

As the "account holder," I give College Foundation, Inc. (CFI) permission to withdraw the exact payment amount on the 10th (or first working day following the 10th) of each month. I understand and agree that:

- I must contact CFI at least 10 days in advance when I want CFI to stop the withdrawals from my account at this depository; and
- If CFI withdraws too much from my account at this depository, I can ask this depository to put back on my account the amount that should not have been withdrawn; but
- I must make my request for the depository to correct the error within 15 calendar days of the date I receive my account statement from the depository (or within 45 days of the date the withdrawal was recorded on my account, if that is sooner); and
- I must continue to send CFI regular payments by check or money order until CFI notifies me of the exact date the automatic withdrawal will begin. (It usually takes about 45 days to start automatic withdrawal.)

By signing this agreement, I give my permission for College Foundation, Inc. to begin automatic withdrawal from my ("X" one):

Checking account _____ Savings account _____

Name of depository _____

Branch where you do business _____

City _____ State _____

Signature of account holder _____

Street address of account holder _____

City _____ State _____ Zip _____

Name of borrower _____

Signature of borrower _____

Account Number of borrower _____

If withdrawal is to be from a credit union account, enter your Account Number and credit union ABA Number (sometimes these numbers are different from numbers shown on the front of your deposit slip).

Credit Union Account No. _____ ABA No. _____

After you sign this agreement, (1) attach a "voided" personal check or savings account deposit slip with this form, and (2) cut on dotted line, enclose in envelope, and mail to:

CFI, PO Box 41950, Raleigh, NC 27629-1950

College Foundation, Inc.

PO Box 41966

Raleigh, NC 27629

866-866-CFNC

www.CFNC.org

Education Loan Payment Holiday

*for NC Public School
Teachers and Counselors*



A Holiday Gift for You!

As thanks and support for our borrowers who work in North Carolina's public schools, we have 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, wants to help you repay your education loan.

If you started your first year of teaching or counseling on or after July 1, 2005, CFI will make December payments on your North Carolina Federal Family Education Loan. This new Loan Payment Holiday program starts December of 2006.

The annual credit to your loan account will be equal to your regular monthly payment or \$375.00, 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 and continue with the NC public schools, we plan to make up to ten December loan payments for you. The Loan Payment Holiday program is expected to continue as long as the State is experiencing a teacher shortage and current federal law remains in place.

What do you need to do to get a Loan Payment Holiday?

- 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 for the academic year preceding the payment holiday and at the time of the payment holiday.
- Have a Stafford, PLUS or Consolidation Loan with College Foundation, Inc. in repayment.

- Use automatic draft to make your loan payments (which also saves you .25% on your loan interest rate).
- Stay current with your loan payments to keep your account from becoming delinquent.

How do we know if you meet the criteria?

College Foundation, Inc. and the Department of Public Instruction (DPI) have agreed to share information to identify borrowers who are employed as new teachers or counselors in the North Carolina public school system. Close to the first December payment holiday for which you qualify, we'll check our records to see that you still use automatic draft and that your account is in good standing. We'll then verify with DPI that you completed the year preceding the expected holiday payment and are currently employed in the school system.

As long as you qualify, each December for ten years or until your loan is paid in full if that period is shorter, we will halt your automatic draft for the month and make the December loan payment on your behalf.

How do you sign up for automatic draft?

To sign up for automatic draft, use the attached form or complete the Automatic Withdrawal form online at www.CFNC.org in the "Paying for College" section under Publications and Forms.

Having payments deducted automatically from your account will reduce your interest rate, keep your payments on schedule and qualify you for the Loan Payment Holiday while you teach or work in the NC public schools.

CFI is happy to have had the chance to help you with your goal of becoming an educator. And we now look forward to assisting you while you influence new generations of North Carolina students.

Instructions

- Please complete the Authorization and Agreement for Automatic Withdrawal for Payments if you—
 - Want to start automatic withdrawal for the first time, or begin it again after having stopped for a while;
 - Move your account from one financial institution to another one, even if it is the same institution but located in a different town;
 - Change your account number.
- CFI can make an automatic withdrawal from a "depository" (financial institution such as a bank, savings institution, or credit union). To find out if you can use automatic withdrawal, contact your financial institution and ask if it is a member of Automated Clearing House. If it is **not** a member, CFI **cannot** make automatic withdrawals for you.
- **If your financial institution is a member of the Automated Clearing House, complete and sign the authorization form.** Before returning the agreement form to CFI, write the word "VOID" across the front of either a personal check or savings deposit slip and attach it to the "authorization and agreement" form.
- Note: If you want the withdrawal to be made from a credit union account, please get the current Account Number and ABA Number from your credit union (sometimes these numbers are different from numbers shown on the front of your check/savings deposit slip); write these numbers on the back of your "voided" personal check or savings deposit slip.
- You must continue to send CFI your regular payments by personal check or money order until CFI notifies you of the exact date the automatic withdrawal will begin (usually takes about 45 days). This applies to those beginning automatic withdrawal for the first time and those starting it again after having stopped for a while.
- CFI will withdraw your regular monthly payment amount from your checking or savings account on the 10th day of each month or the first working day thereafter. **HOWEVER**, if you are not up to date with your payments at the time you sign the agreement, you will have to send CFI a check for the past-due amount—automatic withdrawal cannot be used to catch up past-due payments.

- Even though you will be making your payments by automatic withdrawal, CFI will continue to send monthly statements to you to keep you informed of the status of your loan repayment.
- To stop automatic withdrawal, notify CFI **at least 10 days ahead**. Then, to make your next monthly payment, send CFI your personal check or money order (along with the stub from the monthly statement) so it will arrive by the 10th of the month.
- 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 another Authorization and Agreement for Automatic Withdrawal for Payments for CFI to send to the financial institution where your new account is located.
- **If you move, you must give CFI your new address so we can update your records.**

Benefits of Automatic Withdrawal:

- You satisfy one of the criteria for your Loan Payment Holiday, and
- You reduce your loan interest rate by .25%.