

The Higher Education Reconciliation Act (HERA)
The College Cost Reduction Act (CCRA)
Ensuring Continued Access to Student Loans Act of 2008 (ECASLA)

HERA, CCRA and ECASLA changed the terms of Federal Student Promissory Notes:

- ◆ A deferment is available for a period during which a borrower is serving on active duty during a war or other military operation or national emergency, or performing qualifying National Guard duty during a war or other military operation or national emergency, and if a borrower is serving on or after October 1, 2007, for the 180-day period following the demobilization date for the qualifying service. Effective October 1, 2007, a borrower who is a member of the National Guard or other reserve component of the U.S. Armed Forces (current or retired) and who is called or ordered to active duty while enrolled at an eligible school, or within 6 months after having been enrolled, is eligible for a deferment during the 13 months following the conclusion of the active duty service, or until the date the borrower returns to enrolled student status, which ever is earlier.
- ◆ Loans are eligible for discharge if it is determined that the borrower's eligibility was falsely certified as a result of a crime of identity theft.
- ◆ Married couples are not permitted to borrow a federal consolidation loan as joint borrowers.
- ◆ Effective with loans disbursed on or after July 1, 2008, Parent Plus borrowers may request to defer payments until six months after the student on the Plus loan ceases to be enrolled at least half time.
- ◆ Effective July 1, 2008, a borrower may consolidate his or her FFELP loans into the William D. Ford Federal Direct Loan (Direct Loan) Program to take advantage of the public service loan forgiveness program. This program provides for the cancellation of the remaining balance due on eligible Direct Loan Program loans after the borrower has made 120 payments (after October 1, 2007) on those Direct Loans under certain repayment plans while the borrower is employed in certain public service jobs.
- ◆ Effective July 1, 2009, an Income Based Repayment Plan will be available. The Department of Education and the student loan industry are still developing this plan.