

A Special Gift for Teachers and Counselors!

As thanks and support for our borrowers who work in North Carolina's public schools, there is a holiday gift for you. College Foundation, Inc. (CFI), the central loan originator and servicer of loans guaranteed by the North Carolina State Education Assistance Authority (NCSEAA), is working with the NCSEAA to help you repay your education loan.

If you have a loan in repayment with the North Carolina Federal Family Education Loan Program (NCFFELP) and you started your first year of teaching or counseling on or after July 1, 2005, the NCSEAA will make December payments on your loan.

The payment amount applied to your loan account annually will be equal to your December monthly payment or \$375, whichever is less. The payment allowable per year is per individual borrower, not per loan.

As long as you owe money on your education loan, continue to meet the eligibility requirements and the holiday payment program is offered, ten December loan payments will be covered for you. CFI expects the Loan Payment Holiday program to continue as long as the State is experiencing a teacher shortage and the program remains permissible under applicable federal law. However, determination of the availability of this program is generally made on an annual basis, and consequently, the program is subject to change or termination without prior notice.

How do I get included?

- Begin your first year of teaching or counseling on or after July 1, 2005;
- Be employed as a full-time, full-year teacher or counselor in a North Carolina public school, or charter school located in the state, for the academic year that precedes the payment holiday and at the time of the annual eligibility review;
- Have a Stafford, PLUS or Consolidation Loan with CFI in repayment;

Note: If you are a teacher in an elementary or secondary school that serves low-income families, you may be eligible for the federal Teacher Loan Forgiveness Program that allows deferral of payment and ultimately, forgiveness of some or all of your student loan debt. Look for additional information at <http://studentaid.ed.gov> under "Repaying Your Loans."

*This program will be offered by the North Carolina State Education Assistance Authority (NCSEAA) and College Foundation, Inc. (CFI) which administer the North Carolina Federal Family Education Loan Program. CFI is the central loan originator and servicer of loans guaranteed by NCSEAA. Determination of the availability of this program is generally made on an annual basis and may be subject to change or termination without notice.

- Use automatic draft to make your loan payments; and
- Stay current with your monthly loan payments.

Make signing up for automatic draft part of your repayment plan. After you complete the withdrawal form, there is no additional paperwork. CFI and the Department of Public Instruction (DPI) will share information to identify borrowers who are employed as teachers and counselors in the North Carolina public schools.

Close to the December payment holiday, CFI will review our records to verify that you use automatic draft and that your account is current (not past due). Information from DPI will verify whether you continue to meet the employment requirement.

As long as you qualify and the program is available, each December for ten years or until your loan is paid in full if that period is shorter, your regular automatic draft for December will not occur and a payment will be made on your behalf.

How do I sign up for automatic draft?

Use the attached form or download one online at CFNC.org. You must sign up for automatic draft by November 1 and meet all other eligibility requirements in order to have a December payment made for you.

How will automatic withdrawal save me money?

Depending on when you received your loan, your loan interest rate may be reduced when you elect to use automatic draft or automatic draft and electronic statements.

Automatic draft also increases the likelihood that you'll make consecutive on-time payments and earn or retain a repayment benefit that reduces your loan interest rate.

What if I have loans with other lenders or several loans with CFI?

The December payment can be applied only on your NCFFELP loans in repayment with CFI.

The NCSEAA will pay a maximum of \$375 on the account of each individual borrower who qualifies. The amount payable is per person, not per loan. If your total scheduled monthly payment is lower than the maximum, the holiday payment will match the lower amount. If your scheduled payment is greater than the maximum, your automatic draft will be reduced by the \$375 maximum.

Instructions to Begin Automatic Withdrawal of Payments

- College Foundation, Inc. (CFI) can make an automatic withdrawal ("draft") from any depository (financial institution such as a bank, savings institution, or credit union) that is a member of the Automated Clearing House.
- **If your financial institution is an Automated Clearing House member, complete and sign the authorization form on the next page.** Before returning the authorization form to CFI, write the word "VOID" across the front of either a personal check for checking account or an account deposit slip for savings account and attach it to the form.
- Note: If you want to set up withdrawal from a Credit Union account, please get the current account number and routing number from your Credit Union (sometimes these numbers are different from numbers shown on the front of your check/savings account deposit slip); write these numbers on the back of your "voided" personal check or savings deposit slip.
- Set up of automatic withdrawal usually takes about 45 days. Any monthly payments you owe before you are notified of the date the automatic withdrawal will begin should be made by check or money order.
- Once automatic withdrawal begins, CFI will deduct your regular monthly payment amount automatically from your bank or credit union account on the due day of your payment each month or the first business day thereafter. For example, if your payment is due on the first of each month, we will deduct your payment on the first of each month or first business day thereafter.
- To stop the automatic withdrawal, notify CFI at least 10 days in advance of the next payment due date.

- Then, to make your next monthly payment, send CFI your personal check or money order (along with the remittance portion of the monthly statement) so it will arrive by the due date.
- If you move your checking or savings account to another financial institution, you should—
 - Notify CFI to stop the automatic withdrawal at the financial institution where your account was previously located; and
 - Complete and provide CFI a replacement authorization form if you have verified that the other institution is also a member of the Automated Clearing House.
 - If you move, please notify CFI of your new address so we can update our records.



College Foundation, Inc.

The Loan Payment Holiday is to say "Thank you for dedicating your talent and experience to new generations of North Carolina students."

See reverse for automatic withdrawal form.

This form is also available for download on the CFNC.org homepage under "Forms for Current Borrowers."

Questions? Call toll-free 866-866-CFNC.

Authorization and Agreement for Automatic Withdrawal of Payments

Education Loan Payments College Funds Installment Payment Plan

Both Education Loan Payments and College Funds Installment Payment Plan

Section 1: College Foundation, Inc. (CFI) Account Holder Information (individual who has an account with CFI)

CFI Account Holder's Name _____

CFI Account Number or Social Security Number _____

Section 2: Bank or Credit Union Information

Please check one: Checking Account Savings Account

- If requesting draft from checking, attach a "voided" personal check to this form.
- If requesting draft from savings, attach a "voided" deposit slip.

Name of Bank Depository or Credit Union* _____

City _____ State _____ Zip _____

Bank or Credit Union 9-Digit Routing # _____ Account # _____

*If withdrawal will be from a Credit Union account, the routing number and account number may be different from the number shown on the front of your deposit slip. Please ensure you entered the correct information to facilitate prompt activation.

Section 3: Bank/Credit Union Account Holder Information and Authorization (individual whose account will be drafted)

Name of Bank/Credit Union Account Holder _____

Street Address _____

City _____ State _____ Zip _____

As the bank/credit union "account holder," I authorize CFI to withdraw \$_____ or the CFI account holder's exact payment amount, whichever is greater, on the date the payment is due (or first business day thereafter) each month. I understand and agree that:

- This authorization will remain in effect until CFI receives a written notification of cancellation. CFI must receive this notification at least 10 days in advance of the next payment due date.
- CFI may make the appropriate adjustments with the depository to ensure the proper payment amount is made.
- CFI will notify me of the exact date the automatic withdrawal will begin and I must send CFI a check or money order for any monthly payment without further notification to me.
- If the CFI account holder's scheduled monthly payment increases to an amount drafted to equal the CFI account holder's scheduled monthly payment without further notification to me.

Signature of Bank/Credit Union Account Holder _____

Section 4: Where to Send the Completed Authorization and Agreement for Automatic Withdrawal

Return this completed form and either a "voided" check or deposit slip to:

College Foundation, Inc.
PO Box 41950
Raleigh, NC 27629-1950

For more information or questions:
Telephone: 919-821-4743
Toll Free 800-722-2838
CFNC.org



College Foundation, Inc.

College Foundation, Inc.

PO Box 41950

Raleigh, NC 27629

College Foundation, Inc., a nonprofit corporation helping North Carolina students and families since 1955, services a portfolio of more than \$3 billion of low-interest education loans, college grants and North Carolina's tax-free 529 college savings program.

For more information on CFI programs and the Teacher Payment Holiday:

866-866-CFNC

CFNC.org

*A service of the State of North Carolina,
provided by Pathways, CFI, and NCSEAA.*

CFI Form G 633 (01/08)m



Loan Payment Holiday

*A Thank-You for
NC Public School Teachers and
Counselors*

