

YOUR NAME

DATE

Clerk of Court (Your local court)

U.S. District Court

Middle District of Florida – Orlando Division

401 W. Central Blvd, Suite 1200

Orlando, FL 32801

Re: Civil Complaint Filing – [your Name] v. U.S. Department of Education, et al.

Dear Clerk of Court,

Enclosed for filing is the following:

- Original Complaint for Declaratory and Injunctive Relief
- Civil Cover Sheet (JS-44)
- Summons for each named defendant

Please file the original documents and return a file-stamped copy to me in the enclosed self-addressed stamped envelope.

If any further information or fees are required, please contact me at the number listed above.

Thank you for your assistance.

Sincerely,

*Name Signed*

Name typed

**UNITED STATES COURT**  
**MIDDLE DISTRICT OF FLORIDA (Your court)**  
**ORLANDO DIVISION**

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**Your name,**

Plaintiff,

v.

**United States Department of Education, Small Business Administration, and United States of America,**

Defendants.

Case No: \_\_\_\_\_

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**COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF DUE TO BREACH OF CONTRACT,  
VIOLATION OF FEDERAL LAW, AND INFRINGEMENT OF CONSTITUTIONAL RIGHTS**

Plaintiff, [Plaintiff Name], appearing pro se (without an attorney), respectfully files this Complaint and states the following for the Court's review:

**I. JURISDICTION AND VENUE**

1. This Court has jurisdiction because this case involves a question of federal law under 28 U.S.C. § 1331, claims against the United States under 28 U.S.C. § 1346(a)(2), and actions under the Administrative Procedure Act (APA), 5 U.S.C. § 702.
2. Venue is proper in the Middle District of Florida because the Plaintiff resides here and the events giving rise to these claims occurred in this district.

**II. PARTIES**

1. Plaintiff is a private citizen who resides in this District and is directly impacted by the federal student loan contract at issue.
2. Defendants include the U.S. Department of Education (DOE), the Small Business Administration (SBA), and the United States of America.

### III. BACKGROUND

1. Plaintiff took out federal student loans by signing a legal agreement known as a Master Promissory Note (MPN). This is the contract that all borrowers must sign to receive federal financial aid school loans.
2. The **Master Promissory Note (MPN)** is a legally binding document in which borrowers agree to repay federal student loans and any accrued interest and fees to the **U.S. Department of Education**. It also outlines the terms and conditions of the loans.
3. This document is still listed and unchanged as of April 24, 2025 at [MPN](#).
4. The MPN is a binding contract between Plaintiff and the U.S. Department of Education under the Higher Education Act of 1965 (HEA).
5. The MPN is very specific: it names the U.S. Department of Education as the lender and the only federal agency responsible for managing the loan.
6. The MPN states: "I promise to repay to the U.S. Department of Education all loans made under the terms of this MPN."
7. The contract also allows the Department of Education to assign the loan to a "loan servicer"—a company like MOHELA or Nelnet that processes payments—but not to any other federal agency.
8. Recently, the Trump administration federal government—under executive direction—began transferring the administration of student loans to the Small Business Administration (SBA), an agency that has no legal role under the federal education loan law (the Higher Education Act of 1965).
9. This transfer of responsibility was done without consent from borrowers, and without full implementation of legislative authority. It violates the terms of the MPN contract and federal law.
10. On March 11, 2025, the administration also executed a reduction in force, cutting one-third of Department of Education staff.
11. On March 20, 2025, President Trump signed an executive order to dismantle the Department of Education.
12. Section 7(a)(6) of H.R. 369, now signed into law by the 119th Congress, states that "within 24 months: each Federal student loan program under the jurisdiction of the Department of Education shall be transferred to the Department of the Treasury."

13. However, this law does not authorize transfer to the SBA, nor does it retroactively validate prior executive action taken unilaterally before legislative passage or implementation. SBA reorganization began prematurely and without regard for statutory compliance.
14. On May 5, 2025, the U.S. Department of Education is scheduled to resume involuntary collection activities through the Treasury Department, including offsetting tax refunds, garnishing wages, and intercepting federal benefits. These enforcement mechanisms are being carried out by a separate agency from the one that issued and holds the loan contract.
15. This constitutes further evidence of administrative overreach and legal uncertainty for borrowers, including Plaintiff.
16. This creates legal confusion and breaches the Plaintiff's contract, causing harm and violating due process.
17. The SBA is simultaneously undergoing a significant workforce reduction, limiting its capacity to manage an already complex student loan system.
18. This abrupt and premature transition has created confusion, diminished legal clarity, and places borrowers at risk of illegal enforcement or misadministration of their loans.

#### **IV. CLAIMS FOR RELIEF**

##### **Count I – Breach of Contract**

- The transfer of loan authority to SBA violates the MPN contract.
- SBA is not a named party and has no standing to enforce the loan.

##### **Count II – Violation of the Higher Education Act**

- The HEA gives authority solely to the Department of Education to administer Title IV loans.
- No statute grants SBA or Treasury direct authority without Congressional transfer implementation.

##### **Count III – Violation of Due Process**

- Reassignment without notice, legal authority, or borrower consent violates the Fifth Amendment.

#### **Count IV – Tucker Act Claim**

- Under 28 U.S.C. § 1491, Plaintiff seeks damages for breach of contract by the federal government.

#### **Count V – Equal Access to Justice Act (EAJA)**

Under 28 U.S.C. § 2412, Plaintiff may recover attorney's/ court cost fees because the government's position is not "substantially justified."

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#### **V. FACTUAL AND LEGAL CONTEXT**

1. While some Republican members of Congress had shown an interest in dismantling the Department of Education by legislative action, one day after signing the executive order, President Trump announced in a meeting at the White House that the administration of federal student loans would be transferred "immediately" to the Small Business Administration (SBA) without waiting for legislation to pass.
2. The bill was not passed into Congress or signed into law until weeks later (H.R. 369). The new law agreed to the transfer but did not address the MPN.
3. Meanwhile, the SBA is undergoing its own reorganization, one that will eliminate 2,700 positions, or 43 percent of the agency's pre-inauguration workforce.<sup>9</sup> This would leave the SBA with limited capacity to take on the student loan portfolio.
4. The mission of the SBA is vital: to maintain and strengthen the nation's economy by enabling the establishment and vitality of small businesses and assisting with the economic recovery of communities after disasters.
5. This is particularly necessary right now, considering the economic turmoil brought about by the Trump administration's recent action on tariffs.
6. The relationship between the SBA's mission and the administration of the federal student loan system is unclear, as is whether SBA has the personnel and other resources necessary to oversee such a complex loan system that includes the primary Federal Direct Loan Program and three legacy programs—the latter of which no new loans have been made under since 2010.
7. Since 2010, federal direct student loans were made using master promissory notes.
8. These notes require the borrower—whether a student or a parent of an undergraduate student—to promise to repay the loans to the Education Department, reflecting the role of the department in making and servicing loans.
9. No provision of current law allows for the transfer of this function to another federal agency.

10. To move the loans to another federal agency without specific statutory authority would call into question the ability of the government to enforce the debt, placing the entire student loan portfolio at risk.

**Whereas:**

1. **The executive order is in effect**, directing the transfer of this loan to the SBA (which is not authorized under the Higher Education Act).
2. **The SBA is already involved in administration** of some student loans despite lacking statutory authority.
3. **The breach occurred the moment the loan was reassigned** or managed by an agency that was not a party to the Master Promissory Note (MPN).
4. **I am facing imminent harm**, especially with collections, reporting, and garnishments starting May 5 via a different federal agency (Treasury) through the SBA.
5. **The SBA or Treasury is not equipped or staffed** to take requests for extensions, communicate about the new monthly amounts we are unaware of yet, and impacts my lifestyle and finances.
6. **Legal injury doesn't require full implementation**. Once there's a contract breach (unauthorized reassignment), improper enforcement attempts (SBA or Treasury collections), or constitutional due process violations (no notice or remedy), the legal standing and claims are triggered.

**V1. PRAYER FOR RELIEF**

WHEREFORE, Plaintiff respectfully requests the Court to:

- A. Declare that the transfer of Plaintiff's student loan to the Small Business Administration or Treasury Department is unlawful, unauthorized, and in violation of the Master Promissory Note (MPN) and the Higher Education Act;**
- B. Declare that the loan contract has been materially breached and is therefore void and unenforceable;**
- C. Order rescission and full cancellation of the student loan obligation due to breach of contract and unlawful transfer of authority;**
- D. Enjoin any agency other than the U.S. Department of Education from taking further enforcement or collection actions against Plaintiff's loan;**
- E. Award Plaintiff damages under the Tucker Act for harm caused by the contract breach and procedural violations;**

**F. Award Plaintiff attorney's fees and costs pursuant to the Equal Access to Justice Act (EAJA), 28 U.S.C. § 2412, as the government's position is not substantially justified;**

**G. Grant any additional relief this Court deems just and proper.**

[Declarations, appendix, and certificate of service follow.]

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: \_\_\_\_\_

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\_\_\_\_\_

[Your Name]

[Street Address]


[City, State ZIP]

[Phone Number]

[Email Address]


## APPENDIX A:

### **Executive Order: *Improving Education Outcomes by Empowering Parents, States, and Communities***

- **Date Signed:** March 20, 2025
  - **Summary:** President Donald Trump signed an executive order directing the Secretary of Education to take all necessary steps to facilitate the closure of the Department of Education and return education authority to the states. The order also mandates that programs receiving remaining Department funds will not advance diversity, equity, and inclusion (DEI) or gender ideology. [The White House](#)
  - **Full Text:** You can read the complete executive order here:  [Executive Order on Education](#)
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## APPENDIX B:

### **Congressional Bill: *H.R. 369 – States’ Education Reclamation Act of 2025***

- **Introduced:** January 13, 2025, by Rep. David Rouzer (R-NC)
  - **Purpose:** This bill aims to eliminate the Department of Education and transfer its functions to the Department of the Treasury within 24 months. It reflects the principles of federalism by entrusting educational authority to the states and local communities. [Congress.gov | Library of Congress](#)
  - **Full Text:** You can access the full text of the bill here:  [H.R. 369 – Congress.gov](#)
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## APPENDIX C:

### **Sample Master Promissory Note (MPN)**

If you need a blank or sample MPN for reference or legal purposes, you can download it directly from the Federal Student Aid website: **Download Sample MPN:** [Subsidized/Unsubsidized MPN PDF](#)

This document includes:

- The full legal text of the MPN. Borrower’s Rights and Responsibilities. Terms and conditions of the loan. [Federal Student Aid](#)



**APPENDIX C CONTINUED:**



**Master Promissory Note (MPN)**  
**Direct Subsidized Loans and Direct Unsubsidized Loans**  
**William D. Ford Federal Direct Loan Program**

CIVIL No. 2815-0007  
Form Approved  
Exp. Date 07/26/2022

**WARNING:** Any person who knowingly makes a false statement or misrepresentation on this form or any accompanying document is subject to penalties that may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

**BEFORE YOU BEGIN**

Before you begin, read the Instructions on page 14 of this MPN.

**BORROWER INFORMATION**

1. Name and Permanent Address (see Instructions)

[Redacted Name and Address]

2. Social Security Number

[Redacted Social Security Number]

3. Date of Birth (mm-dd-yyyy)

[Redacted Date of Birth]

4. Driver's License State and Number

[Redacted Driver's License State and Number]

5. Email Address (optional)

[Redacted Email Address]

6. Area Code/Telephone Number

[Redacted Area Code/Telephone Number]

**REFERENCE INFORMATION**

List two persons with different U.S. addresses who have known you for at least three years. The first reference should be a parent or legal guardian.

7. First Name: [Redacted] Middle Initial: [Redacted] Last Name: [Redacted]

Permanent Address (Street, City, State, Zip Code):

[Redacted Permanent Address]

Email Address (optional):

[Redacted Email Address]

Area Code/Telephone Number:

[Redacted Area Code/Telephone Number]

Relationship to You:

[Redacted Relationship to You]

8. First Name: [Redacted] Middle Initial: [Redacted] Last Name: [Redacted]

Permanent Address (Street, City, State, Zip Code):

[Redacted Permanent Address]

Email Address (optional):

[Redacted Email Address]

Area Code/Telephone Number:

[Redacted Area Code/Telephone Number]

Relationship to You:

[Redacted Relationship to You]

**SCHOOL INFORMATION – TO BE COMPLETED BY THE SCHOOL**

9. School Name and Address

[Redacted School Name and Address]

10. School Code/Branch

[Redacted School Code/Branch]

11. Identification No.

[Redacted Identification No.]

Borrower's Name: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

**BORROWER REQUEST, CERTIFICATIONS, AUTHORIZATIONS, AND UNDERSTANDINGS**

12. I request a total amount of Direct Subsidized Loans and/or Direct Unsubsidized Loans under this Master Promissory Note (MPN) that cannot be more than the maximum amounts I am eligible to receive, as provided under federal law and explained in the MPN Terms and Conditions and in the Borrower's Rights and Responsibilities Statement that accompanies this MPN.

13. Under penalty of perjury, I certify that:

A. The information I provide on this MPN and that I update from time to time is true, complete, and correct to the best of my knowledge and belief.

B. I will use the loan money I receive only to pay for my authorized educational expenses for attendance at the school that determined I was eligible to receive the loan, and I will immediately repay any loan money that is not used for that purpose.

C. If I owe an overpayment on a Federal Perkins Loan or on a grant made under the federal student aid programs (as defined in the MPN Terms and Conditions), I have made satisfactory arrangements to repay the amount owed.

D. If I am in default on a federal student loan, I have made satisfactory repayment arrangements with the loan holder to repay the amount owed.

E. If I have been convicted of, or if I have pled *nolo contendere* (no contest) or guilty to, a crime involving fraud in obtaining federal student aid funds, I have fully repaid those funds.

14. For each Direct Subsidized Loan and Direct Unsubsidized Loan I receive under this MPN, I authorize:

A. My schools, the U.S. Department of Education (ED), and their agents and contractors to release information about my loan to the references I provide and to my immediate family members unless I submit written directions otherwise or as otherwise permitted by law.

B. My schools, ED, and their agents and contractors to contact me regarding my loan request or my loan, including repayment of my loan, at any cellular telephone number I provide now or in the future using automated dialing equipment or artificial or prerecorded voice or text messages.

15. I understand that:

A. My school is authorized to credit my loan money to my account at the school and to pay to ED any refund that may be due up to the full amount of the loan.

B. I have the option of paying the interest that accrues on my loans during grace, in-school, deferment (including in-school deferment), forbearance, and certain other periods, but if I do not do so, ED may add unpaid interest that accrues on my loans to the principal balance of those loans at the end of the grace, deferment, forbearance, or other period. This is called "capitalization." Capitalization will increase the principal amount owed on the loan and the total amount of interest I must pay.

C. ED has the authority to verify information reported on this MPN with other federal agencies and to report information about my loan status to persons and organizations permitted by law to receive that information.

D. My school will notify me of the type of loan and loan amount that I am eligible to borrow.

E. Within certain timeframes, I may cancel a loan or request a lower amount by contacting my school, or by refusing to accept or returning all or a portion of a loan disbursement that is made to me.

F. More than one loan may be made to me under this MPN for the same or different loan periods.

G. I am entitled to an exact copy of this MPN and the Borrower's Rights and Responsibilities Statement.

**PROMISES**

16. I promise to pay to ED the full amount of all loans that I receive under this MPN in accordance with the terms of the MPN, plus interest and any other charges and fees that I may be required to pay under the terms of the MPN.

17. If I do not make a payment on a loan made under this MPN when it is due, I promise to pay reasonable collection costs, including but not limited to attorney fees, court costs, and other fees.

18. I promise that I will not sign this MPN before reading the entire MPN, even if I am told not to read it, or told that I am not required to read it.

19. By signing this MPN, whether electronically or on a paper copy, I promise that I have read, understand, and agree to the terms and conditions of the MPN, including the Borrower Request, Certifications, Authorizations, and Understandings, the MPN Terms and Conditions, and the Borrower's Rights and Responsibilities Statement.

**I UNDERSTAND THAT I MAY RECEIVE ONE OR MORE LOANS UNDER THIS MPN, AND THAT I MUST REPAY ALL LOANS THAT I RECEIVE UNDER THIS MPN.**

20. Borrower's Signature \_\_\_\_\_

21. Today's Date (mm-dd-yyyy) \_\_\_\_\_

## MPN TERMS AND CONDITIONS

This section summarizes some of the major terms and conditions of your loans. You can find more detailed information about the terms and conditions of your loans in the Borrower's Rights and Responsibilities Statement (BRR) that accompanies the MPN. Each topic covered in this section of the MPN is followed by the number of the item in the BRR that provides additional information about that topic. The BRR is considered to be part of the MPN. Whenever we refer to the MPN, the term "MPN" includes the BRR.

We contract with servicers to process Direct Loan payments, deferment and forbearance requests, and other transactions, and to answer questions about Direct Loans. We will provide you with information about how to contact us or our servicers after your school disburses (pays out) your loan. It is important to keep in contact with your servicer.

The words "we," "us," and "our" refer to the U.S. Department of Education or our servicers. The word "loan" refers to one or more loans made under the MPN.

The term "federal student aid" refers to aid awarded under the following programs: the Federal Pell Grant Program; the Federal Supplemental Educational Opportunity Grant (FSEOG) Program; the Federal Work-Study (FWS) Program; the Leveraging Educational Assistance Partnership Grant Program; the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program; the William D. Ford Federal Direct Loan (Direct Loan) Program; the Federal Family Education Loan (FFEL) Program; and the Federal Perkins Loan Program.

### LAWS THAT APPLY TO THIS MPN AND OTHER LEGAL INFORMATION (BRR Item 1)

The terms of this MPN are determined in accordance with the Higher Education Act of 1965, as amended (the HEA), our regulations, and other federal laws and regulations. Throughout this MPN, we refer to these laws and regulations as "the Act."

Any notice we are required to send you about your loans, even if you do not receive the notice, will be effective if it is sent by first-class mail to the most recent address that we have for you, emailed to an email address you have provided, or sent by any other method of notification that is permitted or required by the Act. You must immediately notify your servicer of a change in your contact information or status (see BRR Item 14).

If we do not enforce a term of this MPN, that does not waive any of our rights to enforce that term or any other term in the future. No term of your loan may be modified or waived, unless we do so in writing. If any term of your loan is determined to be unenforceable, the remaining terms remain in force.

### TYPES OF LOANS YOU CAN RECEIVE UNDER THIS MPN (BRR Item 3)

This MPN is used to make Direct Subsidized Loans and Direct Unsubsidized Loans. Only undergraduate students with financial need are eligible to receive Direct Subsidized Loans. Both undergraduate and graduate or professional students can receive Direct Unsubsidized Loans.

### TIME LIMITATION ON YOUR ELIGIBILITY TO RECEIVE DIRECT SUBSIDIZED LOAN IF YOU ARE A FIRST-TIME BORROWER ON OR AFTER JULY 1, 2013 (BRR Item 4)

If you are a first-time borrower on or after July 1, 2013, there is a limit on the maximum period of time for which you can receive Direct Subsidized Loans (this is called your "maximum eligibility period"), and under some circumstances you may become responsible for paying interest on those loans during all periods.

### USE OF THE MPN TO MAKE MORE THAN ONE LOAN (BRR Item 5)

This MPN can be used to make multiple loans to you to pay your educational expenses over a period of up to 10 years. If you do not want to receive more than one loan under this MPN, you must notify your school or your servicer in writing.

Each loan you receive under this MPN is separately enforceable. At or before the time of the first disbursement of each loan, we will send you a disclosure statement that tells you the amount of the loan and additional terms of the loan. Any disclosure statement we send to you in connection with a loan made under this MPN is considered to be part of the MPN. You can also find information about the amount of your loan and the disbursement dates in the National Student Loan Data System (NSLDS).

### AMOUNT YOU MAY BORROW (BRR Item 6)

There are annual loan limits (the maximum loan amount you can borrow each academic year) and aggregate loan limits (the maximum loan amount you can borrow for undergraduate and graduate or professional study) under this MPN. The annual and aggregate limits vary depending on your academic level (first-year, second-year, etc.) and, for undergraduate students, whether you are a dependent or independent student.

### INTEREST RATE (BRR Item 7)

Unless we notify you in writing that a different rate will apply, the interest rate for any loan you receive under this MPN is a fixed rate (meaning that your interest rate will never change) that is calculated each year. When the rate is calculated, it applies to Direct Subsidized Loans and Direct Unsubsidized Loans with first disbursements made during the period beginning on July 1 of one year and ending on June 30 of the following year. This means that different loans you receive under this MPN may have different interest rates.

The calculated interest rate cannot be more than the maximum rate set by the Act. The maximum interest rate for Direct Subsidized Loans and Direct Unsubsidized Loans made to undergraduate students is 8.25%. The maximum interest rate for Direct Unsubsidized Loans made to graduate or professional students is 9.5%.

If you are in the military and the interest rate on your loan is greater than 6%, you may qualify to have the rate limited to 6% during any period of active duty service or other qualifying periods.

### PERIODS WHEN WE CHARGE INTEREST (BRR Item 8)

Generally, we do not charge interest on Direct Subsidized Loans while you are enrolled at an eligible school on at least a half-time basis, during your 6-month grace period, during deferment periods, or during certain periods of repayment under certain repayment plans that base your monthly payment amount on your income. Generally, we charge interest on Direct Subsidized Loans during all other periods, starting on the day after your grace period ends.

Generally, we charge interest on Direct Unsubsidized Loans during all periods (including while you are in school and during your grace period), starting when your loan is first disbursed.

You are responsible for paying all interest that we charge on your Direct Loans. If you do not pay this interest, we may capitalize the interest (add it to the principal balance of your loan).

### LOAN FEE (BRR Item 9)

We charge a loan fee for each loan you receive. The loan fee is a percentage of the loan amount and will reduce the amount of money you receive to pay for your educational expenses. However, you are required to pay the full amount of the loan, including the amount that was taken for the loan fee. The specific loan fee you are charged will be shown on disclosure statements that will be sent to you.

**MPN TERMS AND CONDITIONS (CONTINUED)**

**LATE CHARGES AND COLLECTION COSTS (BRR Item 10)**

If you do not make your full monthly loan payment within 30 days of your due date, we may require you to pay a late charge of not more than six cents for each dollar of each late payment.

We may also require you to pay any other charges and fees that are permitted by the Act related to the collection of your loan. If you default on a loan, you must pay reasonable collection costs, plus any court costs and attorney fees.

**YOUR RIGHT TO CANCEL ALL OR PART OF A LOAN (BRR Item 11)**

Before your loan money is disbursed, you may cancel all or part of the loan at any time by notifying your school. After your loan money is disbursed, you may cancel all or part of the loan within certain timeframes set by the Act. These timeframes and the procedures for cancelling all or part of your loan will be explained in a notice that will be sent to you at the time of each loan disbursement.

**HOW YOU WILL RECEIVE YOUR LOAN MONEY (BRR Item 12)**

Generally, your school will pay out your loan money in more than one installment (called a "disbursement") according to a schedule determined by your school. In most cases, the loan money will be applied to your school account to pay for tuition, room and board, and authorized school fees. If there is money left after those charges are paid, the school will give the excess amount (this is called a "credit balance") to you directly, unless you authorize the school to hold the credit balance.

**GRACE PERIOD (BRR Item 15)**

You will receive a 6-month grace period on repayment of your loan. The grace period begins the day after you cease to be enrolled at least half-time at an eligible school.

You are not required to make any payments on your loan during the grace period. However, we charge interest during the grace period on Direct Unsubsidized Loans and, in some cases, on Direct Subsidized Loans, and this interest will be capitalized at the end of the grace period if you do not pay it.

**REPAYING YOUR LOAN (BRR Item 16)**

You must repay each loan you receive under the MPN in monthly installments during a repayment period that begins on the day immediately following your 6-month grace period on that loan. You have a choice of several repayment plans, including plans that base your required monthly payment amount on your income.

If you are temporarily unable to make your monthly loan payments, you can request a deferment or forbearance that allows you to temporarily stop making payments or to temporarily make a smaller payment amount (see BRR Item 20). In some cases, we may grant you a forbearance without a request.

You may prepay all or any part of your loan at any time without penalty.

After you have fully repaid a loan, we will send you a notice telling you that you have paid off your loan. You may fully repay different loans made under this MPN at different times.

**DEFAULTING ON YOUR LOAN (BRR Item 17)**

You will be considered in default on your loan if:

- You do not make your monthly loan payments for a total of at least 270 days;
- You do not comply with other terms of the loan, and we determine that you do not intend to repay your loan; or
- We accelerate your loan (see "CONDITIONS WHEN WE MAY REQUIRE YOU TO IMMEDIATELY REPAY THE FULL AMOUNT OF YOUR LOAN") and you do not pay the amount due.

If you default, we may:

- Capitalize all outstanding interest, which will increase the principal amount due on the loan and the total amount of interest you will pay;
- Report the default to nationwide consumer reporting agencies (credit bureaus), which will significantly and negatively affect your credit history;
- Demand that you immediately repay the loan in full;
- Order administrative wage garnishment (AWG) of your wages;
- Take (offset) your federal income tax refund or Social Security Administration payments or any other payment authorized for offset under federal law and use that amount to pay off part of your loan;
- File a lawsuit against you to collect on the loan; and
- Require you to pay collection costs, which will increase the total amount you must pay on your loan.

**CONDITIONS WHEN WE MAY REQUIRE YOU TO IMMEDIATELY REPAY THE FULL AMOUNT OF YOUR LOAN (BRR Item 18)**

We may require you to immediately repay the entire unpaid balance of your loan (this is called "acceleration") if you:

- Receive loan money, but do not begin attendance in any classes at the school that determined you were eligible to receive the loan;
- Use your loan money to pay for anything other than expenses related to your education at the school that determined you were eligible to receive the loan;
- Make a false statement that causes you to receive a loan that you are not eligible for; or
- Default on your loan (see "DEFAULTING ON YOUR LOAN").

**INFORMATION WE REPORT ABOUT YOUR LOAN (BRR Item 19)**

We will report information about your loan to nationwide consumer reporting agencies (credit bureaus) and the National Student Loan Data System (NSLDS) on a regular basis. This information will include the disbursement dates, amount, and repayment status of your loan (for example, whether you are current or delinquent in making payments). If you default on a loan, we will report this to nationwide consumer reporting agencies. Your loan will be identified as an education loan. Schools may access information in NSLDS for specific purposes that we authorize.

## ABOUT THE BORROWER'S RIGHTS AND RESPONSIBILITIES STATEMENT (BRR)

This BRR provides additional information about the terms and conditions of the loans you receive under the accompanying Master Promissory Note (MPN) for Direct Subsidized Loans and Direct Unsubsidized Loans. Please keep this BRR for your records. You may request another copy of the BRR at any time by contacting your loan servicer. You can also obtain a complete copy of the MPN that you signed, including the BRR, on [StudentAid.gov](http://StudentAid.gov).

Throughout this BRR, the words "we," "us," and "our" refer to the U.S. Department of Education or our servicers. The word "loan" refers to one or more loans made under the accompanying MPN.

### 1. LAWS THAT APPLY TO THIS MPN AND OTHER LEGAL INFORMATION

The terms and conditions of loans made under this MPN are determined by the Higher Education Act of 1965, as amended (the HEA), and other federal laws and regulations. We refer to these laws and regulations as "the Act" throughout this BRR. Under applicable state law (unless federal law preempts a state law), you may have certain borrower rights, remedies, and defenses in addition to those stated in the MPN and this BRR.

Any notice we are required to send you related to a loan made under this MPN, even if you do not receive the notice, will be effective if it is sent by first-class mail to the most recent address that we have for you, sent by electronic means to an email address you have provided, or sent by any other method of notification that is permitted or required by the Act. You must immediately notify your servicer of a change in your contact information or status (see BRR Item 14).

If we do not enforce a term of this MPN, that does not waive our right to enforce that term or any other term in the future. No term of this MPN may be modified or waived, unless we do so in writing. If any term of this MPN is determined to be unenforceable, the remaining terms remain in force.

**NOTE: Amendments to the Act may change the terms of this MPN. Any amendment to the Act that changes the terms of this MPN will be applied to your loans in accordance with the effective date of the amendment. Depending on the effective date of the amendment, amendments to the Act may modify or remove a benefit that existed at the time that you signed this MPN.**

### 2. THE WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

The Direct Loan Program (formally known as the William D. Ford Federal Direct Loan Program) includes the following types of loans, known collectively as "Direct Loans":

- Direct Subsidized Loans (formally known as Federal Direct Stafford/Ford Loans)
- Direct Unsubsidized Loans (formally known as Federal Direct Unsubsidized Stafford/Ford Loans)
- Direct PLUS Loans (formally known as Federal Direct PLUS Loans)
- Direct Consolidation Loans (formally known as Federal Direct Consolidation Loans)

Direct Loans are made by the U.S. Department of Education. We contract with servicers to process Direct Loan payments, deferment and forbearance requests, and other transactions, and to answer questions about Direct Loans. We will provide you with information about how to contact us or our servicers after your school notifies us that the first disbursement of your loan has been made. It is important to keep in contact with your servicer.

If we transfer one or all of your loans to a new servicer, we will notify you of who your new servicer is, how to contact your new servicer, and when your loans will be transferred. A transfer of the servicing of your loan does not affect any of your rights and responsibilities under that loan. You can find

the name of your servicer in the National Student Loan Data System (NSLDS) (see BRR Item 19).

### 3. DIRECT SUBSIDIZED LOANS AND DIRECT UNSUBSIDIZED LOANS

Direct Subsidized Loans and Direct Unsubsidized Loans are made to students to help pay for the cost of education beyond high school.

Direct Subsidized Loans are available only to undergraduate students. Direct Unsubsidized Loans are available to both undergraduate students and graduate or professional students.

To receive a Direct Subsidized Loan, you must have financial need. Except as explained in BRR Item 8, we do not charge interest on Direct Subsidized Loans while you are in school on at least a half-time basis, during the grace period, during deferment periods, and during certain periods of repayment under the Revised Pay As You Earn Repayment Plan (REPAYE Plan), the Pay As You Earn Repayment Plan (PAYE Plan), and the Income-Based Repayment Plan (IBR Plan).

You can receive a Direct Unsubsidized Loan without showing that you have financial need. Except during certain periods of repayment under the REPAYE Plan, we charge interest on Direct Unsubsidized Loans during all periods. For more information on periods when we charge interest, see BRR Item 8.

### 4. TIME LIMITATION ON DIRECT SUBSIDIZED LOAN ELIGIBILITY FOR FIRST-TIME BORROWERS ON OR AFTER JULY 1, 2013

If you are a first-time borrower on or after July 1, 2013, there is a limit on the maximum period of time (measured in academic years) that you can receive Direct Subsidized Loans.

You are a first-time borrower on or after July 1, 2013 if you had no outstanding balance on a Direct Loan or on a Federal Family Education Loan Program (FFEL Program) loan on July 1, 2013, or if you have no outstanding balance on a Direct Loan or FFEL program loan on the date you obtain a Direct Loan after July 1, 2013.

In general, if you are a first-time borrower on or after July 1, 2013 you may not receive Direct Subsidized Loans for more than 150% of the published length of your program of study. This is called your "maximum eligibility period." For example, if you are enrolled in a 4-year bachelor's degree program, the maximum period for which you can receive Direct Subsidized Loans is 6 years (150% of 4 years is 6 years).

Your maximum eligibility period is based on the published length of the program in which you are currently enrolled. This means that your maximum eligibility period can change if you change programs. If you receive Direct Subsidized Loans for one program and then change to a different program, the period of time for which you received Direct Subsidized Loans for the earlier program will generally count against your new maximum eligibility period.

After you have received Direct Subsidized Loans for your maximum eligibility period, you are no longer eligible to receive additional Direct Subsidized Loans, and if you are enrolled in school, you may become responsible for paying interest on your Direct Subsidized Loans. You may continue to receive Direct Unsubsidized Loans.

With certain exceptions as provided under the Act (for example, if you graduate from your program of study before or at the time you receive Direct Subsidized Loans for your maximum eligibility period), we will charge interest on your Direct Subsidized Loans during all periods if you—

- Continue to be enrolled in any undergraduate program after you have received Direct Subsidized Loans for your maximum eligibility period, or

**William D. Ford Federal Direct Loan Program**  
**Direct Subsidized Loan and Direct Unsubsidized Loan Borrower's Rights and Responsibilities Statement**

Exp. Date 07/31/2022

- Enroll in another undergraduate program that is the same length as or shorter than your previous program.

If either of the above events occurs, we will charge interest during all periods, beginning on the date of the enrollment that causes you to become responsible for paying the interest. You will become responsible for paying all of the interest that accrues on your Direct Subsidized Loans based solely on your enrollment as described above, regardless of whether you apply for, request, or receive federal student financial aid. We will notify you if you become responsible for paying all of the interest that accrues on your Direct Subsidized Loans.

Additional information about the limitation on Direct Subsidized Loan eligibility for first-time borrowers on or after July 1, 2013 will be provided to you during entrance counseling (see BRR Item 12). You may also obtain additional information from your school's financial aid office, or at [StudentAid.gov](http://StudentAid.gov).

**5. USE OF THE MPN TO MAKE MORE THAN ONE LOAN**

You may receive more than one loan under this MPN over a period of up to 10 years to pay for your educational costs, as long as the school you are attending is authorized to use the MPN in this way and chooses to do so. At any school, you can receive more than one loan for the same academic year under this MPN.

If your school is not authorized to use the MPN for multiple loans or chooses not to do so, or if you do not want to receive more than one loan under this MPN, you must sign a new MPN each time you receive a loan for a new academic year. If you do not want to receive more than one loan under this MPN, you must notify your school or your servicer in writing.

If the school you are attending is authorized to use the MPN for multiple loans and chooses to do so, no additional loans will be made under this MPN after the earliest of the following dates:

- The date we or your school receive your written notice that you do not want to receive any additional loans under the MPN;
- One year after the date you sign the MPN or the date we receive the MPN, if no loan disbursements have been made under the MPN; or
- Ten years after the date you sign the MPN or the date we receive the MPN.

**6. AMOUNT YOU MAY BORROW**

The charts that follow show the maximum amounts of Direct Subsidized Loans and Direct Unsubsidized Loans that you may borrow for a single academic year (annual loan limits), and the maximum amounts that you may borrow in total for undergraduate and graduate study (aggregate loan limits). The actual amount you are eligible to borrow for an academic year may be less than the maximum annual amounts shown in the charts.

If you are enrolled in a program that is less than a full academic year in length, or if the remaining portion of the program you are enrolled in is less than a full academic year in length, the annual loan limits may be lower than those shown in the chart.

If you are enrolled in certain graduate level health professions programs, you may qualify for higher annual and aggregate limits on Direct Unsubsidized Loans.

Your school will determine the actual loan amount you are eligible to receive based on your academic level, dependency status, and other factors such as:

- Your cost of attendance;
- Your Expected Family Contribution;

- Your remaining eligibility under the annual or aggregate loan limits.

The amount of Direct Subsidized Loans and Direct Unsubsidized Loans you are eligible to receive may increase or decrease based on changes in your financial circumstances. Your school will notify you of any changes in your eligibility.

**ANNUAL LOAN LIMITS**

<b>Dependent Undergraduate Students</b> (unless your parent is unable to obtain a Direct PLUS Loan)	
First Year Total	\$5,500 (not more than \$3,500 can be subsidized)
Second Year Total	\$6,500 (not more than \$4,500 can be subsidized)
Third Year & Beyond (Total Each Year)	\$7,500 (not more than \$5,500 can be subsidized)
<b>Independent Undergraduate Students</b> (and dependent students, if your parent is unable to obtain a Direct PLUS Loan)	
First Year Total	\$9,500 (not more than \$3,500 can be subsidized)
Second Year Total	\$10,500 (not more than \$4,500 can be subsidized)
Third Year & Beyond (Total Each Year)	\$12,500 (not more than \$5,500 can be subsidized)
<b>Graduate and Professional Students</b>	
Total Amount (Each Year)	\$20,500 (unsubsidized only)

**AGGREGATE LOAN LIMITS**

<b>Dependent Undergraduate Students</b> (unless your parent is unable to obtain a Direct PLUS Loan)	
Total Amount	\$31,000
Cumulative	(not more than \$23,000 can be subsidized)
<b>Independent Undergraduate Students</b> (and dependent students, if your parent is unable to obtain a Direct PLUS Loan)	
Total Amount	\$57,500
Cumulative	(not more than \$23,000 can be subsidized)
<b>Graduate and Professional Students</b>	
Total Amount	\$138,500
Cumulative	(not more than \$65,500 can be subsidized; includes subsidized and unsubsidized loans received for undergraduate study)

**7. INTEREST RATE**

The interest rate on Direct Subsidized Loans and Direct Unsubsidized Loans is a fixed rate (meaning that the rate for each loan you receive will never change). The rate is determined according to a formula specified in the Act, and is calculated each year. When the rate is calculated, it applies to all Direct Subsidized Loans and Direct Unsubsidized Loans that have a first disbursement date during the period beginning on July 1 of one year and

To Whom It May Concern,

Please be advised that a true and correct copy of the attached federal civil complaint has been served on the following parties in compliance with Federal Rule of Civil Procedure 4(i):

1. U.S. Attorney for the Middle District of Florida

400 W. Washington Street, Suite 3100

Orlando, FL 32801

2. Attorney General of the United States

U.S. Department of Justice

950 Pennsylvania Avenue, NW

Washington, DC 20530-0001

3. General Counsel, U.S. Department of Education

400 Maryland Avenue, SW

Washington, DC 20202

4. General Counsel, Small Business Administration

409 3rd Street, SW

Washington, DC 20416

Each party was served by certified mail with return receipt requested.

Respectfully submitted,

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[Plaintiff Name]

[Address]

[Phone Number]

[Email Address]