://www.ed.gov/fund/grant/apply/appforms/sfill.doc>); and

(c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants and contracts under grants and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above certification. I further certify that the information contained in this electronic FISAP is in compliance with governing legislation and regulations and is true and accurate. I understand that all information associated with this FISAP is subject to audit and program review by representatives of the Secretary of Education.

WARNING: Any person who knowingly provides false or misleading information on this FISAP will be subject to a fine of up to \$10,000 or imprisonment of up to 5 years or both under provisions of Section 1001, Title 18 of the U.S. Code.

8. Chief Executive Officer (includes President, Chancellor, and Director)

Signature _____ Date signed _____
Name _____ Telephone No. _____
Title _____ Fax No. _____
E-mail address _____

Mail signed form to

**FISAP Administrator
2020 Company, LLC
3110 Fairview Park Drive
Suite 950
Falls Church, VA 22042**

ED Form 646-1
OMB no 1845-0030
Expires 06/30/2008

Application to Participate, Part II

Name of school _____
OPEID Number _____ State _____

Part II. Application to Participate for Award Year July 1, 2008 through June 30, 2009

Section A. Request for Funds for the 2008-2009 Award Year

- 1. Federal Perkins Loan Level of Expenditures \$ _____
- 2. Federal Perkins Loan Federal Capital Contribution \$ _____
- 3. FSEOG federal funds \$ _____
- 4. FWS federal funds \$ _____

Section B. Federal Perkins Loan Program Liquidation Request

(Applies only to certain schools; see instructions)

- 5. My school wishes to discontinue participation in the Federal Perkins Loan Program. yes no

Section C. Waiver Request for the Underuse of Funds

My school has returned more than 10 percent of its Federal Perkins Loan, FSEOG, or FWS allocation for the 2006-2007 award year.

- 6. My school wishes to apply for a waiver of the penalty for the underuse of funds and will provide, on the Additional Information screen, a written explanation of the circumstances. yes no

Application to Participate, Part II (continued)

Name of school _____
OPEID Number _____ State _____

Part II. Application to Participate for Award Year July 1, 2008 through June 30, 2009

Section D. Information on Enrollment

My school's calendar is Traditional Non-Traditional

Schools with a non-traditional calendar that had 2006-2007 enrollment, fill in fields 9 through 20.

Schools with a traditional calendar that had 2006-2007 enrollment, fill in Field 7.

	Undergraduate (a)	Graduate/Professional (b)
7. Total number of students, 2006-2007	_____	_____

	Continuing Students (a)	New Starts (b)
9. July 1, 2006	_____	_____
10. August 1	_____	_____
11. September 1	_____	_____
12. October 1	_____	_____
13. November 1	_____	_____
14. December 1	_____	_____
15. January 1, 2007	_____	_____
16. February 1	_____	_____
17. March 1	_____	_____
18. April 1	_____	_____
19. May 1	_____	_____
20. June 1, 2007	_____	_____
21. TOTAL	_____	_____

Schools with a traditional calendar that did not have 2006-2007 enrollment, fill in Field 8.

	Undergraduate (a)	Graduate/Professional (b)
8. Estimated number of students, 2007-2008	_____	_____

Section E. Assessments and Expenditures

	Undergraduate (a)	Graduate/Professional (b)
22. Total tuition and fees for the award year July 1, 2006 to June 30, 2007	\$ _____	\$ _____
23. Title IV, Part A, Subpart I, Grants		
(a) Total Federal Pell Grant expenditures for the 2006-2007 award year	\$ _____	
(b) Total ACG expenditures for the 2006-2007 award year	\$ _____	
(c) Total National SMART Grant expenditures for the 2006-2007 award year	\$ _____	
24. Total expended for state grants and scholarships made to undergraduates for the award year July 1, 2006 to June 30, 2007	\$ _____	

Section F. Information on Eligible Aid Applicants Enrolled in Your School for Award Year 2006-2007

	Dependent Undergraduate		Independent Undergraduate		Independent Graduate/Professional (e)
	Without Baccalaureate/ 1st Prof. Degree (a)	With Baccalaureate/ 1st Prof. Degree (b)	Without Baccalaureate/ 1st Prof. Degree (c)	With Baccalaureate/ 1st Prof. Degree (d)	
25. Students with an "Automatic" Zero EFC	_____	_____	_____	_____	_____

Taxable and Untaxed Income

26. \$0 - \$2,999	_____	_____
27. \$3,000 - \$5,999	_____	_____
28. \$6,000 - \$8,999	_____	_____
29. \$9,000 - \$11,999	_____	_____
30. \$12,000 - \$14,999	_____	_____
31. \$15,000 - \$17,999	_____	_____
32. \$18,000 - \$23,999	_____	_____
33. \$24,000 - \$29,999	_____	_____
34. \$30,000 - \$35,999	_____	_____
35. \$36,000 - \$41,999	_____	_____
36. \$42,000 - \$47,999	_____	_____
37. \$48,000 - \$53,999	_____	_____
38. \$54,000 - \$59,999	_____	_____
39. \$60,000 and over	_____	_____
40. TOTAL	_____	_____

Taxable and Untaxed Income

\$0 - \$999	_____	_____	_____
\$1,000 - \$1,999	_____	_____	_____
\$2,000 - \$2,999	_____	_____	_____
\$3,000 - \$3,999	_____	_____	_____
\$4,000 - \$4,999	_____	_____	_____
\$5,000 - \$5,999	_____	_____	_____
\$6,000 - \$7,999	_____	_____	_____
\$8,000 - \$9,999	_____	_____	_____
\$10,000 - \$11,999	_____	_____	_____
\$12,000 - \$13,999	_____	_____	_____
\$14,000 - \$15,999	_____	_____	_____
\$16,000 - \$17,999	_____	_____	_____
\$18,000 - \$19,999	_____	_____	_____
\$20,000 and over	_____	_____	_____
TOTAL	_____	_____	_____

Fiscal Operations Report, Part III

Name of school _____
OPEID Number _____ State _____

Part III. Federal Perkins Loan Program for Award Year July 1, 2006 through June 30, 2007

Section A. Fiscal Report (Cumulative) as of June 30, 2007

Field/Item	Amount (a)	Number of Borrowers (b)	Debit Balances (c)	Credit Balances (d)
1.1. Cash on hand and in depository as of 6/30/2007			\$ _____	
1.2. Cash on hand and in depository as of 10/31/2007	\$ _____			
2. Funds receivable from federal government			\$ _____	
3. Funds receivable from school			\$ _____	
4. Funds advanced to students			\$ _____	
5. Loan principal collected				\$ _____
6. Loan principal assigned to and accepted by the United States				\$ _____
<u>Loan principal canceled for the following categories:</u>				
7. teaching/military service (applies to loans made prior to 07/01/1972)				\$ _____
8. certain subject matter teaching service (math, science, foreign languages, bilingual education)				\$ _____
9. all other authorized teaching service				\$ _____
10. military service (applies to loans made 07/01/1972 and after)				\$ _____
11. volunteer service				\$ _____
12. law enforcement and corrections officer service				\$ _____
13. child/family/early intervention service				\$ _____
14. nurse/medical technician service				\$ _____
15. death/disability				\$ _____
16. bankruptcy				\$ _____
17. surviving spouses of public service victims of 9-11 terrorist attacks				\$ _____
18. loans discharged due to closed schools				\$ _____
19. Loan principal adjustments - other				\$ _____
20. Federal Capital Contributions				\$ _____
21. Repayments of fund capital to federal government			\$ _____	
22. Institutional Capital Contributions				\$ _____
23. Repayments of fund capital to school			\$ _____	
24. Interest income on loans				\$ _____
25. Other income				\$ _____
26. Reimbursements to the Fund of the amounts canceled on loans made 07/01/1972 and after				\$ _____
27.1. Administrative cost allowance	\$ _____			
27.2. Collection costs	\$ _____			
27.3. Administrative cost allowance and collection costs (control)			\$ _____	
<u>Cost of loan principal and interest canceled for the following categories:</u>				
28. teaching/military service (applies to loans made prior to 07/01/1972)			\$ _____	
29. certain subject matter teaching service (math, science, foreign languages, bilingual education)			\$ _____	
30. all other authorized teaching service (applies to loans made 07/01/1972 and after)			\$ _____	
31. military service (applies to loans made 07/01/1972 and after)			\$ _____	
32. volunteer service in the Peace Corps or under the Domestic Volunteer Service Act of 1973			\$ _____	
33. law enforcement and corrections officer service			\$ _____	
34. child/family/early intervention service			\$ _____	
35. nurse/medical technician service			\$ _____	
36. death/disability			\$ _____	
37. bankruptcy			\$ _____	
38. surviving spouses of public service victims of 9-11 terrorist attacks			\$ _____	
39. Cost of loan principal and interest assigned to and accepted by the United States			\$ _____	
40. Cost of loan principal and interest canceled for loans discharged due to closed schools			\$ _____	

Fiscal Operations Report, Part III (continued)

Name of school _____
OPEID Number _____ State _____

Part III. Federal Perkins Loan Program for Award Year July 1, 2006 through June 30, 2007

Section A. Fiscal Report (Cumulative) as of June 30, 2007

Field Item	Amount (a)	Number of Borrowers (b)	Debit Balances (c)	Credit Balances (d)
41. Other costs or losses			\$ _____	
42. Balancing Adjustments (Debits)			\$ _____	
43. Balancing Adjustments (Credits)				\$ _____
44. Total debits and credits (Sum of fields 1.1 through 43)			\$ _____	\$ _____

Section B. Fund Activity (Annual) During the 2006-2007 Award Year (July 1, 2006 through June 30, 2007)

	Number of Borrowers (a)	Amount (b)
1. Final adjusted Federal Capital Contribution (FCC) authorization		\$ _____
2. FCC transferred to:		
(a) FSEOG		\$ _____
(b) FWS		\$ _____
3. The unexpended amount of final adjusted authorized FCC for award year 2006-2007 that was NOT requested from GAPS by June 30, 2007. This amount will be reduced from your total award amount next spring (see instructions).		\$ _____
4. Institutional Capital Contribution (ICC) deposited into the Fund between July 1, 2006 and June 30, 2007		\$ _____
5. Loans advanced to students from the Fund during the 2006-2007 award year (minus 2006-2007 award year refunds)		\$ _____
6. Administrative cost allowance claimed for the 2006-2007 award year (see instructions)		\$ _____
7. Total principal and interest repaid by borrowers from all sources during the 2006-2007 award year	_____	\$ _____
8. Total principal repaid by borrowers from all sources during the 2006-2007 award year for loans in default for more than 2 years but not more than 5 years.	_____	\$ _____
9. Total principal repaid by borrowers from all sources during the 2006-2007 award year for loans in default for more than 5 years	_____	\$ _____

Fiscal Operations Report, Part III (continued)

Name of school _____
OPEID Number _____ State _____

Part III. Federal Perkins Loan Program for Award Year July 1, 2006 through June 30, 2007

Section C. Cumulative Repayment Information as of June 30, 2007

Status of Borrowers as of June 30, 2007

	Amount (a)	Number of Borrowers (b)	Amount Lent (c)	Principal Amount Outstanding (d)
1.1. Borrowers whose loans are fully retired			\$ _____	
1.2. Loans that have been purchased	\$ _____			
2. Borrowers whose loans were assigned to and officially accepted by the U.S. Department of Education as of June 30, 2007 (Note: Field 2 equals the sum of Field 2.1 plus Field 2.2.)			\$ _____	\$ _____
2.1. Assignments due to default or liquidation			\$ _____	\$ _____
2.2. Assignments due to total and permanent disability discharge			\$ _____	\$ _____
3. Total borrowers not in repayment status				\$ _____
4. Borrowers on schedule in repayment status				\$ _____
5.1. In default less than 240 days (monthly installments) or less than 270 days (other installments)			\$ _____	\$ _____
5.2. In default 240 days or more (monthly installments) or 270 days or more (other installments), up to 2 years			\$ _____	\$ _____
5.3. In default more than 2 years but not more than 5 years			\$ _____	\$ _____
5.4. In default more than 5 years			\$ _____	\$ _____

Cohort Default Rate (Sections D and E)

Schools with fewer than 30 borrowers who entered repayment in the 2005-2006 award year should skip to Section E.

Section D. Schools with 30 or More Borrowers Who Entered Repayment in the 2005-2006 Award Year

- 1.1. Number of borrowers who entered repayment in 2005-2006 _____
- 1.2. Number of borrowers from Field 1.1 above with loans in default by June 30, 2007 _____
- 1.3. Cohort default rate ((Field 1.2 / Field 1.1) x 100) _____

Section E. Schools with Fewer than 30 Borrowers Who Entered Repayment in the 2005-2006 Award Year

- 2.1. Number of borrowers who entered repayment in:
 - (a) 2003-2004 (07/01/2003-06/30/2004) _____
 - (b) 2004-2005 (07/01/2004-06/30/2005) _____
 - (c) 2005-2006 (07-01/2005-06/30/2006) _____
- 2.2. Number of borrowers with loans in default by:
 - (a) June 30, 2005 (those in 2.1(a) only) _____
 - (b) June 30, 2006 (those in 2.1(b) only) _____
 - (c) June 30, 2007 (those in 2.1(c) only) _____
- 2.3. Total number of borrowers who entered repayment during the three years above (fields 2.1(a) + 2.1(b) + 2.1(c)) _____
- 2.4. Total number of borrowers with loans in default during the three years above (fields 2.2(a) + 2.2(b) + 2.2(c)) _____
- 2.5. Cohort default rate ((Field 2.4 / Field 2.3) x 100) _____

Fiscal Operations Report, Part IV

Name of school _____
 OPEID Number _____ State _____

Part IV. Federal Supplemental Educational Opportunity Grant (FSEOG) Program for Award Year July 1, 2006 through June 30, 2007

Section A. Federal Funds Authorized for FSEOG

1. Final adjusted FSEOG authorization \$ _____

Section B. Federal Funds Available for FSEOG Expenditures

- 2. FWS funds transferred to and spent in FSEOG +\$ _____
- 3. Federal Perkins Federal Capital Contribution funds transferred to and spent in FSEOG +\$ _____
- 4. 2007-2008 FSEOG funds carried back and spent in 2006-2007 +\$ _____
- 5. Additional 2007-2008 FSEOG funds carried back and spent for 2007 summer enrollment +\$ _____
- 6. 2005-2006 funds carried forward and spent in 2006-2007 +\$ _____
- 7. 2006-2007 funds carried forward to be spent in 2007-2008 -\$ _____
- 8. 2006-2007 funds carried back and spent in 2005-2006 -\$ _____
- 9. Additional 2006-2007 funds carried back and spent for 2006 summer enrollment -\$ _____
- 10. Total federal funds available for 2006-2007 FSEOG (fields 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 - 9) \$ _____

Section C. Funds to FSEOG Recipients

- 11. Total funds to FSEOG recipients (fields 12 + 13) \$ _____
- 12. Nonfederal share of funds to FSEOG recipients (25 percent of Field 11) \$ _____
 - (a) Cash outlay contributed \$ _____
 - (b) Other resources designated \$ _____

Section D. Federal Funds Spent for FSEOG Program

- 13. Federal share of funds to FSEOG recipients (75 percent of Field 11) \$ _____
- 14. Administrative cost allowance claimed +\$ _____
- 15. Federal funds spent for FSEOG (fields 13 + 14) \$ _____

Section E. Use of FSEOG Authorization

- 16. Expended FSEOG authorization (fields 7 + 8 + 9 + 15) minus (fields 2 + 3 + 4 + 5 + 6) \$ _____
- 17. Unexpended FSEOG authorization (Field 1 - Field 16) (cannot be negative) \$ _____

Fiscal Operations Report, Part V

Name of school _____
 OPEID Number _____ State _____

Part V. Federal Work-Study (FWS) Program for Award Year July 1, 2006 through June 30, 2007

Section A. Federal Funds Authorized for FWS

1. Final adjusted FWS authorization \$ _____

Section B. Federal Funds Available for FWS Expenditures

- 2. Federal Perkins Federal Capital Contribution funds transferred to and spent in FWS +\$ _____
- 3. FWS funds transferred to and spent in FSEOG -\$ _____
- 4. 2007-2008 FWS funds carried back and spent in 2006-2007 +\$ _____
- 5. Additional 2007-2008 FWS funds carried back and spent for 2007 summer enrollment +\$ _____
- 6. 2005-2006 funds carried forward and spent in 2006-2007 +\$ _____
- 7. 2006-2007 funds carried forward to be spent in 2007-2008 -\$ _____
- 8. 2006-2007 funds carried back and spent in 2005-2006 -\$ _____
- 9. Additional 2006-2007 funds carried back and spent for 2006 summer enrollment -\$ _____
- 10. Total federal funds available for 2006-2007 FWS (fields 1 + 2 - 3 + 4 + 5 + 6 - 7 - 8 - 9) \$ _____

Section C. Total Compensation for FWS

- 11. Total earned compensation for FWS Program \$ _____
 - (a) On-campus earned compensation \$ _____
 - (b) Off-campus earned compensation for public or private non-profit agencies, excluding amounts reported in Field 11c \$ _____
 - (c) Off-campus earned compensation for agencies that were unable to pay regular nonfederal share and had a federal share up to 90 percent \$ _____
 - (d) Off-campus earned compensation for private for-profit organizations \$ _____
- 12. Total institutional share of earned compensation (see instructions) \$ _____

Section D. Funds Spent from Federal Share of FWS

- 13. Total federal share of FWS earned compensation \$ _____
 - (a) Federal share paid at a rate up to 75 percent \$ _____
 - (b) Federal share paid at a rate up to 100 percent for waivers of nonfederal share \$ _____
 - (c) Federal share paid at a rate up to 90 percent for agencies that were unable to pay regular nonfederal share \$ _____
 - (d) Federal share paid at a rate up to 50 percent for off-campus, private for-profit organizations \$ _____
- 14. Administrative cost allowance claimed +\$ _____
- 15. Federal share of Job Location and Development (JLD) Program expenditures +\$ _____
- 16. Total federal funds spent for FWS (fields 13 + 14 + 15) \$ _____

Section E. Use of FWS Authorization

- 17. Expended FWS authorization (fields 3 + 7 + 8 + 9 + 16) minus (fields 2 + 4 + 5 + 6) \$ _____
- 18. Unexpended FWS authorization (Field 1 - Field 17) \$ _____

Section F. Information About the Job Location and Development (JLD) Program

- 19. Total expenditures for the JLD Program \$ _____
- 20. Institutional expenditures for the JLD Program (see instructions) \$ _____
- 21. Number of students for whom jobs were located or developed _____
- 22. Total earnings of the students in Field 21 above \$ _____

Fiscal Operations Report, Part V (continued)

Name of school _____
OPEID Number _____ State _____

Part V. Federal Work-Study (FWS) Program for Award Year July 1, 2006 through June 30, 2007

Section G. Information About FWS Students Employed in Community Service Activities

- 23. Number of students in community service employment _____
- 24. Federal share of community service earned compensation \$ _____
- 25. Nonfederal share of community service earned compensation \$ _____

Section H. Information About FWS Students Employed as Reading Tutors of Children or Employed in Family Literacy Activities

- 26. Number of FWS students employed as reading tutors of children or employed in family literacy activities _____
- 27. Federal share of earned compensation for FWS students employed as reading tutors of children or employed in family literacy activities \$ _____
 - (a) Amount of the federal share in Field 27 spent on community service employment \$ _____
- 28. Total earned compensation for FWS students employed as reading tutors of children or employed in family literacy activities \$ _____

Section I. Information About FWS Students Employed as Mathematics Tutors of Children

- 29. Number of FWS students employed as mathematics tutors of children _____
- 30. Federal share of earned compensation for FWS students employed as mathematics tutors of children \$ _____
- 31. Total earned compensation for FWS students employed as mathematics tutors of children \$ _____

Fiscal Operations Report, Part VI

Name of school _____
OPEID Number _____ State _____

Part VI. Program Summary for Award Year July 1, 2006 through June 30, 2007

Section A. Distribution of Program Recipients and Expenditures by Type of Student

Taxable and Untaxed Income Category Student Type	Federal Perkins Loan		FSEOG		FWS		Unduplicated Recipients (g)
	Recipients (a)	Funds (b)	Recipients (c)	Funds (d)	Recipients (e)	Funds (f)	
<u>Undergraduate Dependent</u>							
1. \$0 - \$5,999	_____	_____	_____	_____	_____	_____	_____
2. \$6,000 - \$11,999	_____	_____	_____	_____	_____	_____	_____
3. \$12,000 - \$23,999	_____	_____	_____	_____	_____	_____	_____
4. \$24,000 - \$29,999	_____	_____	_____	_____	_____	_____	_____
5. \$30,000 - \$41,999	_____	_____	_____	_____	_____	_____	_____
6. \$42,000 - \$59,999	_____	_____	_____	_____	_____	_____	_____
7. \$60,000 and over	_____	_____	_____	_____	_____	_____	_____
<u>Undergraduate Independent</u>							
8. \$0 - \$1,999	_____	_____	_____	_____	_____	_____	_____
9. \$2,000 - \$3,999	_____	_____	_____	_____	_____	_____	_____
10. \$4,000 - \$7,999	_____	_____	_____	_____	_____	_____	_____
11. \$8,000 - \$11,999	_____	_____	_____	_____	_____	_____	_____
12. \$12,000 - \$15,999	_____	_____	_____	_____	_____	_____	_____
13. \$16,000 - \$19,999	_____	_____	_____	_____	_____	_____	_____
14. \$20,000 and over	_____	_____	_____	_____	_____	_____	_____
15. Graduate/Professional	_____	_____	<u>does not apply</u>	<u>does not apply</u>	_____	_____	_____
16. TOTAL (fields 1-15)	_____	_____	_____	_____	_____	_____	_____
17. Total less-than-full-time students (from fields 1-15)	_____	_____	_____	_____	_____	_____	_____
18. Total "Automatic" Zero EFC students (from fields 1-15)	_____	_____	_____	_____	_____	_____	_____

Fiscal Operations Report, Part VI (continued)

Name of school _____
OPEID Number _____ State _____

Part VI. Program Summary for Award Year July 1, 2006 through June 30, 2007

Section B. Calculating the Administrative Cost Allowance

Administrative Cost Allowance Worksheet (Worksheet must be retained for audit and program reviews)

Step 1. Calculate the amount spent in 2006-2007 on which the administrative cost allowance is based.

- 1. Total compensation in FWS (amount from Part V, Section C, Field 11) \$ _____
- 2. Amount of Federal Perkins Loan funds advanced to students (amount from Part III, Section B, Field 5) +\$ _____
- 3. Total funds to FSEOG recipients (amount from Part IV, Section C, Field 11) +\$ _____
- 4. Total amount spent (fields 1 + 2 + 3) \$ _____

Step 2. Calculate the administrative cost allowance.

Schools whose total amount spent was \$2,750,000 or less

- 5. Enter total amount spent (Field 4) \$ _____
- 6. Multiply x 0.05
- 7. Total administrative cost allowance—go to Step 3 \$ _____

Schools whose total amount spent was more than \$2,750,000 but less than \$5,500,000

- 8. Enter total amount spent (Field 4) \$ _____
- 9. Subtract -\$ 2,750,000
- 10. Expenditures over \$2,750,000 (Field 8 - Field 9) \$ _____
- 11. Multiply x 0.04
- 12. Administrative cost allowance on expenditures over \$2,750,000 (Field 10 x Field 11) \$ _____
- 13. Add administrative cost allowance on expenditures of \$2,750,000 (\$2.75 million x .05) +\$ 137,500
- 14. Total administrative cost allowance (Field 12 + Field 13)—go to Step 3 \$ _____

Schools whose total amount spent was \$5,500,000 or more

- 15. Enter total amount spent (Field 4) \$ _____
- 16. Subtract -\$ 5,499,999
- 17. Expenditures of \$5,500,000 or more (Field 15 - Field 16) \$ _____
- 18. Multiply x 0.03
- 19. Administrative cost allowance on expenditures of \$5,500,000 or more (Field 17 x Field 18) \$ _____
- 20. Add administrative cost allowance on expenditures less than \$5,500,000 ((\$2.75 million x .05) + Field 12) +\$ 247,500
- 21. Total administrative cost allowance (Field 19 + Field 20)—go to Step 3 \$ _____

Step 3. Decide how much administrative cost allowance your school claimed.

- 22. How much administrative cost allowance did your school claim? (The amount may be the same or less than the amount calculated in Step 2.) \$ _____
- 23. How much administrative cost allowance did your school claim in each program?
 - (a) Federal Perkins Loan (must be the same as Part III, Section B, Field 6) \$ _____
 - (b) FSEOG (must be the same as Part IV, Section D, Field 14) \$ _____
 - (c) FWS (must be the same as Part V, Section D, Field 14) \$ _____

Family Education Loan Program (FFELP) Federal Stafford Loan School Certification <small>WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment under the United States Criminal Code and 20 U.S.C. 1097.</small>		
<small>(Reserved for school, lender, or guarantor mailing address as appropriate)</small>		1. School Code 2. School Information (Name, address, and phone number)
To be completed by a financial aid administrator or other school official authorized to certify financial aid forms.		
3. Borrower's Last Name First Name MI		4. Social Security Number
5. Permanent Street Address		6. Telephone Number 7. Date of Birth (Month/Day/Year)
City State Zip		8. Borrower e-mail Address (optional)
9. Lender Code/Name		
10. Grade Level	11. Enrollment Status (Check one) <input type="checkbox"/> Full Time <input type="checkbox"/> At Least Half Time	12. Anticipated (Completion) Graduation Date (Month/Day/Year)
13. Loan Period (Month/Day/Year) From:	14. Certified Loan Amounts a. Subsidized \$.00	15. Recommended Disbursement Date(s) (Month/Day/Year) 1st 2nd
To:	b. Unsubsidized \$.00	3rd 4th
School Certification I hereby certify that the borrower named on this Certification is accepted for enrollment on at least a half-time basis and is making satisfactory progress in a program that is eligible for the loan type(s) certified. I certify that the student is an eligible borrower in accordance with the Higher Education Act of 1965, as amended, and applicable U.S. Department of Education regulations (collectively referred to as the Act). I further certify that the borrower's eligibility for a Pell Grant has been determined, that the borrower is not incarcerated, and that the borrower has been determined eligible for loan(s) in the amount(s) certified. I further certify that the disbursement schedule complies with the requirements of the Act and hereby authorize the guarantor and/or the lender to adjust disbursement dates if necessary to ensure compliance with the Act. I further certify that, based on records available and due inquiry, the borrower has met the requirements of the Selective Service Act and that the information provided in this Certification is true, complete, and accurate to the best of my knowledge and belief. I agree to provide the borrower (i) with confirmation of any transfer of funds through electronic funds transfer (EFT) or master check to the borrower's student account, and (ii) with an opportunity to cancel or reduce any disbursement of a loan.		
16. Signature of Authorized School Official _____ <small>Name/Title (Printed or Typed)</small> _____		17. Date (Month/Day/Year) _____

Please refer to the instructions for completing this form.



Instructions for Certifying a Federal Stafford Loan

Important Notice: If certification information is transmitted electronically, do not complete the School Certification form.

Item 1: Enter the code for your institution. This code is provided by the U.S. Department of Education for the Federal Family Education Loan Program.

Item 2: Enter your school name, address, and telephone number, including area code, of the school official who can answer questions about this certification.

Item 3: Enter the borrower's complete name, last name first, followed by the first name and middle initial.

Item 4: Enter the borrower's Social Security Number.

Item 5: Enter the borrower's permanent street address.

Item 6: Enter the borrower's telephone number.

Item 7: Enter the borrower's date of birth in month, day, year format.

Item 8: Enter the borrower's e-mail address if known.

Item 9: Enter the borrower's lender selection (identification number and name) if known.

Item 10: Enter the academic level of the student seeking this loan. Select the proper grade level indicator using the standard grade level codes provided:

Code	Grade Level
1.	Freshman/First Year (including proprietary institution programs that are less than one year in duration)
2.	Sophomore/Second Year
3.	Junior/Third Year
4.	Senior/Fourth Year
5.	Fifth Year/Other Undergraduate (including sixth year undergraduate and continuing education students)
A.	First Year Graduate/Professional
B.	Second Year Graduate/Professional
C.	Third Year Graduate/Professional
D.	Beyond Third Year Graduate/Professional

Item 11: Indicate whether the student is (or plans to be) enrolled at least half time or full time. Students enrolled (or planning to enroll) less than half time are not eligible.

Item 12: Enter the date the student is expected to complete the program at your institution. Use numbers in a Month/Day/Year format; for example, 6/9/2006. Day date is needed to determine the specific day the student will enter repayment (as per the Act). If you are unsure of the actual completion date in the future, enter the last day of the month.

Item 13: Enter the dates covered by the student's cost of attendance. These dates must coincide with actual term starting and ending dates. At a school without academic terms, these dates must coincide with the borrower's program of study if that is less than an academic year in length, or the academic year. Use numbers in a Month/Day/Year format.

Item 14: Enter the lesser of the following: A) the amount of the student's eligibility for each loan type, or B) the loan amount requested by the student. The student's eligibility must be reduced if the student is attending a program with a length of less than a full academic year, or completing the remaining balance of a program in a period of less than an academic year. The student's eligibility may also be reduced based on professional judgment. If this field is left blank, the loan(s) will be delayed.

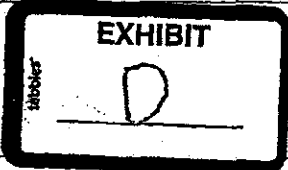
Item 14a: Certify the lesser of the student's eligibility for a subsidized Federal Stafford Loan or the subsidized Stafford amount requested by the student. If the student is not eligible for a subsidized Federal Stafford Loan, enter 0.

Item 14b: Certify the lesser of the student's eligibility for an unsubsidized Federal Stafford Loan or the unsubsidized Stafford amount requested by the student. If the student is not eligible for an unsubsidized Federal Stafford Loan, enter 0.

Item 15: Enter the disbursement dates for this loan(s) as determined in accordance with the Act.

Item 16: Your signature acknowledges that you have read and agree to the provisions in the School Certification. You must sign the Certification and print your name and title.

Item 17: Enter the date of Certification.

Federal Family Education Loan Program (FFELP) Federal PLUS Loan Information and School Certification			Guarantor, Program, or Lender Identification		
WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines, imprisonment, or both, under the United States Criminal Code and 20 U.S.C. 1097.					
(Reserved for school, lender, or guarantor mailing address as appropriate)			1. School Code		
			2. School Information (Name, Address, and Phone Number)		
Borrower (Parent) and Student Information					
3. Parent Borrower's Last Name		First Name		MI	4. Parent's Social Security Number
5. Permanent Street Address			6. Home Telephone Number ()		
City		State	Zip		7. Parent's Date of Birth (MM/DD/Birth Year)
8. Lender Name		City	State		9. Lender Code, if known
10. Parent's Requested Loan Amount \$.00			11. Student's Loan Period (Month/Year) From: To:		
12. Student's Last Name		First Name	MI	13. Student's Social Security Number	14. Student's Date of Birth (MM/DD/Birth Year)
School Certification Information			(To be completed only by the school.)		
15. Enrollment Status (Check one) <input type="checkbox"/> Full Time <input type="checkbox"/> At Least Half Time			16. Anticipated (Completion) Graduation Date (Month/Day/Year)		
17. Loan Period (Month/Day/Year) From: To:		18. Grade Level	19. Certified Loan Amount \$.00		
20. Recommended Disbursement Date(s) (Month/Day/Year)					
1st	2nd	3rd	4th	5th	6th
This space reserved for additional disbursement dates, if needed.					
					
School Certification			(To be completed only by the school.)		
<p>I hereby certify that the student named on this Certification is accepted for enrollment as a regular student in an eligible program on at least a half-time basis, is a U.S. citizen, permanent resident, or other eligible non-citizen, and is making satisfactory academic progress. I certify that the borrower is an eligible borrower in accordance with the Higher Education Act of 1965, as amended, and applicable U.S. Department of Education regulations (collectively referred to as the Act) and has been determined eligible for a loan in the amount certified. I further certify that the disbursement schedule complies with the requirements of the Act. I further certify that, based on records available and appropriate inquiry, the student has met the requirements of the Selective Service Act, is not incarcerated, and that neither the parent borrower nor the student is liable for an overpayment of any federal grant or loan made under the Act, is not in default, or if so, has made satisfactory payment arrangements with the holder(s) of any defaulted loan(s), does not have property subject to a judgement lien for a debt owed to the U.S., and that the information provided in this Certification is true, complete, and accurate to the best of my knowledge and belief. I agree to provide the borrower (i) with confirmation of any transfer of funds through electronic funds transfer (EFT) or master check to the borrower's dependent student's account, and (ii) an opportunity to cancel or reduce any disbursement of a loan.</p>					
21. Signature of Authorized School Official _____			22. Today's Date (Month/Day/Year) _____		
Name/Title (Printed or Typed) _____					
<i>Please refer to the instructions for completing this form.</i>					

Instructions for Completing Federal PLUS Loan Information and School Certification

Items 1 and 2 may be prefilled or completed by the school.

Item 1: Enter the code for your institution. This code is provided by the U.S. Department of Education.

Item 2: Enter your school name, address, and telephone number, including area code, of a school official who can answer questions about this certification.

Items 3-14 may be completed by the parent borrower, school, or lender. If the parent is completing this section and any information has been prefilled by the school or lender, the parent should review it for correctness. If any part of the prefilled information is incorrect, cross out the incorrect information and print the correct information.

Item 3: Enter the borrower's last name, then first name and middle initial.

Item 4: Enter the borrower's nine-digit Social Security Number. This loan cannot be processed without the borrower's Social Security Number.

Item 5: Enter the borrower's permanent home street address, apartment number, city, state and zip code. If the borrower has a Post Office Box and a street address, list both.

Item 6: Enter the area code and telephone number for the address listed in Item 5. If the borrower does not have a telephone, enter N/A.

Item 7: Enter the month, day and four-digit year of the borrower's birth. Use only numbers. Be careful not to enter the current year.

Item 8: Enter the name and address of the lender from which the borrower wishes to borrow this loan.

Note to Parent: If you do not have a lender for this loan, contact the school's financial aid office, a bank or other financial institution, or the guarantor or program listed on this form for information on lenders willing to make Federal PLUS Loans.

Item 9: Enter the lender code, if known. Otherwise, leave this item blank.

Item 10: Enter the maximum total amount the borrower wishes to borrow under the PLUS Loan Program for the dependent student listed in Item 12 for the loan period listed in Item 11.

Note to Parent: Apply only for what you will need to pay your dependent's educational costs this year, keeping in mind your ability to repay your loan(s). You may borrow up to the student's estimated cost of education at the school the student will attend minus any estimated financial assistance the student has or will be awarded during the period of enrollment.

Item 11: Enter the beginning and ending dates (month/year) of the academic period for which this loan is to be used (for example, 9/2003 to 6/2004). These dates must not be more than 12 months apart.

Item 12: Enter the last name, then first name and middle initial of the student for whom the parent is borrowing.

Item 13: Enter the student's nine-digit Social Security Number. This loan cannot be processed without the student's Social Security Number.

Item 14: Enter the month, day, and four-digit year of the student's birth. Use only numbers. Be careful not to enter the current year.

Items 15-22 are to be completed only by the school. This information is to be certified by a financial aid administrator or other school official authorized to certify financial aid forms. If certification information is transmitted electronically, the School Certification form does not have to be submitted.

Item 15: Indicate whether the student is (or plans to be) enrolled at least half time or full time. Parents of students enrolled (or planning to enroll) less than half time are not eligible for a Federal PLUS Loan.

Item 16: Enter the date the student is expected to complete the program at your institution. Use numbers in a month/day/year format; for example, 6/9/2004. If you are unsure of the actual completion date in the future, enter the last day of the month.

Item 17: Enter the dates covered by the student's cost of attendance. These dates must coincide with actual term starting and ending dates. At a school without academic terms, these dates must coincide with the student's program of study if that is less than an academic year in length, or the academic year. Use numbers in a month/day/year format.

Item 18: Enter the grade level of the student. Select the proper grade level indicator using the standard grade level codes provided:

1. Freshman/First Year (including proprietary institution programs that are less than one year in duration)
2. Sophomore/Second Year
3. Junior/Third Year
4. Senior/Fourth Year
5. Fifth Year/Other Undergraduate (including sixth year undergraduate and continuing education students)

Item 19: Enter the maximum amount of PLUS Loan the borrower is eligible to receive for the academic period covered in Item 17. This amount cannot exceed the student's Cost of Attendance minus Other Financial Aid.

Item 20: Enter the disbursement dates for this loan as determined in accordance with the Act. Use numbers in a month/day/year format.

Item 21: Your signature acknowledges that you have read and agree to the provisions in the School Certification. You must sign the Certification and print your name and title.

Item 22: Enter the date of Certification. Use numbers in a month/day/year format.



FAFSA

July 1, 2006 — June 30, 2007

FREE APPLICATION FOR FEDERAL STUDENT AID

OMB # 1845-0001

Use this form to apply free for federal and state student grants, work-study and loans.

Or apply free online at www.fafsa.ed.gov.

STATE AID DEADLINES

File Online and File On Time
www.fafsa.ed.gov

- AK April 15, 2006 (date received)
- AR For Academic Challenge - June 1, 2006 (date received)
For Workforce Grant - Contact your financial aid administrator.
- AZ June 30, 2007 (date received)
- CA For initial awards - March 2, 2006
For additional community college awards - September 2, 2006 (date postmarked)
- DC June 30, 2006 (date received by state)
- DE April 15, 2006 (date received)
- FL May 15, 2006 (date processed)
- IA July 1, 2006 (date received)
- IL First-time applicants - September 30, 2006
Continuing applicants - August 15, 2006 (date received)
- IN March 10, 2006 (date received)
- KS April 1, 2006 (date received)
- KY March 15, 2006 (date received)
- LA May 1, 2006
Final deadline - July 1, 2006 (date received)
- MA May 1, 2006 (date received)
- MD March 1, 2006 (date received)
- ME May 1, 2006 (date received)
- MI March 1, 2006 (date received)
- MN 30 days after term starts (date received)
- MO April 1, 2006 (date received)
- MT March 1, 2006 (date received)
- NC March 15, 2006 (date received)
- ND March 15, 2006 (date received)
- NH May 1, 2006 (date received)
- NJ June 1, 2006, if you received a Tuition Aid Grant in 2005-2006
All other applicants
- October 1, 2006, fall & spring terms
- March 1, 2007, spring term only (date received)
- NY May 1, 2007 (date received)
- OH October 1, 2006 (date received)
- OK April 15, 2006
Final deadline - June 30, 2006 (date received)
- OR March 1, 2006 (date received)
Final deadline - Contact your financial aid administrator.
- PA All 2005-2006 State Grant recipients & all non-2005-2006 State Grant recipients in degree programs - May 1, 2006
All other applicants - August 1, 2006 (date received)
- RI March 1, 2006 (date received)
- SC June 30, 2006 (date received)
- TN For State Grant - May 1, 2006
For State Lottery - September 1, 2006 (date received)
- WV March 1, 2006 (date received)

STATE AID DEADLINES

Applying by the Deadlines

For federal aid, submit your application as early as possible, but no earlier than January 1, 2006. We must receive your application no later than July 2, 2007. Your college must have your correct, complete information by your last day of enrollment in the 2006-2007 school year.

For state or college aid, the deadline may be as early as January 2006. See the table to the right for state deadlines. You may also need to complete additional forms. Check with your high school guidance counselor or a financial aid administrator at your college about state and college sources of student aid and deadlines.

If you are filing close to one of these deadlines, we recommend you file online at www.fafsa.ed.gov. This is the fastest and easiest way to apply for aid.

Using Your Tax Return

If you are supposed to file a 2005 federal income tax return, we recommend that you complete it before filling out this form. If you have not yet filed your return, you can still submit your FAFSA, but you must provide income and tax information. Once you file your tax return, correct any income or tax information that is different from what you initially submitted on your FAFSA.

Filling Out the FAFSA

Your answers on this form will be read electronically. Therefore:

- use black ink and fill in ovals completely:
- print clearly in CAPITAL letters and skip a box between words:
- report dollar amounts (such as \$12,356.41) like this:

Correct Incorrect

1	5	E	L	M	S	T
\$	1	2	3	5	6	no cents

Blue is for student information and purple is for parent information.

If you or your family has unusual circumstances (such as loss of employment), complete this form to the extent you can, then submit it as instructed and consult with the financial aid office at the college you plan to attend.

For more information or help in filling out the FAFSA, call 1-800-4-FED-AID (1-800-433-3243). TTY users may call 1-800-730-8913. Or visit our Web site at www.studentaid.ed.gov.

Mailing Your FAFSA

After you complete this application, make a copy of pages 3 through 6 for your records. Then mail the original of only pages 3 through 6 in the attached envelope or send it to: Federal Student Aid Programs, P.O. Box 4691, Mt. Vernon, IL 62864-0059. Do not send the worksheets on page 8; keep them for your records.

If you do not receive the results of your application—a *Student Aid Report* (SAR)—within three weeks, please check online at www.fafsa.ed.gov or call 1-800-433-3243. If you provided your e-mail address in question 13, you will receive information about your application within a few days after we process it.

Let's Get Started

Now go to page 3, detach the application form and out. Refer to the notes as instructed.

EXHIBIT

E

For priority consideration, submit application by date specified.

^ Applicants encouraged to obtain proof of mailing.

* Additional form may be required.

ISDS472

Notes for questions 14 - 15 (page 3)

If you are an eligible noncitizen, write in your eight- or nine-digit Alien Registration Number. Generally, you are an eligible noncitizen if you are (1) a U.S. permanent resident with a Permanent Resident Card (I-551); (2) a conditional permanent resident (I-551C); or (3) the holder of an Arrival-Departure Record (I-94) from the Department of Homeland Security showing any one of the following designations: "Refugee," "Asylum Granted," "Parolee" (I-94 confirms paroled for a minimum of one year and status has not expired) or "Cuban-Haitian Entrant." If you are in the U.S. on an F1 or F2 student visa, a J1 or J2 exchange visitor visa, or a G series visa (pertaining to international organizations), you must fill in oval c. If you are neither a citizen nor an eligible noncitizen, you are not eligible for federal student aid. However, you may be eligible for state or college aid.

Notes for question 23 (page 3) — Enter the correct number in the box in question 23

Enter 1 for 1 st bachelor's degree.	Enter 6 for certificate or diploma for completing an occupational, technical, or educational program of at least two years.
Enter 2 for 2 nd bachelor's degree.	Enter 7 for teaching credential program (nondegree program).
Enter 3 for associate degree (occupational or technical program).	Enter 8 for graduate or professional degree.
Enter 4 for associate degree (general education or transfer program).	Enter 9 for other/undecided.
Enter 5 for certificate or diploma for completing an occupational, technical, or educational program of less than two years.	

Notes for question 24 (page 3) — Enter the correct number in the box in question 24

Enter 0 for never attended college & 1st year undergraduate.	Enter 4 for 4th year undergraduate/senior.
Enter 1 for attended college before & 1st year undergraduate.	Enter 5 for 5th year/other undergraduate.
Enter 2 for 2nd year undergraduate/sophomore.	Enter 6 for 1st year graduate/professional.
Enter 3 for 3rd year undergraduate/junior.	Enter 7 for continuing graduate/professional or beyond.

Notes for questions 29 - 30 (page 3)

Some states and colleges offer aid based on the level of schooling your parents completed.

Notes for questions 33 c. and d. (page 4) and 71 c. and d. (page 5)

If you filed or will file a foreign tax return, or a tax return with Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, the Marshall Islands, the Federated States of Micronesia, or Palau, use the information from that return to fill out this form. If you filed a foreign return, convert all figures to U.S. dollars, using the exchange rate that is in effect today. To view the daily exchange rate, go to www.federalreserve.gov/releases/h10/update.

Notes for questions 34 (page 4) and 72 (page 5)

In general, a person is eligible to file a 1040A or 1040EZ if he or she makes less than \$100,000, does not itemize deductions, does not receive income from his or her own business or farm, and does not receive alimony. A person is not eligible if he or she itemizes deductions, receives self-employment income or alimony, or is required to file Schedule D for capital gains. If you filed a 1040 only to claim Hope or Lifetime Learning credits, and you would have otherwise been eligible for a 1040A or 1040EZ, you should answer "Yes" to this question.

Notes for questions 37 (page 4) and 75 (page 5) — Notes for those who filed a 1040EZ

On the 1040EZ, if a person answered "Yes" on line 5, use EZ worksheet line F to determine the number of exemptions (\$3,200 equals one exemption). If a person answered "No" on line 5, enter 01 if he or she is single, or 02 if he or she is married.

Notes for questions 43 - 45 (page 4) and 81 - 83 (page 5)

By applying online at www.fafsa.ed.gov, you may be eligible to skip some questions. If you do not apply online, you will not be penalized for completing questions 43-45 and 81-83 on the paper FAFSA.

Net worth means current value minus debt. If net worth is one million dollars or more, enter \$999,999. If net worth is negative, enter 0.

Investments include real estate (do not include the home you live in), trust funds, money market funds, mutual funds, certificates of deposit, stocks, stock options, bonds, other securities, Coverdell savings accounts, college savings plans, installment and land sale contracts (including mortgages held), commodities, etc. For more information about reporting education savings plans, call 1-800-433-3243. **Investment value** includes the market value of these investments as of today. **Investment debt** means only those debts that are related to the investments.

Investments do not include the home you live in, the value of life insurance, retirement plans (pension funds, annuities, noneducation IRAs, Keogh plans, etc.), and prepaid tuition plans, or cash, savings, and checking accounts already reported in 43 and 81.

Business and/or investment farm value includes the market value of land, buildings, machinery, equipment, inventory, etc. **Business and/or investment farm debt** means only those debts for which the business or investment farm was used as collateral.

Notes for question 54 (page 4)

Answer "No" (you are not a veteran) if you (1) have never engaged in active duty in the U.S. Armed Forces, (2) are currently an ROTC student or a cadet or midshipman at a service academy, or (3) are a National Guard or Reserves enlistee activated only for training. Also answer "No" if you are currently serving in the U.S. Armed Forces and will continue to serve through June 30, 2007.

Answer "Yes" (you are a veteran) if you (1) have engaged in active duty in the U.S. Armed Forces (Army, Navy, Air Force, Marines or Coast Guard) or are a National Guard or Reserve enlistee who was called to active duty for purposes other than training, or were a cadet or midshipman at one of the service academies, and (2) were released under a condition other than dishonorable. Also answer "Yes" if you are not a veteran now but will be one by June 30, 2007.



FAFSA

July 1, 2006 – June 30, 2007
FREE APPLICATION FOR FEDERAL STUDENT AID

OMB # 1845-0001

Step One: For questions 1–30, leave blank any questions that do not apply to you (the student).

1-3. Your full name (as it appears on your Social Security card)

1. LAST NAME 2. FIRST NAME 3. MIDDLE INITIAL

4-7. Your permanent mailing address

4. NUMBER AND STREET (INCLUDE APT. NUMBER)

5. CITY (AND COUNTRY IF NOT U.S.) 6. STATE 7. ZIP CODE

8. Your Social Security Number 9. Your date of birth 10. Your permanent telephone number.

8. XXX-XX-XXXX 9. MMDD19YY 10. () -

11-12. Your driver's license number and state (if any)

11. LICENSE NUMBER 12. STATE

13. Your e-mail address WE WILL USE THIS E-MAIL ADDRESS TO CORRESPOND WITH YOU. YOU WILL RECEIVE YOUR FAFSA INFORMATION THROUGH A SECURE LINK ON THE INTERNET, SENT TO THE E-MAIL ADDRESS YOU PROVIDE. LEAVE BLANK TO RECEIVE INFORMATION THROUGH REGULAR MAIL. WE WILL ONLY SHARE THIS ADDRESS WITH THE SCHOOLS YOU LIST ON THE FORM AND YOUR STATE. THEY MAY USE THE E-MAIL ADDRESS TO COMMUNICATE WITH YOU.

@

14. Are you a U.S. citizen? Pick one. See page 2.
 a. Yes, I am a U.S. citizen. Skip to question 16. 1
 b. No, but I am an eligible noncitizen. Fill in question 15. 2
 c. No, I am not a citizen or eligible noncitizen. 3

15. ALIEN REGISTRATION NUMBER

16. What is your marital status as of today?
 I am single, divorced or widowed 1
 I am married/remarried 2
 I am separated 3

17. Month and year you were married, separated, divorced or widowed
 MONTH YEAR

18. What is your state of legal residence? STATE

19. Did you become a legal resident of this state before January 1, 2001? Yes 1 No 2

20. If the answer to question 19 is "No," give month and year you became a legal resident.
 MONTH YEAR

21. Are you male? (Most male students must register with Selective Service to get federal aid.) Yes 1 No 2

22. If you are male (age 18–25) and not registered, answer "Yes" and Selective Service will register you. Yes 1 No 2

23. What degree or certificate will you be working on during 2006–2007 school year? See page 2 and enter the correct number in the box.

24. What will be your grade level when you begin the 2006–2007 school year? See page 2 and enter the correct number in the box.

25. Will you have a high school diploma or GED before you begin the 2006–2007 school year? Yes 1 No 2

26. Will you have your first bachelor's degree before July 1, 2006? Yes 1 No 2

27. In addition to grants, are you interested in student loans (which you must pay back)? Yes 1 No 2

28. In addition to grants, are you interested in "work-study" (which you earn through work)? Yes 1 No 2

29. Highest school your father completed Middle school/Jr. High 1 High School 2 College or beyond 3 Other/unknown 4

30. Highest school your mother completed Middle school/Jr. High 1 High School 2 College or beyond 3 Other/unknown 4

31. Do not leave this question blank. Have you ever been convicted of possessing or selling illegal drugs? If you have, answer "Yes," complete and submit this application, and we will send you a worksheet in the mail for you to determine if your conviction affects your eligibility for aid.
 No 1 Yes 3

DO NOT LEAVE QUESTION 31 BLANK

Step Two: For questions 32–45, report your (the student's) income and assets. If you are married as of today, report your and your spouse's income and assets, even if you were not married in 2005. Ignore references to "spouse" if you are currently single, separated, divorced or widowed.

32. For 2005, have you (the student) completed your IRS income tax return or another tax return listed in question 33?
 a. I have already completed my return. 1 b. I will file, but I have not yet completed my return. 2 c. I'm not going to file. (Skip to question 38.) 3
33. What income tax return did you file or will you file for 2005?
 a. IRS 1040..... 1 d. A tax return with Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, the Marshall Islands, the Federated States of Micronesia, or Palau: See page 2..... 4
 b. IRS 1040A or 1040EZ..... 2
 c. A foreign tax return. See page 2..... 3
34. If you have filed or will file a 1040, were you eligible to file a 1040A or 1040EZ? See page 2. Yes 1; No 2; Don't Know 3

For questions 35–47, if the answer is zero or the question does not apply to you, enter 0.

35. What was your (and spouse's) adjusted gross income for 2005? Adjusted gross income is on IRS Form 1040—line 37; 1040A—line 21; or 1040EZ—line 4. \$,
36. Enter your (and spouse's) income tax for 2005. Income tax amount is on IRS Form 1040—line 57; 1040A—line 36; or 1040EZ—line 10. \$,
37. Enter your (and spouse's) exemptions for 2005. Exemptions are on IRS Form 1040—line 6d or on Form 1040A—line 6d. For Form 1040EZ, see page 2.
- 38-39. How much did you (and spouse) earn from working (wages, salaries, tips, combat pay, etc.) in 2005? Answer this question whether or not you filed a tax return. This information may be on your W-2 forms, or on IRS Form 1040—lines 7 + 12 + 18; 1040A—line 7; or 1040EZ—line 1.
 You (38) \$,
 Your Spouse (39) \$,
- Student (and Spouse) Worksheets (40–42)
 40-42. Go to page 8 and complete the columns on the left of Worksheets A, B, and C. Enter the student (and spouse) totals in questions 40, 41 and 42, respectively. Even though you may have few of the Worksheet items, check each line carefully.
 Worksheet A (40) \$,
 Worksheet B (41) \$,
 Worksheet C (42) \$,
43. As of today, what is your (and spouse's) total current balance of cash, savings, and checking accounts? Do not include student financial aid. \$,
44. As of today, what is the net worth of your (and spouse's) investments, including real estate (not your home)? Net worth means current value minus debt. See page 2. \$,
45. As of today, what is the net worth of your (and spouse's) current businesses and/or investment farms? Do not include a farm that you live on and operate. See page 2. \$,
- 46-47. If you receive veterans' education benefits, for how many months from July 1, 2006, through June 30, 2007, will you receive these benefits, and what amount will you receive per month? Do not include your spouse's veterans' education benefits.
 Months (46)
 Monthly Amount (47) \$,

Step Three: Answer all seven questions in this step.

48. Were you born before January 1, 1983? Yes 1 No 2
49. At the beginning of the 2006-2007 school year, will you be working on a master's or doctorate program (such as an MA, MBA, MD, JD, PhD, EdD, or graduate certificate, etc.)? Yes 1 No 2
50. As of today, are you married? (Answer "Yes" if you are separated but not divorced.) Yes 1 No 2
51. Do you have children who receive more than half of their support from you? Yes 1 No 2
52. Do you have dependents (other than your children or spouse) who live with you and who receive more than half of their support from you, now and through June 30, 2007? Yes 1 No 2
53. Are (a) both of your parents deceased, or (b) are you (or were you until age 18) a ward/dependent of the court? Yes 1 No 2
54. Are you a veteran of the U.S. Armed Forces? See page 2. Yes 1 No 2

If you (the student) answered "No" to every question in Step Three, go to Step Four.
 If you answered "Yes" to any question in Step Three, skip Step Four and go to Step Five on page 6.

(Health Profession Students: Your school may require you to complete Step Four even if you answered "Yes" to any Step Three question.)

Step Five: Complete this step only if you (the student) answered "Yes" to any Step Three question.

84. Go to page 7 to determine how many people are in your (and your spouse's) household. Enter that number here.

85. Go to page 7 to determine how many people in question 84 will be college students, attending at least half time between July 1, 2006, and June 30, 2007. Enter that number here.

Step Six: Please tell us which schools may request your information, and indicate your enrollment status.

Enter the 6-digit federal school code and your housing plans. Look for the federal school codes at www.fafsa.ed.gov, at your college financial aid office, at your public library, or by asking your high school guidance counselor. If you cannot get the federal school code, write in the complete name, address, city and state of the college. For state aid, you may wish to list your preferred school first.

86.	1ST FEDERAL SCHOOL CODE <input type="text"/>	OR	NAME OF COLLEGE <input type="text"/>	STATE <input type="text"/>	HOUSING PLANS 87. on campus <input type="radio"/> 1 off campus <input type="radio"/> 2 with parent <input type="radio"/> 3
88.	2ND FEDERAL SCHOOL CODE <input type="text"/>	OR	NAME OF COLLEGE <input type="text"/>	STATE <input type="text"/>	89. on campus <input type="radio"/> 1 off campus <input type="radio"/> 2 with parent <input type="radio"/> 3
90.	3RD FEDERAL SCHOOL CODE <input type="text"/>	OR	NAME OF COLLEGE <input type="text"/>	STATE <input type="text"/>	91. on campus <input type="radio"/> 1 off campus <input type="radio"/> 2 with parent <input type="radio"/> 3
92.	4TH FEDERAL SCHOOL CODE <input type="text"/>	OR	NAME OF COLLEGE <input type="text"/>	STATE <input type="text"/>	93. on campus <input type="radio"/> 1 off campus <input type="radio"/> 2 with parent <input type="radio"/> 3
94.	5TH FEDERAL SCHOOL CODE <input type="text"/>	OR	NAME OF COLLEGE <input type="text"/>	STATE <input type="text"/>	95. on campus <input type="radio"/> 1 off campus <input type="radio"/> 2 with parent <input type="radio"/> 3
96.	6TH FEDERAL SCHOOL CODE <input type="text"/>	OR	NAME OF COLLEGE <input type="text"/>	STATE <input type="text"/>	97. on campus <input type="radio"/> 1 off campus <input type="radio"/> 2 with parent <input type="radio"/> 3

98. See page 7. At the start of the 2006-2007 school year, mark if you will be:
 Full time 1 3/4 time 2 Half time 3 Less than half time 4 Not sure 5

Step Seven: Read, sign and date.

If you are the student, by signing this application you certify that you (1) will use federal and/or state student financial aid only to pay the cost of attending an institution of higher education, (2) are not in default on a federal student loan or have made satisfactory arrangements to repay it, (3) do not owe money back on a federal student grant or have made satisfactory arrangements to repay it, (4) will notify your school if you default on a federal student loan and (5) will not receive a Federal Pell Grant for more than one school for the same period of time.

If you are the parent or the student, by signing this application you agree, if asked, to provide information that will verify the accuracy of your completed form. This information may include U.S. or state income tax forms that you filed or are required to file. Also, you certify that you understand that the Secretary of Education has the authority to verify information reported on this application with the Internal Revenue Service and other federal agencies. If you sign any document related to the federal student aid programs electronically using a Personal Identification Number (PIN), you certify that you are the person identified by the PIN and have not disclosed that PIN to anyone else. If you purposely give false or misleading information, you may be fined \$20,000, sent to prison, or both.

99. Date this form was completed.

MMDD 2006 or 2007

100. Student (Sign below)

Parent (A parent from Step Four sign below)

If this form was filled out by someone other than you, your spouse or your parents, that person must complete this part. Preparer's name, firm and address <input type="text"/> <input type="text"/>	101. Preparer's Social Security Number (or 102) <input type="text"/> - <input type="text"/> - <input type="text"/>	SCHOOL USE ONLY: Federal School Code <input type="text"/> D/O <input type="radio"/> 1 FAA Signature <input type="text"/>
	102. Employer ID number (or 101) <input type="text"/> - <input type="text"/>	
	103. Preparer's signature and date <input type="text"/>	

Notes for questions 55-83 (page 5) Step Four: Who is considered a parent in this step?

Read these notes to determine who is considered a parent on this form. Answer all questions in Step Four about them, even if you do not live with them. (Note that grandparents, foster parents and legal guardians are not parents.)

If your parents are living and married to each other, answer the questions about them.

If your parent is widowed or single, answer the questions about that parent. If your widowed parent is remarried as of today, answer the questions about that parent and the person whom your parent married (your stepparent).

If your parents are divorced or separated, answer the questions about the parent you lived with more during the past 12 months. (If you did not live with one parent more than the other, give answers about the parent who provided more financial support during the past 12 months, or during the most recent year that you actually received support from a parent.) If this parent is remarried as of today, answer the questions on the rest of this form about that parent and the person whom your parent married (your stepparent).

Notes for question 65 (page 5)

Include in your parents' household (see notes, above, for who is considered a parent):

- your parents and yourself, even if you don't live with your parents,
- your parents' other children if (a) your parents will provide more than half of their support from July 1, 2006, through June 30, 2007, or (b) the children could answer "no" to every question in Step Three on page 4 of this form, and
- other people if they now live with your parents, your parents provide more than half of their support, and your parents will continue to provide more than half of their support from July 1, 2006, through June 30, 2007.

Notes for questions 66 (page 5) and 85 (page 6)

Always count yourself as a college student. Do not include your parents. Include others only if they will attend, at least half time in 2006-2007, a program that leads to a college degree or certificate.

Notes for question 84 (page 6)

Include in your (and your spouse's) household:

- yourself (and your spouse, if you have one),
- your children, if you will provide more than half of their support from July 1, 2006, through June 30, 2007, and
- other people if they now live with you, you provide more than half of their support, and you will continue to provide more than half of their support from July 1, 2006, through June 30, 2007.

Notes for question 98 (page 6)

For undergraduates, "full time" generally means taking at least 12 credit hours in a term or 24 clock hours per week. "3/4 time" generally means taking at least 9 credit hours in a term or 18 clock hours per week. "Half time" generally means taking at least 6 credit hours in a term or 12 clock hours per week. Provide this information about the college you are most likely to attend.

Information on the Privacy Act and use of your Social Security Number

We use the information that you provide on this form to determine if you are eligible to receive federal student financial aid and the amount that you are eligible to receive. Sections 483 and 484 of the Higher Education Act of 1965, as amended, give us the authority to ask you and your parents these questions, and to collect the Social Security Numbers of you and your parents. We use your Social Security Number to verify your identity and retrieve your records, and we may request your Social Security Number again for those purposes.

State and institutional student financial aid programs may also use the information that you provide on this form to determine if you are eligible to receive state and institutional aid and the need that you have for such aid. Therefore, we will disclose the information that you provide on this form to each institution you list in questions 86-96, state agencies in your state of legal residence, and the state agencies of the states in which the colleges that you list in questions 86-96 are located.

If you are applying solely for federal aid, you must answer all of the following questions that apply to you: 1-9, 14-16, 18, 21-22, 25-26, 31-36, 38-45, 48-67, 70-74, 76-85 and 99-100. If you do not answer these questions, you will not receive federal aid.

Without your consent, we may disclose information that you provide to entities under a published "routine use." Under such a routine use, we may disclose information to third parties that we have authorized to assist us in administering the above programs; to other federal agencies under computer matching programs, such as those with the Internal Revenue Service, Social Security Administration, Selective Service System, Department of Homeland Security, Department of Justice and Veterans Affairs; to your parents or spouse; and to members of Congress if you ask them to help you with student aid questions.

If the federal government, the U.S. Department of Education, or an employee of the U.S. Department of Education is involved in litigation, we may send information to the Department of Justice, or a court or adjudicative body, if the disclosure is related to financial aid and certain conditions are met. In addition, we may send your information to a foreign, federal, state, or local enforcement agency if the information that you submitted indicates a violation or potential violation of law, for which that agency has jurisdiction for investigation or prosecution. Finally, we may send information regarding a claim that is determined to be valid and overdue to a consumer reporting agency. This information includes identifiers from the record; the amount, status and history of the claim; and the program under which the claim arose.

State Certification

By submitting this application, you are giving your state financial aid agency permission to verify any statement on this form and to obtain income tax information for all persons required to report income on this form.

The Paperwork Reduction Act of 1995

The Paperwork Reduction Act of 1995 says that no one is required to respond to a collection of information unless it displays a valid OMB control number, which for this form is 1845-0001. The time required to complete this form is estimated to be one hour, including time to review instructions, search data resources, gather the data needed, and complete and review the information collection. If you have comments about this estimate or suggestions for improving this form, please write to: U.S. Department of Education, Washington DC 20202-4700.

We may request additional information from you to process your application more efficiently. We will collect this additional information only as needed and on a voluntary basis.

Worksheets
Calendar Year 2005

Do not mail these worksheets in with your application.
Keep these worksheets; your school may ask to see them.

Student/Spouse	Worksheet A Report Annual Amounts	Parents
For question 40		For question 78
\$	Earned income credit from IRS Form 1040—line 66a; 1040A—line 41a; or 1040EZ—line 8a.	\$
\$	Additional child tax credit from IRS Form 1040—line 68 or 1040A—line 42	\$
\$	Welfare benefits, including Temporary Assistance for Needy Families (TANF). Don't include food stamps or subsidized housing.	\$
\$	Social Security benefits received, for all household members as reported in question 84 (or 65 for your parents), that were not taxed (such as SSI). Report benefits paid to parents in the Parents column, and benefits paid directly to student (or spouse) in the Student/Spouse column.	\$
\$	—Enter in question 40.	Enter in question 78. — \$

Student/Spouse	Worksheet B Report Annual Amounts	Parents
For question 41		For question 79
\$	Payments to tax-deferred pension and savings plans (paid directly or withheld from earnings), including, but not limited to, amounts reported on the W-2 Form in Boxes 12a through 12d, codes D, E, F, G, H and S	\$
\$	IRA deductions and payments to self-employed SEP, SIMPLE, and Keogh and other qualified plans from IRS Form 1040—line 28 + line 32 or 1040A—line 17	\$
\$	Child support you received for all children. Don't include foster care or adoption payments.	\$
\$	Tax exempt interest income from IRS Form 1040—line 8b or 1040A—line 8b	\$
\$	Foreign income exclusion from IRS Form 2555—line 43 or 2555EZ—line 18	\$
\$	Untaxed portions of IRA distributions from IRS Form 1040—lines (15a minus 15b) or 1040A—lines (11a minus 11b). Exclude rollovers. If negative, enter a zero here.	\$
\$	Untaxed portions of pensions from IRS Form 1040—lines (16a minus 16b) or 1040A—lines (12a minus 12b). Exclude rollovers. If negative, enter a zero here.	\$
\$	Credit for federal tax on special fuels from IRS Form 4136—line 15 (nonfarmers only)	\$
\$	Housing, food and other living allowances paid to members of the military, clergy and others (including cash payments and cash value of benefits)	\$
\$	Veterans' noneducation benefits such as Disability, Death Pension, or Dependency & Indemnity Compensation (DIC), and/or VA Educational Work-Study allowances	\$
\$	Other untaxed income not reported elsewhere on Worksheets A and B (e.g., workers' compensation, untaxed portions of railroad retirement benefits, Black Lung Benefits, disability, combat pay not reported on the tax return, etc.) Don't include student aid, Workforce Investment Act educational benefits, non-tax filers' combat pay, or benefits from flexible spending arrangements, e.g., cafeteria plans.	\$
\$	Money received, or paid on your behalf (e.g., bills), not reported elsewhere on this form	XXXXXXXX
\$	—Enter in question 41.	Enter in question 79. — \$

Student/Spouse	Worksheet C Report Annual Amounts	Parents
For question 42		For question 80
\$	Education credits (Hope and Lifetime Learning tax credits) from IRS Form 1040—line 50 or 1040A—line 31	\$
\$	Child support you paid because of divorce or separation or as a result of a legal requirement. Don't include support for children in your (or your parents') household, as reported in question 84 (or question 65 for your parents).	\$
\$	Taxable earnings from need-based employment programs, such as Federal Work-Study and need-based employment portions of fellowships and assistantships	\$
\$	Student grant and scholarship aid reported to the IRS in your (or your parents') adjusted gross income. Includes AmeriCorps benefits (awards, living allowances and interest accrual payments), as well as grant or scholarship portions of fellowships and assistantships.	\$
\$	—Enter in question 42	Enter in question 80. — \$

Federal Family Education Loan Program Claim Form	Guarantor Identification
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I. CLAIM INFORMATION

1. Claim Type	2. DCO	3. Claim Review Type
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II. BORROWER INFORMATION

4. Social Security #	6. AKA	
5. Name (Last, First, MI)	8. Valid?	
7. Address		
9. Home # ()	10. Valid?	11. Other # ()
13. Work # ()	14. Valid?	12. Valid?
15. Employer		
16. E-mail Address		

III. LOAN INFORMATION

17. Loan Type	18. Loan ID	19. 1st Disb Dt	20a. \$ Curr Prin Bal	20b. \$ Unpd Fee/Int	21. Dt Loan Sold	22. Dt Servicer Resp	23. Int Rate/Type/ Conv Dt	24. \$ Uninsured Interest
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IV. ENDORSER/COMAKER/PLUS STUDENT (E/C/S) INFORMATION

25. Loan ID	26. E/C/S Code, ID #	27. E/C/S Name	28. Social Security #	29. Address	30. Valid?	31. Home #	32. Valid?
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V. CONVERSION TO REPAYMENT INFORMATION

33. OSD	34. Notification Dt	35. Repayment Change?	36. 1st Pmt Due Dt
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VI. REPAYMENT INFORMATION

37a. \$ Total Borrower Pmts	38. # Mnths Pmts	39. # Mnths Delf/Forb	40. # Mnths Violation	41. # Events	42. # Recony Mnths	43. Pmt Due Dt
37b. \$ DI Refund						

VII. REQUESTED CLAIM AMOUNT

44. Total Amount Disb/Repurchased	\$			50. Int-Paid-Through Dt	
45. Capitalized Int	+	\$		51. Int Claimed as of	\$
46. Prin Repaid	-	\$		52. Unpaid Cure Int not Capitalized	\$
47. Prin Used for Int Claimed	=	\$		53. Other Charges Claimed	\$
48. Cure Int Capitalized	-	\$			
49. Prin Claimed	=	\$			

VIII. LENDER/SERVICER INFORMATION AND CERTIFICATION

54. Lender ID	55. Servicer ID
56. Lender/Servicer Name	57. Lender/Servicer Address
58. Prepared By	59. Preparer's # ()



BY SUBMITTING THIS CLAIM TO THE GUARANTOR FOR REIMBURSEMENT, THE LENDER/HOLDER CERTIFIES, TO THE BEST OF ITS KNOWLEDGE, THAT THE INFORMATION IN THIS CLAIM IS TRUE AND ACCURATE AND THAT THE LOAN(S) INCLUDED IN THE CLAIM WAS (WERE) MADE, DISBURSED (INCLUDING REMITTANCE OF ORIGINATION FEES) AND SERVICED IN COMPLIANCE WITH ALL FEDERAL REGULATIONS AND APPROPRIATE GUARANTOR RULES. SHOULD THE GUARANTOR DETERMINE THAT THE LOAN(S) WAS (WERE) NOT SERVICED IN COMPLIANCE WITH FEDERAL REGULATIONS AND APPROPRIATE GUARANTOR RULES, AND SUCH NON-COMPLIANCE RESULTS IN THE GUARANTOR'S INABILITY TO COLLECT FROM THE BORROWER OR IN THE GUARANTOR'S INELIGIBILITY FOR FEDERAL REINSURANCE ON THE LOAN(S), THE LENDER/HOLDER AGREES TO REPURCHASE SUCH LOAN(S) OR REFUND THE AMOUNT OF THE REINSURANCE LOSS IF REQUIRED BY THE GUARANTOR. FOR VALUE RECEIVED THE LENDER/HOLDER HEREBY ASSIGNS ALL RIGHTS, TITLE, AND INTEREST IN THE LOAN(S) LISTED IN SECTION II OF THIS FORM TO THE GUARANTOR, OR ITS SUCCESSOR.

IX. Collection History (the 270-day period prior to default date)

60. Borrower's Social Security #

61. Borrower/Comaker(s)

Endorser(s)

Date/Code

Date/Code

Date/Code

Date/Code

Instructions for Completing Claim Form

This form is to be used to submit a request for claim reimbursement to the guarantor. All loans included on the Claim Form must have the same loan type, due date, interest-paid-through date, claim review status, and lender ID. (Note: Some guarantors may require separate claims for subsidized and unsubsidized Stafford loans, and/or for loans with different interest rates.) When completing this form, print or type all information and complete all fields. Use the chart in the *Common Manual* titled "Information to be Provided for Claim Form" to identify which fields are required and provide the requested information; for fields where the information is not available (or not applicable), complete alpha fields with "NA" and fill numeric/date fields with zeroes. All date fields must be completed with numerics in MM/DD/CCYY format. Address/phone "Valid" fields must be completed with a "Y" for yes or an "N" for no; indicate "Y" unless the information is known to be invalid. No claim may be submitted for an amount less than fifty dollars (\$50.00). If the number of claimed loans requires more space than is provided, attach a separate Claim Form with the following information completed: Section II (social security number and name) and Section III (all applicable loan information).

Note: Order of claim documentation will not be a reason for returning a claim to the lender. However, confusing or conflicting documentation may require claim return for lender clarification. All supporting documentation not required for claim submission must be retained by the lender in accordance with federal requirements.

I. CLAIM INFORMATION:

1. **Claim Type:** Provide the appropriate claim type code from the following key:

- BC Bankruptcy (Chapter 12 or 13)
- BH Bankruptcy (with hardship petition or adversary complaint)
- CS Closed School
- DB Default (reached prior to borrower's bankruptcy filing)
- DE Death
- DF Default (failure to make monthly payments)
- DI Disability (total and permanent)
- DQ Default (failure to make quarterly or less frequent than monthly payments)
- DU Abbreviated Cure
- FC False Certification
- IN Ineligible (borrower is determined not eligible for the loan)

2. **DCO: Date Condition Occurred** is defined by the Claim Type indicated in Item 1 at the top of the form. Provide the corresponding month, day, and year as follows:

If Claim Type is "BC" (Bankruptcy - Chapter 12 or 13), provide the date you received the Notice of First Meeting of Creditors or other acceptable evidence of the bankruptcy action, or the date the guarantor advised you to file a claim.

If Claim Type is "BH" (Bankruptcy - with hardship petition or adversary complaint), provide the date you received the petition for undue hardship (or adversary complaint), or the date the guarantor advised you to file a claim.

If Claim Type is "CS" (Closed School), provide the date you received the statement from the borrower certifying eligibility for a Closed School discharge or the date the guarantor advised you to file a claim.

If Claim Type is "DB" (Default - reached prior to borrower's bankruptcy filing), provide the due date of the borrower's first unmet installment.

If Claim Type is "DE" (Death), provide the date you received official notification of the death of the borrower or, if applicable, the student.

If Claim Type is "DF" (Default - failure to make monthly installments), provide the due date of the borrower's first unmet installment.

If Claim Type is "DI" (Disability - total and permanent), provide the date you received official notification that the borrower's physician certified the borrower to be totally and permanently disabled.

If Claim Type is "DQ" (Default - failure to make quarterly or less frequent than monthly installments), provide the due date of the borrower's first unmet installment.

If Claim Type is "DU" (Abbreviated Cure - ICA/location cure), provide the due date of the borrower's first unmet installment that resulted in the original default.

If Claim Type is "FC" (False Certification), provide the date you received the statement from the borrower certifying eligibility for a False Certification discharge or the date the guarantor advised you to file a claim.

If Claim Type is "IN" (Ineligible - borrower is determined not eligible for the loan), provide the date you determined or were notified of the borrower's ineligibility.

3. **Claim Review Type:** Provide one of the following numeric codes to indicate the Claim Review Type for which you currently qualify:

- "1" Exceptional Performer Status - Expedited claim review
- "2" Standard Review Status - Regular claim review
- "3" Program Review Status - Monitored claim review

II. BORROWER INFORMATION:

4. **Social Security #:** Provide the borrower's social security number (do not submit a Claim Form without a social security number).

5. **Name (Last, First, MI):** Provide the borrower's last name, first name, and middle initial.

6. **AKA:** Provide previous or alternative name(s) used by borrower (e.g., maiden name).

7-8. **Address and Valid?:** Provide the borrower's last known complete address (apartment number, box number, street address, city, state, and zip code plus four); indicate the validity of the address by entering a "Y" or an "N" in the appropriate field. Use "Y" unless the information is known to be invalid.

9-14. **Home #, Other #, Work #, and Valid?:** Provide the home phone number, work phone number, and/or other phone number (including area code) for the borrower, if any or all are available. Indicate the validity of each number by entering a "Y" or an "N" in the appropriate field. If no number is available, enter "NA" in the number field. If it has been verified that the borrower does not have a phone, enter "Y" in the validity field. If it has not been verified that there is no phone for the borrower, enter "N" in the validity field.

15. **Employer:** Provide the name, phone number and address of the borrower's place of employment, if known.

16. **E-mail Address:** Provide borrower's current e-mail address (optional).

III. LOAN INFORMATION: For each loan included in this claim, provide the requested information.

17. **Loan Type:** For each loan listed, provide the loan type using one of the following codes: SF = Subsidized Stafford (including non-subsidized disbursed prior to 10/92);

SU = Unsubsidized Stafford; PL = PLUS; GB = Graduate PLUS; SL = SLS; CL = Consolidation. A separate Claim Form must be submitted for each loan type. **Note:** Subsidized and unsubsidized Stafford loans that have been combined into one repayment schedule may be combined into one claim, subject to guarantor requirement.

18. **Loan ID:** For each loan listed, provide the loan identifier code, file number, guarantee date, or guarantee amount, as required by the guarantor of the loan(s).

19. **1st Disb Dt:** For each loan listed, provide the date of the first disbursement.

20a. **\$ Curr Prin Bal:** For each loan, provide the current principal balance (including all insured and uninsured capitalized interest) due on the date claimed.

20b. **\$ Unpd Fee/Int:** For each eligible loan, provide separately (with "Y" between) the amount of unpaid origination fee and unpaid capitalized interest included in the principal balance on the date claimed. For CS, DE, or FC claims, provide zeros.

21. **Dt Loan Sold:** For each loan that has been purchased from another lender, provide the date the loan was purchased. If the loan was not purchased from another lender, enter zeroes.

22. **Dt Servicer Resp:** For each loan, provide the date on which the current servicer assumed responsibility for servicing the loan, as applicable. If the loan is not being serviced, enter zeroes.

23. **Int Rate/Type/Conv Dt:** For each loan, provide the current interest rate and indicate the type of interest rate by entering the appropriate code: F = Fixed rate; V = Variable rate; S = Adjustable rate (8-10%). Indicate, if applicable, the date the loan was converted as required by HEA 1986 rebate requirements or HEA 1992 rebate requirements. Provide zeroes if the loan was not converted or was not subject to rebate requirements.

24. **\$ Uninsured Int:** For each loan claimed, provide the amount of cure interest capitalized and the unpaid cure interest not capitalized that accrued during period(s) the account was out of guarantee (in cure status).

IV. ENDORSER/COMAKER/PLUS STUDENT (E/C/S) INFORMATION: Complete this section if any claimed loan either has an endorser or comaker or is a PLUS loan.

25. **Loan ID:** Repeat the applicable Loan ID from field 18.

26. **E/C/S Code, ID #:** Provide "E" if the individual listed is an endorser; "C" if the individual listed is a comaker; "S" if the individual listed is a PLUS student. Assign each endorser and comaker a numeric identifier beginning with "1"; then "2"; etc. An individual who is an endorser, a comaker, or both will have a single numeric identifier regardless of the number of loans that individual has endorsed/comade.

27. **E/C/S Name:** For each loan listed, provide the last name, first name, and middle initial of any endorser, comaker, or PLUS student. If an endorser or comaker exists on a PLUS loan, list both the endorser or comaker and the PLUS student information.

28. **Social Security #:** Provide the social security number for each endorser, comaker, or PLUS student, as applicable.

29-30. **Address and Valid?:** Provide the last known complete address (apartment number, box number, street address, city, state, and zip code plus four) for each endorser, comaker, or PLUS student. Indicate the validity of the address by entering a "Y" or an "N" in the appropriate field. Use "Y" unless the information is known to be invalid.

31-32. **Home # and Valid?:** Provide the home phone number (including area code) for each endorser, comaker, or PLUS student; indicate the validity of the number by entering a "Y" or an "N" in field 32. If no number is available, enter "NA" in the number field. If it has been verified that there is no phone, enter "Y" in the validity field. If it has not been verified that there is no phone, enter "N" in the validity field.

V. CONVERSION TO REPAYMENT INFORMATION: Complete this section only for accounts that entered repayment. This section is not applicable for CS, FC, or IN claims. For items in this section, provide dates of the "original" conversion to repayment based upon the first verified correct OSD.

33. **OSD (Out-of-School Date): Stafford Loans:** Provide the most recently verified date the borrower ended enrollment on at least a half-time basis that caused the loan in Section III that first reached maturity, to enter repayment. **PLUS/Graduate PLUS/SLS Loans Immediately Deferred:** Provide the date the borrower/student ceased eligibility for the initial in-school deferment. **Consolidation Loans and PLUS/Graduate PLUS/SLS Loans Not Immediately Deferred:** Provide the date of the last disbursement. **Consolidation Loans with Add-On Loans:** Determine if the due date of the first monthly installment was changed due to an add-on. If so, provide the disbursement date of the add-on loan. If not, provide the last disbursement date of the beginning loan balance.

- 34. **Notification Dt:** Provide the date you were notified of the date in field 33. If the account was converted to repayment based upon the anticipated graduation date, provide zeroes in this field. For PLUS/Graduate PLUS/SLS loans entering immediate repayment, provide the date of the last disbursement. For an SLS loan converted to repayment based on an alignment forbearance with a corresponding Stafford loan, provide the last day of the alignment forbearance. For Consolidation loans, provide the date of the last disbursement or the date of the add-on disbursement if that is what was used in field 33. For repurchased loans (including rehabilitated loans), provide the date used to convert the loan back to a repayment status.
- 35. **Repayment Change?:** If the OSD provided in field 33 was received after the loan entered repayment, and the resulting 1st payment due date is prior to the notification date, provide a "Y" (yes). If there was no change to the OSD after the loan entered repayment or the receipt of the OSD provided in field 33 resulted in establishing a new 1st payment due date that is later than the notification date, provide an "N" (no). For repurchased loans (including rehabilitated loans), provide an "N" (no).
- 36. **1st Pmt Due Dt:** Provide the due date of the first monthly installment established following the OSD provided in field 33. If this claim includes loans that entered repayment at different times, provide the due date of the first monthly installment for the first loan entering repayment. For repurchased loans (including rehabilitated loans), provide the due date established following the notification date provided in field 34.

VI. REPAYMENT INFORMATION: Complete this section only for accounts that entered repayment. Data in fields 38 through 43 must only reflect events occurring on or after the date provided in field 36. (Fields 38 through 43 are not applicable for CS, FC, or IN claims.)

- 37a. **\$ Total Borrower Pmts:** Provide the total amount of payments made by or on behalf of the borrower (for CS or FC claims, provide principal, interest, and any collection costs paid by the borrower that may be subject to refund, not including payments made by third parties).
- 37b. **\$ DI Refund:** For DI claims only, provide the total amount of payments made by or on behalf of the borrower that were received by the lender/servicer after the date the borrower became unable to work and earn money.
- 38. **# Mnths Pmts:** Provide the number of months the due date was advanced by payments made by or on behalf of the borrower. Use the loan with the highest number of months advanced by payments. Do not include payments that did not advance the due date of the borrower's account.
- 39. **# Mnths Del/Forb:** Provide separately (with "/" between) the number of regular monthly installments deferred and forbore. Provide the higher or highest number when multiple loans are included in the claim and their use of deferment and/or forbearance differs. When there are overlapping periods of deferment/forbearance on multiple loans, count those months only once. Do not include forbearance periods covering uninsured months.
- 40. **# Mnths Violation:** Determine the number of days the account was out of guarantee (i.e., in cure status and uninsured). Divide the total number of days by 30 and round up. Provide the total number of violation months. Include forbearance periods covering uninsured months.
- 41. **# Events:** Provide the total number of non-continuous individual periods of deferment and forbearance granted on this account. (A deferment or forbearance immediately followed by another deferment or forbearance must be considered one event.) Include all uninsured months, whether a forbearance period was granted or not.
- 42. **# Recony Mnths:** For Stafford and SLS loans, multiply the number of events listed in field 41 times 3.0 months (90 days); use 2.0 months (60 days) for PLUS, Graduate PLUS, and Consolidation loans.
- 43. **Pmt Due Dt:** Provide the due date of the first unmet installment of the borrower's delinquency. In the case of DB, DF, DQ, or DU claims, this date would be the same as the Date Condition Occurred (DCO). With BC, BH, DE, or DI claims, enter "NA" in this field unless the account was delinquent prior to the DCO, in which case this date must be prior to the DCO.

VII. REQUESTED CLAIM AMOUNT:

- 44. **Total Amount Disb/Repurchased:** Provide the total original principal value of loans disbursed to the borrower. (For CS or FC claims that include Stafford, PLUS, Graduate PLUS, or SLS loans that have been paid in full as a result of a Consolidation loan, provide the amount paid by the consolidation lender to the prior holder on the applicable underlying loan(s).) For repurchased loans (including rehabilitated loans), provide the amount restored to servicing excluding uninsured interest, if identified by the guarantor.
- 45. **Capitalized Int:** Provide (and add) the total amount of interest capitalized (added to the total principal amount) and disclosed to the borrower. (Not applicable for CS or FC claims that include Stafford, PLUS, Graduate PLUS, or SLS loans that have been paid in full as a result of a Consolidation loan.) For repurchased loans (including rehabilitated loans), all interest capitalized after resumption of servicing of the rehabilitation or repurchase should be included in this field, including uninsured interest excluded per instructions for field 44.
- 46. **Prin Repaid:** Provide (and subtract) the total principal (only) repaid on the borrower's account before and after entering repayment, including any cancellations after disbursement, post-withdrawal return of funds, third party payments, and prepayments to principal. (Not applicable for CS or FC claims that include Stafford, PLUS, Graduate PLUS, or SLS loans that have been paid in full as a result of a Consolidation loan.) For repurchased loans (including rehabilitated loans), include only those payments applied to principal following the repurchase or rehabilitation.
- 47. **Prin Used For Int Claimed:** Provide the total principal value of the borrower's debt, including insured and uninsured capitalized interest. Interest claimed should be calculated based upon this principal amount.
- 48. **Cure Int Capitalized:** Provide (and subtract) any capitalized interest amount that is not eligible for claim payment because it accrued during a violation period when the account was out of guarantee. Do not include this amount in field 49 or field 51. (Not applicable for CS or FC claims that include Stafford, PLUS, Graduate PLUS, or SLS loans that have been paid in full as a result of a Consolidation loan.)
- 49. **Prin Claimed:** Based upon the calculations above, provide the total principal value of the claim.
- 50. **Int-Paid-Through Dt:** Provide the date through which interest was last paid. (For CS or FC claims that include Stafford, PLUS, Graduate PLUS, or SLS loans that have been paid in full as a result of a Consolidation loan, this date will be the date of the consolidation, unless a subsidized deferment applied to the Consolidation loan requires adjustment to a later date.)
- 51. **Int Claimed As Of:** Provide the date through which interest claimed was accrued and the amount of outstanding accrued insured interest claimed. Do not include any uninsured interest (unpaid cure interest not capitalized) in this field. (For CS or FC claims that include Stafford, PLUS, Graduate PLUS, or SLS loans that have been paid in full as a result of a Consolidation loan, provide the amount of interest accrued from the date of consolidation through the date interest was claimed on the amount of the applicable underlying loan(s).)
- 52. **Unpaid Cure Int Not Capitalized:** Provide the amount of unpaid interest that accrued during period(s) the account was out of guarantee that was not capitalized. (Not applicable for CS or FC claims that include Stafford, PLUS, Graduate PLUS, or SLS loans that have been paid in full as a result of a Consolidation loan.)
- 53. **Other Charges Claimed:** Provide the amount of any other insured costs incurred by the lender on this account (e.g., guarantor collection cost repurchased or collection costs incurred on CS or FC claims). Do not include late charges.

VIII. LENDER/SERVICER INFORMATION AND CERTIFICATION: With this claim submission, the lender certifies full compliance as indicated in this section of the Claim Form.

- 54. **Lender ID:** Provide the six-digit Department of Education lender code and, as applicable, the four-digit non-Department of Education suffix of the lender or the current holder.
- 55. **Servicer ID:** If the account is being serviced, provide the six-digit Department of Education servicer code.
- 56. **Lender/Servicer Name:** If the account is being serviced, provide the servicer's name; if there is no servicer, provide the lender's name.
- 57. **Lender/Servicer Address:** If the account is being serviced, provide the servicer's address; if there is no servicer, provide the lender's address.
- 58. **Prepared By:** Provide an identifier of the person or unit responsible for answering questions about information provided on this form.
- 59. **Preparer's #:** Provide the phone number (including area code) where the preparer may be reached.

IX. COLLECTION HISTORY (THE 270-DAY PERIOD PRIOR TO DEFAULT DATE):

- 60. **Borrower's Social Security #:** Provide the borrower's social security number.
- 61. **Collection History:** Provide the month, day, and year (MM/DD/CCYY) of each collection activity. Provide the appropriate Activity Code and/or Skiptracing Activity Code from below. Endorser and/or comaker collection activity, if applicable, must include the numeric identifier assigned to the endorser/comaker in Section IV (e.g., LC2 = letter contact to the endorser or comaker designated "2"). List the collection activity for the comaker who also is an endorser in the Borrower/Comaker section. *Note: Even if the address and/or phone number of the borrower or endorser were invalid before the account became delinquent (prior to DCO), provide the date you were notified of the invalid address/phone and any skiptracing performed prior to the delinquency, in order to demonstrate that skip requirements were satisfied.* Also, do not complete this section for CS or FC claims. Do not complete this section for DE, DI, BC or BH claims, unless the borrower's loans were delinquent prior to the DCO. However, for all DE claims, the "DD" collection activity code and corresponding date must be provided. For IN claims, final demand information must be provided; for DU claims, Intensive Collection Activities (ICA) must be provided. **NOTE:** Provide all activities after day 270 pertinent to the collection of the account.

- BL Date borrower located (for ICA/Location cures only)
- CR The date on which the payment was reversed due to nonsufficient funds for one monthly installment (when reporting nonsufficient funds that includes multiple installments, provide a CR code for each installment)
- DB Deferment period/post deferment grace period, begin date
- DD Date of death
- DE Deferment period/post deferment grace period, end date
- DS Date disclosure sent (for ICA/Location cures only)
- FB Forbearance period begin date
- FD Final demand letter
- FE Forbearance period end date
- IA Lender became aware of invalid address for borrower
- IR Lender became aware of borrower's incarceration, or lender became aware of borrower's residence outside a State, Mexico, or Canada, or borrower has no phone service
- IT Lender became aware of invalid phone number for borrower
- LC Letter contact with borrower
- LN Lender approved a deferment or forbearance with ending date prior to lender's receipt of documentation or adjusted OSD that changes the delinquency

- PC Lender requested default aversion assistance
- PR The date on which one monthly installment was satisfied by payment or prepayment (when reporting a payment that includes multiple installments, provide a PR code for each installment)
- TA Attempted phone contact with borrower
- TC Phone contact or contact in person with borrower
- TR Account converted from one servicing system to another
- VA Lender became aware of valid address for borrower
- VT Lender became aware of valid phone number for borrower

- Skiptracing Activity Codes (to obtain address/phone number)**
- SA Contact attempted with reference or endorser by phone or a reference skiptracing activity
 - SD Contact with Directory Assistance for borrower, endorser, or comaker
 - SO Other skiptracing activity including contact or contact attempt to a relative, individual, borrower, or other entity by phone or letter
 - SF Contact with reference or endorser by phone or letter
 - SS Contact with borrower's school by phone or letter



U.S. DEPARTMENT OF EDUCATION
Federal Family Education Loan Program

OMB NO: 1845-0013
 Expiration Date: 12-31-2010
 Previous Versions Obsolete

Read instructions for each part before completing this form.

LENDER'S INTEREST AND SPECIAL ALLOWANCE REQUEST AND REPORT - (LaRS/799)

IDENTIFICATION AND CERTIFICATION

1. Lender Identification Number (LID), Lender Name:

2. Servicer Identification Number, Servicer Name (if applicable):

CERTIFICATION

As an eligible Lender, Servicer, or Eligible Lender Trustee in the Federal Family Education Loan Program (FFELP) that submits the Lender Reporting System report (LaRS), I certify, by my signature below that:

The data that my organization submits to the U.S. Department of Education is correct to the best of my knowledge and belief. I certify that this submission seeks payment of only those amounts that are proper and authorized under the laws, regulations, and policies applicable to the Federal Family Education Loan Program. I understand that all documents, files, accounts and records supporting this data are subject to audit or review by the Secretary of Education or other authorized representatives of the United States Government, and I agree to make all such documents, files, accounts and records available to the Secretary or such authorized representatives without restriction.

3. Year and Quarter Ending (Complete both fields):
 1 [] March 31
 2 [] June 30
 3 [] September 30
 4 [] December 31
 YEAR



4. Signature _____

5. Date _____

6. Typed Name and Title _____

Mail completed form to:
 U.S. Department of Education
 Post Office Box 2768
 Washington, D.C. 20013-2768

WARNING: Any person who knowingly and willfully submits a false statement to obtain payment may be prosecuted under Federal law, and if convicted, is subject to imprisonment for up to five years or a fine of up to \$20,000, or both. 18 U.S.C. 1001, 20 U.S.C. 1097. In addition, any person who knowingly makes a false claim or causes a false claim to be presented, or knowingly makes a false statement to obtain payment of a claim, may be subject to civil penalty and damages under the False Claims Act.

REPORTING BURDEN: According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0013. The time required to complete this information collection is estimated to average 3.75 hours per response, including the time to review instructions, search existing data sources, and gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write directly to: U.S. Department of Education, Washington, DC 20202-5449. If you have any comments or concerns regarding the status of your individual submission of this form, write directly to: Financial Management, Lender Reporting, Post Office Box 2768, Washington, D.C. 20013-2768.



LENDER'S INTEREST AND SPECIAL ALLOWANCE REQUEST AND REPORT (LaRS/799)

OHMS NO: 1845-0013
Expiration Date: 12-31-2010
Previous Versions Obsolete

LID: _____ PAGE _____

PART I - Loan Origination and Lender Loan Fees

Loan Type (A)	Fee Code (B)	Fee Percent (C)	Loan Interest Rate (D)	Principal Amount of Loans (E)

Check here if submitting additional pages for Part I

OMB NO: 1846-0013

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LENDER'S INTEREST AND SPECIAL ALLOWANCE REQUEST AND REPORT (LaRS/799)



LID: _____ PAGE _____

PART II - Interest Benefits					
Loan Type (A)	Interest Rate (B)	Billing Code (C)	Ending Principal Balance (D)	Average Daily Principal Balance (E)	Interest Amount (Use only for Adjustments) (F)

Check here if submitting additional pages for Part II



LENDER'S INTEREST AND SPECIAL ALLOWANCE REQUEST AND REPORT (LaRS/799)

LID: _____ PAGE _____

PART III - Special Allowance

Billing Code (A)	Calendar Year (B)	Quarter Code (C)	Loan Type (D)	Special Allowance Category (E)	Interest Rate (F)	Ending Principal Balance (G)	Average Daily Principal Balance (H)	Adjustments for Difference in Average Daily Principal Balance (I)

Check here if submitting additional pages for Part III



LENDER'S INTEREST AND SPECIAL ALLOWANCE REQUEST AND REPORT (LaRS/799)

OMB NO: 1845-0013
Expiration Date: 12-31-2010
Previous Versions Obsolete

LID: _____ PAGE _____

PART IV: Loan Activity					
	FEDERAL STAFFORD & FISL (Except Unsubsidized) (A)	FEDERAL PLUS (B)	FEDERAL SLS (C)	FEDERAL CONSOLIDATION (D)	FEDERAL UNSUBSIDIZED STAFFORD (E)
1. Beginning Principal Balance					
2. Loan Principal Disbursed					
3. Interest Capitalized or Other Principal Increases					
4. Principal of Loans Purchased					
5. Principal of Loans Cured					
6. Principal of Loans Sold					
7. Principal Paid by Insurance Claims					
8. Principal of Loans on Which the Guarantee Was Voided					
9. Principal Paid by Borrowers and Other Principal Reductions					

LENDER'S INTEREST AND SPECIAL ALLOWANCE REQUEST AND REPORT (LaRS/799)



LID: _____ PAGE _____

PART V - Loan Portfolio Status					
	FEDERAL STAFFORD & FISL (Except Unsubsidized) (A)	FEDERAL PLUS (B)	FEDERAL SLS (C)	FEDERAL CONSOLIDATION (D)	FEDERAL UNSUBSIDIZED STAFFORD (E)
1. Loans in School and in Grace					
2. Loans in Authorized Deferment					
3. <u>Loans in Repayment or Forbearance:</u>					
a. Current or less than 31 days past due					
b. 31-60 days past due					
c. 61-90 days past due					
d. 91-120 days past due					
e. 121-180 days past due					
f. 181-270 days past due					
g. 271 days or more past due					
h. Claims filed, but not yet paid, and not listed above					
4. Ending Principal Balance					

General Instructions

What is the Lender's Interest & Special Allowance Request and Report (LaRS)?

The LaRS form is used by the U.S. Department of Education (ED) to calculate interest subsidies and special allowance payments due to the lending institution, to calculate origination fees and Lender loan fees owed to ED, and to obtain information on your portfolio under the Federal Family Education Loan Program.

Who should complete this form?

A lending institution that originates loans must submit this form to report fees due to ED. The lending institution must also submit this form each quarter to receive interest and special allowance payments. ***The form must be submitted within 90 days of the quarter's end to be considered timely.***

What help is available?

Help can be obtained by contacting Federal Student Aid (FSA) at FSA_LR@ed.gov.

The Entire form must be completed.

Failure to complete all sections of the LaRS form will result in the rejection of the entire form.

Are there any other helpful hints?

1. It is important to put your LID on the top of each page.
2. Number the pages sequentially using the space provided.
3. If additional space is needed for Parts I, II, or III, make additional copies, and check the block at the bottom of each page to indicate that additional pages are being submitted.
4. Unless otherwise stated, calculate each monetary amount to the nearest cent, round to the nearest dollar, and enter the amount on the form.
5. Sign and date the form, and send it to the address shown on the first page.

LaRS Instructions

Page 1

- 1 Lender ID, Lender Name The Lender Identification Number (LID) is a 6-digit code assigned by ED to identify each participant in the FFEL program. Provide the full, legal name of your institution.
- 2 Servicer ID, Servicer Name The Servicer Identification Number is a 6-digit code assigned by ED to identify each participant in the FFEL program. Provide the full, legal name of the servicing institution (if applicable).
- 3 Year and Quarter Ending Provide the calendar year and associated quarter ending date covered by this form.
- 4 Signature Read the certification statement and sign the form in ink. Forms signed with signature stamps and unsigned forms will be rejected and returned to you.
- 5 Date Enter the date the LaRS form is signed.
- 6 Typed Name and Title Type or Print the name and title of the official signing the form.

LaRS Instructions

Part I – Loan Origination and Lender Loan Fees

This section is divided into 5 columns. Make separate line entries for each unique combination of Loan Type, Fee Code, Fee Percent, and Loan Interest Rate. For each line, if any column is completed, all columns for that line must be completed. If you do not have anything to report, please indicate this by inserting zeros in the first line. Report adjustments to previous quarters only if applicable. If additional space is needed, make a copy of the blank page and check the block at the bottom of each page.

Applicability: Most FFEL Program loans are subject to a loan origination fee, which is a percentage of the loan principal and is deducted proportionately from each loan disbursement. The fee depends on the period of enrollment covered by the loan.

A Loan Type Provide the 2-letter code of the loan type being reported:

- SF - Federal Stafford (except Unsubsidized Stafford)
- SL - Federal Supplemental Loans for Students (SLS)
- PL - Federal PLUS Loans
- CL - Federal Consolidation Loans
- SU - Unsubsidized Stafford Loans

B Fee Code Provide the code for the period and type of loan activity being reported:

Origination fees for current quarter:

- FN - New Loans you have made (including those then sold) in the quarter covered by this form if you owe the origination fees
- FS - Loans you made and sold in the quarter covered by this form if the purchaser owes the origination fees
- FB - Loans you bought from another Lender in the quarter covered by this form, if you owe the origination fees

Origination fee adjustments to previously reported quarters:

- FI - Net increase in loans you made or bought as reported for a previous quarter, if you owe the origination fees
- FD - Net decrease in loans you made or bought as reported for a previous quarter, if the fees are to be credited to you

Lender Loan fees for current quarter:

- LN - New loans you have made (including those then sold) in the quarter covered by this form, if you owe the Lender loan fees
- LS - Loans you made and sold in the quarter covered by this form, if the purchaser owes the Lender loan fees
- LB - Loans you bought from another Lender in the quarter covered by this form, if you owe the Lender loan fees

Lender fee adjustment to previously reported quarters:

- LI - Net increase in loans you made or bought as reported for a previous quarter, if you owe the Lender fees
- LD - Net decrease in loans you made or bought as reported for a previous quarter, if the fees are to be credited to you

Separate entries must be made for origination fees and for Lender fees. For lines containing the codes FN, FB, FI, LN, LB and LI, ED will charge you the

fee. For lines containing the codes FD and LD, you will receive credit toward fees due. Use the current quarter codes only for loans made, bought or sold in the quarter covered by this form.

If a loan transaction occurred in the current quarter and an adjustment was made to it in the same quarter, only report the net result. Do not report the original action and the adjustment separately. Include all loans, which can be classified under the same loan type, the same adjustment fee code, the same fee percent, and the same loan interest rate in one line item. When using an adjustment code, report the sum of all activity for loans made in all prior quarters. Do not make separate entries for each separate prior quarter.

C Fee Percent

Provide the percentage (as a decimal) of the loan used to determine the fee

- **Loans first disbursed on or after July 1, 2007 – June 30, 2008 for periods of enrollment that either include that date or begin after that date:**
 - Federal Stafford and Unsubsidized Stafford fees are 0.015
- **Loans first disbursed on or after July 1, 2006 – June 30, 2007 for periods of enrollment that either include that date or begin after that date:**
 - Federal Stafford and Unsubsidized Stafford fees are 0.02
 - Federal PLUS fees are 0.03
- **Loans first disbursed on or after July 1, 1994 through June 30, 2006 for periods of enrollment that either include that date or begin after that date:**
 - Federal Stafford, PLUS and Unsubsidized Stafford fees are 0.03
- **Loans first disbursed on or after July 1, 1994 for period of enrollment that begin before that date and include that date:**
 - Federal SLS loans certified before July 1, 1994 is 0.03
- **Period of enrollment beginning before July 1, 1994 and disbursed prior to that date:**
 - Federal Stafford, Federal SLS and Federal PLUS fee is 0.05
 - Unsubsidized Stafford combined origination fee/insurance premium is 0.065

FFEL Program loans disbursed **on or after October 1, 2007** are subject to a **Lender loan fee**, which is 1% or .01 of the loan principal and is charged proportionately against each loan disbursement.

FFEL Program loans made on or after October 1, 1993 – September 30, 2007, are subject to a **Lender loan fee**, which is ½% or .005 of the loan principal and is charged proportionately against each loan disbursement.

D Loan Interest Rate

Provide the applicable interest rate (as a decimal) of each group of loans.

- Use **".068"** for Federal Stafford and Unsubsidized Stafford loans disbursed on or after 7/1/2006.
- Use **".085"** for Federal PLUS loans disbursed on or after 7/1/2006.
- Use **"EVAR"** for Federal Stafford, Federal PLUS and Unsubsidized Stafford variable rate loans made to new borrowers on/after 10/1/92 – 6/30/2006.

- Use the actual rate of the loan for Consolidation loans made on/after 10/1/98.
- Use **FVAR7**, **FVAR8**, **FVAR9**, **FVAR10**, and **FVARX** respectively for converted fixed rate loans of 0.07, 0.08, 0.09, or 0.08/0.1 percent (adjustments only).

E Principal Amount of Loans The principal amount of the loan is the amount disbursed plus the amount of the insurance premium and origination fee deducted prior to disbursement. (The Lender loan fee is based on the same amount and is a **charge to you**. It cannot be charged to the borrower; that is, it cannot be deducted from the loan principal disbursed.)

Enter the total principal amount of loans (whole dollars only) made or bought which are covered by the transaction indicated by the Loan Type and Fee Code. Do not include amounts representing cancellations or adjustments occurring in the same quarter that the loan was disbursed.

For a Fee Code of FI and LI, report the additional amount which was not previously reported to ED. For a Fee Code of FD and LD, report the amount, which was previously reported but has now been cancelled or overstated in previous quarters.

LaRS Instructions

Part II – Interest Benefits

This part is divided into 6 columns. When billing for interest for the quarter covered by the form, (Billing Code BC), make separate line entries for each different loan type and allowable interest rate. Columns A-E must be completed. Column F, Interest Amount, is for reporting adjustments only.

When billing for all other codes (BI and BD), make separate line entries for each type of adjustment. Complete columns A, C, and F. Leave the other columns blank. If additional space is needed, make a copy of the blank page and check the block at the bottom of each page.

Applicability: In general, ED will pay the interest due on:

- Subsidized Federal Stafford and FISL loans while the borrower is in school at least half time, in grace, and during a period of authorized deferment.
- Federal Consolidation loans for which the Lender received the application on/after 1/1/93 and prior to 8/10/93 during periods of authorized deferment.
- Federal Consolidation loans comprised solely of subsidized Federal Stafford Loans for which the Lender received the application on/after 8/10/93 and prior to 11/13/97, during periods of authorized deferment.
- Federal Consolidation loans whose application was received after 11/13/97, interest benefits are paid on the portion of the loan that repaid subsidized Federal Stafford, subsidized Federal Direct Stafford, FISL, subsidized Federal Consolidation, and subsidized Federal Direct Consolidation loans, during periods of authorized deferment.

- A Loan Type Provide the 2-letter code for the loan type being reported.
SF - Federal Stafford (except Unsubsidized Stafford) and FISL
CL - Federal Consolidation
- B Interest Rate Provide the interest rate (as a decimal) for loans or portions of loans on which you are billing interest for the quarter covered by this form, as explained above. For loans made at rates other than those shown, make separate line entries for each actual rate used (up to 5 decimal places, then round). For lines showing an adjustment (Billing Code BI or BD), leave this column blank.
- For 6.8% enter 0.068
- For 8.25% enter 0.0825
- C Billing Code Provide the code for the period and type of loan activity being reported:
BC - Interest due to you for the current quarter
BI - Adjustment, resulting in a net increase in the interest due to you from previous quarters' billings
BD - Adjustment, resulting in net decrease in the interest due to you from previous quarters' billings
- For lines containing the codes BC or BI, you will receive an interest payment from ED. For lines containing the code BD, you will be charged for the amount owed to ED.
- If an interest transaction occurred in the current quarter and an adjustment was made to it in the same quarter, report only the net result. Do not report the original action and the adjustment separately.
- Use codes BI and BD to report adjustments to interest activity for all prior quarters combined, regardless of the loans' individual interest rates.

- D Ending Principal Balance** Enter the total unpaid principal balance outstanding on all loans or portions of loans eligible for interest benefits (whole dollars only) for the stated Loan Type, Interest Rate and Billing Code combination, as of the last day of the quarter covered by this form. Complete this column only for lines with Billing Code BC.
- E Average Daily Principal Balance** For each combination of Loan Type, Interest Rate and Billing Code, enter the average (whole dollars only) of the daily principal balances of all eligible loans or portions of loans for the quarter covered by this form. This is accomplished by adding the outstanding principal balance of all eligible loans or portions of loans for each day in the quarter and dividing by the number of days in the quarter. This column must be completed for any line with Billing Code BC.
- F Interest Amount (Use only for adjustments)** For each combination of Loan Type, Interest Rate and Billing Code enter to the nearest penny the amount of interest due you or owed to ED.
- Do not use Column F for interest due for the current quarter (Billing Code is BC). This column is *required* for adjustments (Billing Code is BI or BD). Enter a positive number only. We will use the Billing Code to determine whether you are due interest or owe money to ED.

LaRS Instructions

Part III – Special Allowance

This part is divided into 9 columns. Make separate line entries for each different combination of Billing Code, Calendar Year, Quarter Code, Loan Type, Special Allowance Category, and Interest Rate. These first 6 columns *must* always be completed. If additional space is needed, make a copy of the blank page and check the block at the bottom of each page.

Applicability: In general, special allowance may be paid on all loans, except certain Federal Stafford and FISL loans and any "HEAL" portion of a Consolidation loan. For loans disbursed on/after 4/1/06, if the applicable interest rate exceeds the market rate, the lender may owe funds back the government.

A Billing Code Provide the code for the period and type of loan activity being reported:

BC - Special allowance due/owed for the current quarter

BI - Adjustment resulting in a net increase in the special allowance previously paid/collected for a given quarter

BD - Adjustment resulting in a net decrease in the special allowance previously paid/collected for a given quarter

For lines containing the codes BC and BI, **YOU** may receive a payment from ED. For a line containing the code BD, **YOU** may be charged for the amount owed to ED. If a transaction occurred in the current quarter and an adjustment was made in the same quarter, only report the net result.

B Calendar Year Provide the year being reported (e.g. 2006)

C Quarter Code Provide the digit for the quarter being reported:

1 - March 31 3 – September 30
2 - June 30 4 – December 31

D Loan Type Provide the 2-letter code for the loans being reported:

SF - Federal Stafford (except Unsubsidized Stafford) and FISL

SL - Federal SLS

PL - Federal PLUS

CL - Federal Consolidation

SU - Unsubsidized Stafford

E Special Allowance Category Provide the code for the loans being reported:

SA - For loans made prior to 10/1/81.
(Tax-exempt loans during this period use XA)

SB - For Stafford (subsidized) and PLUS loans made on/after 10/1/81 but prior to 10/17/86, or loans made on/after 10/17/86 but prior to 11/16/86 for periods of enrollment beginning prior to 11/16/86. Also, for Consolidation loans made on/after 10/1/81 but prior to 11/16/86. (Tax-exempt loans during this period use XB)

SC - Used for sequester periods only.
(Tax-exempt loans during this period use XC)

SD - For Stafford (subsidized) and PLUS/SLS loans made on/after 10/17/86 but prior to 11/16/86 for periods of enrollment beginning on/after 11/16/86. Also, for Stafford (subsidized), PLUS/SLS and Consolidation loans made on/after 11/16/86 but prior to 10/1/92. Also, for Stafford (unsubsidized) loans made prior

to 10/1/92 for periods of enrollment beginning on/after 10/1/92.
(Tax-exempt loans during this period use XB)

- SE - For Stafford loans made on/after 10/1/92 but prior to 7/1/94, regardless of the enrollment period, or loans made after 7/1/94 for an enrollment period ending prior to 7/1/94. Also, for PLUS loans made on/after 10/1/92 but prior to 7/1/94. Also, for SLS loans made on/after 10/1/92 but prior to 7/1/94; or **certified** before 7/1/94 and **disbursed** after 7/1/94. Also, for Consolidation loans made on/after 10/1/92 and those for which the loan application was received by an eligible lender prior to 11/13/97.
(Tax-exempt loans during this period use XE)
- SG - For Stafford loans made on/after 7/1/94 but prior to 7/1/95, or loans made on/after 7/1/95 but prior to 7/1/98 during periods of repayment or forbearance. Also, for PLUS loans made on/after 7/1/94 but prior to 7/1/98. Also, for Consolidation loans for which the loan application was received by an eligible lender on/after 11/13/97 but prior to 10/1/98.
(Tax-exempt loans during this period use XG)
- SH - For Stafford loans made on/after 7/1/95 but prior to 7/1/98 **only** during the in-school, grace and deferment periods. Also, for PLUS loans made on/after 7/1/98 but prior to 1/1/2000.
(Tax-exempt loans during this period use XH)
- SJ - For Stafford loans made on/after 7/1/98 but prior to 1/1/2000 **only** during the in-school, grace and deferment periods.
(Tax-exempt loans during this period use XJ)
- SK - For Stafford loans made on/after 7/1/98 but prior to 1/1/2000 **only** during the repayment and forbearance periods.
(Tax-exempt loans during this period use XK)
- SL - Consolidation loans made on/after 10/1/98 but prior to 1/1/2000.
(Tax-exempt loans during this period use XL)
- CA - Stafford loans made on/after 1/1/2000 but prior to 3/31/06, **only** during the in-school, grace and deferment periods.
(Tax-exempt loans during this period use XJ)
- CB - Stafford loans made on/after 1/1/2000 but prior to 3/31/06, **only** during the repayment and forbearance periods.
(Tax-exempt loans during this period use XK)
- CC - Consolidation loans made on/after 1/1/2000 but prior to 3/31/06
(Tax-exempt loans during this period use XL)
- CD - PLUS loans made on/after 1/1/2000 but prior to 3/31/06.
(Tax-exempt loans during this period use XH. *Note: Effective 4/1/06, these loans should be reported as XQ).*
- CE - Stafford loans made on/after 4/1/2006-9/30/2007, **only** during the in-school, grace and deferment periods.
(Tax-exempt loans during this period use XM)
- CF - Stafford loans made on/after 4/1/2006-9/30/2007, **only** during the repayment and forbearance periods.

(Tax-exempt loans during this period use XN)

- CG- Consolidation loans made on/after 4/1/2006-9/30/2007.
(Tax-exempt loans during this period use XO)
- CH- PLUS loans made on/after 4/1/2006-9/30/2007.
(Tax-exempt loans during this period use XP)
- CI- Stafford loans made on/after 10/1/2007, **only** during the in-school, grace and deferment periods.
- CJ- Stafford loans made on/after 10/1/2007, **only** during the repayment and forbearance periods.
- CK- Consolidation loans made on/after 10/1/2007.
- CM- PLUS loans made on/after 10/1/2007.

F Interest Rate Provide the applicable interest rate (as a decimal) for each group of loans. Allowable rates are from 3% (enter as .03) - .25. For Consolidation loans made on or after October 1, 1998, the allowable rates are from 3% - 8.25%. Other allowable rates:

- EVAR - for variable Federal Stafford and Unsubsidized Stafford, PLUS, and SLS loans made on or after 10/1/92 - 6/30/06 and Consolidation loans made during the "Emergency Consolidation Loan Act"
- CVAR - for Federal PLUS and SLS loans made in 1986-7 where the interest rate changes each January 1
- FVAR7, FVAR8, FVAR9, FVAR10, and FVARX - respectively for converted fixed rate loans of 7%, 8%, 9%, 10% and 8/10%
- VAR - for variable rate, PLUS and SLS loans made prior to 10/1/92

G Ending Principal Balance Provide the total unpaid principal balance outstanding on all loans eligible for special allowance (whole dollars only) for the stated combination of entries in columns A-F, as of the last day of the quarter covered by this form. Complete this column for Billing Code BC only.

H Average Daily Principal Balance For each combination of columns A through F, provide the average daily principal balance (whole dollars only) of all eligible loans for the quarter. Complete this column for Billing Code BC only.

I Adjustments for Difference in Average Daily Principal Balance Provide the difference in the Average Daily Principal Balance (whole dollars only, positive number) between what should have been reported and what was originally reported. Complete this column for a Billing Code of BI or BD only.

LaRS Instructions

Part IV – Loan Activity

Applicability: Part IV shows the changes, which have occurred to the guaranteed loan principal in your portfolio for each type of loan for the quarter covered by this form. Loan principal includes capitalized interest as defined in line 3. This part must be completed and submitted each time you submit a LaRS form. This part has 5 columns and 9 lines. Report all amounts in whole dollars.

Enter all loan information in the appropriate column:

- A) Federal Stafford (except Unsubsidized Stafford) and FISL
- B) Federal PLUS
- C) Federal SLS
- D) Federal Consolidation
- E) Federal Unsubsidized Stafford

- 1 **Beginning Principal Balance** Provide the outstanding principal balance (including the sum of capitalized interest outstanding) of loans at the start of business on the first day of the quarter. Unless an adjustment has been made, this amount must be the same as the Ending Principal Balance from the previous quarter's form.

PLEASE NOTE: adjustments made to the prior quarter ending balance may be subject to review.
- 2 **Loan Principal Disbursed** Provide the principal amount of loans disbursed during the quarter. This may be new loans or additional disbursements for loans initially disbursed in a prior quarter. Report the gross amount; that is, the amount prior to any deductions for insurance premiums or origination fees. Include amounts actually disbursed for Consolidation loans and for refinanced PLUS and SLS loans. Do not report amounts disbursed and then cancelled (e.g., checks returned uncashed) in the same quarter.
- 3 **Interest Capitalized or Other Principal Increase** Provide the amount of interest and unpaid insurance premiums, which were added to principal during the quarter in accordance with program regulations, principal transferred from other LIDs assigned to your institution, and any other increases in your portfolio not shown elsewhere.
- 4 **Principal of Loans Purchased** Provide the principal amount of loans purchased (including interest capitalized prior to purchase) from other Lenders. Do not include amounts disbursed to consolidate a loan.
- 5 **Principal of Loans Cured** Provide the principal amount of loans (including the sum of interest capitalized prior to the reinstatement of the loan's insurance) on which insurance coverage was reinstated (cured) in accordance with program regulations.
- 6 **Principal of Loans Sold** Provide the principal amount of loans sold (including interest capitalized prior to sale) to other Lenders. Do not include loans paid in full through consolidation. Also, do not include Federal PLUS and SLS loans paid in full as part of a refinancing of those loans.
- 7 **Principal Paid by Insurance Claims** Provide the amount received from the guarantor for principal (including interest capitalized prior to claim filing) for default, death, disability,

bankruptcy and other claims authorized by statute, regulations, and policy.

8 Principal of Loans on Which the Guarantee Was Voided

Provide the principal amount of loans (including interest capitalized prior to the loss of guarantee) on which the insurance guarantee was voided due to a due diligence, timely filing, or other violation.

9 Principal Paid by Borrowers and other Principal Reductions

Provide the amount of payment received to reduce outstanding principal and capitalized interest, including payments from borrowers, refunds received from schools, checks returned uncashed for loans reported disbursed in prior quarters, and amounts received to pay off loans included in Federal Consolidation and refinanced Federal PLUS and SLS loans. Do not include claim payments from guarantors.

LaRS Instructions

Part V – Loan Portfolio Status

Applicability: Part V shows the status of the outstanding guaranteed loan principal in your portfolio for each type of loan as of the end of the quarter covered by this form. Principal includes capitalized interest. Include all guaranteed loans in this part except for ones, which the guarantee was voided. Also, include loans, which were previously voided and then cured.

This part must be completed and submitted each time you submit a LaRS form. This part has 5 columns, each covering a specific type of loan, and 4 rows (with the third containing 8 sub-lines). Report all amounts in whole dollars.

Enter all loan information in the appropriate column:

- A) Federal Stafford (except unsubsidized Stafford) and FISL
- B) Federal PLUS
- C) Federal SLS
- D) Federal Consolidation
- E) Federal Unsubsidized Stafford

- | | | |
|---|-----------------------------------|---|
| 1 | Loans in School and in Grace | Provide in the principal amount of all Stafford, FISL and Unsubsidized Stafford loans in an "in school or grace period" status. Do not include loans for which the borrower has a deferment due to returning to school after expiration of the grace period. These loans are to be included in line 2. Also, note that this status does not apply to Federal PLUS, Federal SLS or Federal Consolidation loans. |
| 2 | Loans in Authorized Deferment | Provide the principal amount of all loans in a period of authorized deferment. |
| 3 | Loans in Repayment or Forbearance | Provide the appropriate category the principal amount of all loans in a repayment for forbearance status. Include loans on which the grace period has ended and no deferment has been authorized, whether or not the borrower has made repayment arrangements or has made a payment. Do not include loans on which a claim has been filed with a guarantor in lines 3a through 3g. These loans are reported in line 3h. |
| 4 | Ending Principal Balance | Provide the principal balance of outstanding loans at the end of business on the last day of the quarter. Allowing for rounding, this must equal the sum of lines 1,2, and 3a through 3h. |

$$(4) = (1) + (2) + (3a) + (3b) + (3c) + (3d) + (3e) + (3f) + (3g) + (3h)$$

Office of Student Financial Assistance
government's first performance-based organization



**U.S. Department of Education Lender/Servicer
Organization Participation Agreement**

If you are an ELIGIBLE LENDER:

Lender Name _____
 Lender Identification (LID) Number(s) _____
 Authorizing Official for LID Number(s) (please print): _____
 Original Signature _____ Date _____

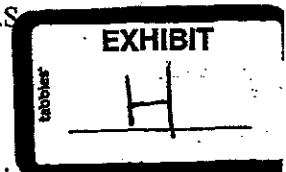
If you are a lender SERVICER:

Servicer Name _____
 Servicer Identification Number filed on behalf of LID Numbers _____
 Authorizing Official for Servicer (please print): _____
 Original Signature _____ Date _____

If you are an Eligible Lender TRUSTEE:

Eligible Lender Trustee Name _____
 LID Number(s) _____
 Authorizing Official of Lender for ID Number(s) (please print): _____
 Original Signature _____ Date _____
 Name of Entity(ies) for whom the Trustee is acting: _____

By completing and signing this agreement, the Lender, Servicer, or Eligible Lender Trustee agrees to submit data on the quarterly Lender Reporting System report (LaRS) to the U.S. Department of Education and to receive information and data from the Department electronically.



NOTE: in the event that more space is needed on this first page, please attach additional copies of this first page completed with the information requested and with original signatures as appropriate.

U.S. Department of Education Lender/Servicer *Organization Participation Agreement*

Certification:

As an eligible Lender, Servicer, or Eligible Lender Trustee in the Federal Family Education Loan Program (FFELP) that submits the Lender Reporting System report (LaRS) electronically, I certify, by my signature above that:

The data that my organization or its agent, or its third-party servicer, will submit to the U.S. Department of Education electronically pursuant to this Agreement is and will be correct to the best of my knowledge and belief. I certify that it conforms to the laws, regulations, and policies applicable to the Federal Family Education Loan Program. I understand that all documents, files, accounts and records supporting this data are subject to audit or review by the Secretary of Education or other authorized representatives of the United States Government (including representatives of any guaranty agency that provides the guarantees on loans included in data submitted electronically), and I agree to make all such documents, files, accounts and records available to the Secretary or such authorized representatives without restriction.

Warning:

Any person who submits false or inaccurate data may be subject to civil action and/or criminal penalties under the laws of the United States. Any person who knowingly and willfully destroys or conceals any record(s) relating to the provision of assistance under Title IV of the Higher Education Act of 1965, as amended, or attempts to so destroy or conceal with intent to defraud the United States or to prevent the United States from enforcing any right obtained by subrogation under Part B of Title IV, shall upon conviction thereof, be fined not more than \$20,000, or imprisoned not more than 5 years, or both, under the provisions of 20 U.S.C. 1097.

Term of Agreement:

This Agreement terminates on September 30, 2004 unless extended by consent of both parties. Either party may terminate this Agreement prior to that date by providing written notice of the termination to the other party no less than 30 calendar days prior to the effective date of the termination. This Agreement automatically terminates if the Lender, Servicer, or Eligible Lender Trustee merges or otherwise combines with another organization. If the Agreement is executed by an Eligible Lender Trustee, it applies only to data submitted by the Trustee or its agent in connection with loans made by the Trustee under an Agreement with the Entities identified on the first page of this Agreement. In the event of a merger or new trustee relationship, the Lender, Servicer, or Eligible Lender Trustee must submit a new Agreement to the Department at least 30 days prior to the event. A lender, servicer, or eligible lender trustee that does not have an Agreement in effect with the Department will not be authorized to exchange data with the Department electronically which may delay the payment of funds by the Department.

U.S. Department of Education Lender/Service Organization Participation Agreement

WHERE TO SEND THIS AGREEMENT:

U.S. Department of Education
Lender Reporting
P.O. Box 2768
Washington, DC 20013-2768

If you have any questions, please contact us at fsa_lr@ed.gov or call 202-377-3326

Original signatures are required. Stamped or photocopied signatures will not be accepted.

United States Department of Education - Use Only!
Signature of Authorized U.S. Department of Education Representative
Date

Instructions:

Please read the below narrative carefully to ensure that you have provided the correct number of signatures and have properly completed your Organization Participation Agreement. It is important that you complete each section on page 1 that applies to your particular situation. For example, if you are an institution that functions as a lender, a servicer, and a trustee bank, you will need to provide information that pertains to each function.

I. Definition of key terms/Who Signs the Agreement:

The Lender or Servicer ID Number: is the 6-digit identification code issued to your organization by the United States Department of Education (the Department).

The Lender or Servicer Name is the name of the organization, which participates in the FFELP.

U.S. Department of Education Lender/Service Organization Participation Agreement

A third-party servicer is any organization or individual that acts on behalf of another party in administering any aspect of the FFELP as defined in 34 C.F.R., 682.200. A third-party servicer may submit data under this Agreement only if it is authorized to do so by the Lender or Eligible Lender Trustee for which it is acting.

The Authorizing Official for the ID Number is the name of the person in your organization responsible for submitting correct financial data and has the authority to commit the organization's or company's funding.

II. The Lender/Service agrees to:

- Transmit documents to the Department via an ED-administered website.
- Provide and maintain, at its expense, all machines, and programs necessary to effectively and reliably transmit and receive data.
- Submit Lender Reporting System report (LaRS) using File Transfer methodology or data entry in accordance with the Department's requirements and directions. Provide the Department with the name and address of the person legally responsible for the data transmissions to SFA.
- Certify the accuracy and completeness of the data electronically transmitted to SFA's Financial Management System.
- Accurately complete all steps on the Agreement and promptly notify SFA of any change to the information provided herein.

III. If the Lender or Service submits this Agreement to the Department and completes the on-line Lender Application Process (LAP), the Department will:

1. Allow web submission of Lender Reporting System report (LaRS) data to Student Financial Assistance Lender/Service Reporting, using File Transfer methodology or data entry.
2. Acknowledge web submissions by receipt that includes date and time of the transaction.

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3. Notify the Lender or Service if it does not accept the substance of the received web data.

IV. Miscellaneous/When is an Agreement Submitted:

1. The Lender or Service agrees to submit data in the format specified by the U.S. Department of Education.
2. For an institution that is acting in more than one capacity (e.g., Lender and Trust Bank), only one Agreement is required.
3. Complete and valid Agreements must be mailed to the Department for an institution to successfully complete the on-line LAP and begin submitting LaRS reports.

For Office Use Only

Date _____