



Date _____

Borrower Name _____

Address Line 1 _____

Address Line 2 _____

City, State, Zip code _____

RE: Federal Student Loan - Account Number _____

TERMS AND CONDITIONS FOR LOAN REHABILITATION AGREEMENT

If you object to any of the terms or conditions of the loan rehabilitation agreement (Agreement), or have questions or concerns regarding the rehabilitation process, contact Coast Professional, Inc. at 1-800-965-1495 or in writing at P.O. Box 10 Perry, NY 14530 within 30 days.

On _____ you agreed to enter into a loan rehabilitation agreement with Education Credit Management Corp (ECMC). Once your loan(s) is rehabilitated:

- Your loan(s) will be removed from default
- Within 45 days of rehabilitation, a request will be submitted to all national consumer reporting agencies (aka credit reporting agencies) to which the default was reported to remove the record of default from your credit history
- Notice of the rehabilitation will be provided to the prior holder
- You will regain eligibility for remaining deferments, forbearances and other Title IV financial aid

Upon completion of your portion of the rehabilitation process, an eligible lender will place your loan(s) into a **Standard Repayment Plan**. *This repayment plan could mean an increase in your monthly payment amount.*

However, after the rehabilitation is complete, **you have a choice** of repayment plans that will best meet your needs. Below is a description of each plan. Your rehabilitation lender will be able to assist you with questions or changes if you would like to apply for a different plan.

Repayment Plans:

- **Standard Repayment:** Repaying the loan(s) in equal monthly payments of at least \$50 for the life of the loan(s) not to exceed 120 months (10 years).
 - ❖ **NOTE:** Unless changed by you, this is the plan you will be enrolled into when your loan(s) is placed with the lender.

ECMC

- **Graduated Repayment:** Repayment begins with a lower monthly payment and increases so that the loan(s) is paid off in 120 months (10 years).

- **Extended Repayment:** Available to first-time federal student loan borrowers after October 7, 1998. Students **MUST HAVE** at least \$30,000 in Federal Family Education Loan Program (FFELP) or Direct loans.
- **Income-Based Repayment (IBR):** Uses your income and family size to cap your monthly payments at 15% of your discretionary monthly income, but never more than the 10-year Standard Repayment Plan amount. If a balance remains after 25 years of qualifying payments, any remaining debt is forgiven.
 - ❖ **NOTE:** If your loan(s) is a Parent PLUS loan or you consolidated a Parent PLUS loan, this plan is not available.
- **Income-Sensitive Repayment (ISR):** Available to FFELP borrowers who want to lower payments for a relatively brief period of time. Your lender/servicer determines your monthly payment based on your adjusted gross income, verified through an annual application. Maximum repayment period is 10 years.

Payments and Conditions

Your monthly rehabilitation payment amount is \$_____, first due on_____, *and on the same day of each month thereafter.* You have 30 days to object to this payment amount by contacting Coast Professional, Inc. at 1-800-965-1495 or in writing at P.O. Box 10 Perry, NY 14530. To rehabilitate your loan(s), Coast Professional, Inc. must receive nine, full, voluntary, on-time payments within a 10-month period. Each payment must be received within 20 days of the payment due date to be considered on time. Once you have made the required payments, the loan(s) listed on Attachment A is eligible to be purchased by a participating lending institution.

Payments can be mailed to:

Coast Professional, Inc.
PO Box 36
West Monroe, LA 71294

Within 120 days, you must provide ECMC or its authorized agents with the required documentation. If you do not provide the documentation to ECMC or its authorized agents to calculate or confirm your payment amount, this Agreement is null and void.

Rehabilitation cannot be completed if there is an outstanding judgment associated with the loan(s) you are attempting to rehabilitate. Education Credit Management Corp or its affiliates/contractors will attempt to release an applicable judgment that is known. If Education Credit Management Corp is unable to do so, it is your responsibility to provide adequate documentation for the judgment to be released. By entering into this agreement, you acknowledge that the underlying loan(s) you are attempting to rehabilitate remain intact and are not forgiven or otherwise impacted by the release of an associated judgment.

Successful rehabilitation is contingent upon you fulfilling your obligations under the terms of the Agreement and lender or the U.S. Department of Education (Department) participation at the time your loan(s) is ready to be rehabilitated. If you do not fulfill your obligations under the Agreement, or Education Credit Management Corp is not able to sell the loan(s) to an eligible lender or assign it to the Department, the Agreement will be null and void, and collection activity on the loan(s) listed on Attachment A will resume.

- The Agreement does not in any way alter or affect the terms and conditions contained in the original promissory note(s), except to the extent provided for by this Agreement.
- Failure to make timely payments, as defined in the applicable federal regulations, will result in the loss of eligibility to have the loan(s) rehabilitated under this Agreement.
- After you have made nine, full, voluntary, on-time payments within a 10-month period, **ECMC** or its authorized agent will attempt to secure a rehabilitation lender for your loan(s). If a lender cannot be secured, **ECMC** will attempt to assign your loan(s) to the Department.
- Any loan rehabilitated on or after August 14, 2008 cannot be rehabilitated again if the loan(s) returns to default status following the rehabilitation unless the loan completed a rehabilitation between March 13, 2020 and August 28, 2023.
- After the loan(s) has been rehabilitated, you will regain eligibility for benefits under Title IV of the Higher Education Act, including any remaining deferment eligibility, as of the date of rehabilitation.
- At the time of sale or assignment, collection costs (capped at 16% of unpaid principal and accrued interest on the loan(s)) may be added to your unpaid principal balance. Collection costs are determined pursuant to federal regulations. See 34 C.F.R. § 682.405 (B).
- If you are currently subject to administrative wage garnishment, **ECMC** or its authorized agent will suspend the garnishment after you have made five qualifying monthly payments under the Agreement. You may only obtain the benefit of a suspension of administrative wage garnishment once while attempting to rehabilitate your defaulted loan(s).
- If you are unable to meet your payment due date because of financial hardship, you may still remain eligible for loan rehabilitation. Contact a Coast Professional, Inc. representative at 1-800-965-1495 to discuss your options.
- These terms and conditions are in conjunction with the Agreement and subject to applicable federal regulations. See 34 C.F.R. § 682.405.

To accept this Agreement, you must either sign and return it, or forward it to ECMCCorrespondence@coastprofessional.com stating in the body of the email that you received the attached Agreement and agree to the terms and conditions contained therein.

Signature

Date: _____

Spouse's Signature
(Required when rehabilitating a Federal Consolidation Loan made jointly to borrower and spouse)

Date: _____

ATTACHMENT A

Loan(s) Included in the Rehabilitation Agreement

Loan #	Outstanding Balance*	Disbursement Date
_____	_____	_____
_____	_____	_____
_____	_____	_____

****Note, the outstanding balance listed here does not include collection costs, which may be added pursuant to 34 C.F.R. § 682.405(b)(vi)(B).**