



BEAUTY SCHOOLS

OF AMERICA

**CONSUMER
INFORMATION
JULY, 2011**



BEAUTY SCHOOLS
of America[®]

ENROLL • CREATE • SUCCEED

www.bsa.edu

TABLE OF CONTENT

| | |
|--|----|
| STUDENT BODY DIVERSITY | 4 |
| FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT (FERPA) | 4 |
| What Are Education Records----- | 6 |
| Directory Information ----- | 7 |
| Non-Directory Information----- | 7 |
| Written Consent Information----- | 7 |
| STUDENTS RIGHT-TO-KNOW ACT | 8 |
| Graduation Rates----- | 9 |
| Retention Rates ----- | 9 |
| CAMPUS SAFETY AND SECURITY REPORT | 9 |
| Introduction----- | 9 |
| Campus Facilities----- | 10 |
| Reporting Crimes and Emergencies----- | 10 |
| Campus Security Authority----- | 11 |
| Crime Statistics ----- | 12 |
| Daily Crime Log----- | 13 |
| Timely Warning Emergency Notification----- | 13 |
| Campus Sex Crimes Prevention Act----- | 14 |
| Sexual Assault Policy----- | 14 |
| Confidential Report----- | 15 |
| Student Responsibility to Campus Safety----- | 16 |
| Crime Prevention Tips----- | 16 |
| Weapons Policy----- | 17 |
| Emergency Response and Evacuation Procedure----- | 17 |
| NOTIFICATION OF DRUG FREE WORKPLACE | 20 |
| Drug Policy----- | 20 |
| Liquor Law Violation Policy ----- | 20 |
| Alcohol Users and Effects----- | 21 |
| Counseling, Rehabilitation and Assistance Program----- | 21 |
| Local Penalties and Sanctions for Illegal Possession of a Controlled Substance and Alcohol Abuse | 23 |
| Florida DUI Penalties----- | 24 |
| Federal Penalties and Legal Sanctions for Illegal Possession of a Controlled Substance----- | 25 |
| Drug Free School Notification: Federal Trafficking Penalties----- | 26 |
| TEXTBOOK PRICING INFORMATION | 29 |
| English Textbooks----- | 29 |
| Spanish Textbooks----- | 30 |
| TERMS AND CONDITIONS OF DIRECT LOANS | 31 |
| Governing Law----- | 31 |
| Disclosure of Loan Terms----- | 31 |
| Loan Cancellation----- | 31 |
| Interest----- | 32 |
| Loan Fee----- | 32 |
| Late Charges and Collection Costs----- | 32 |

| | |
|---------------------------------------|----|
| Grace Period----- | 32 |
| Repayment----- | 33 |
| Acceleration and Default----- | 33 |
| Legal Notices----- | 34 |
| LOAN REPAYMENT OPTIONS | 34 |
| Standard Repayment Options----- | 34 |
| Graduated Repayment Plan ----- | 34 |
| Extended Repayment Plan----- | 34 |
| Income Contingent Repayment Plan----- | 35 |
| Income-Based Repayment Plan----- | 35 |
| Sample Loan Repayment Chart----- | 36 |

STUDENT BODY DIVERSITY

Pursuant to the *Higher Education Opportunity Act (HEOA) of 2008*, Colleges and Universities must make available to current and prospective students information about student body diversity, including the percentage of enrolled full-time students who are male, female, self-identified members of a major racial or ethnic group, and those who receive a Federal Pell Grant. The information is as follows:

Male – 24%

Female – 76%

Black or African American – 21%

Asian – 0.1%

White – 0.3%

Foreign National – 0%

Hispanic or Latino – 75%

American Indian or Alaska Native – 0.1%

Native Hawaiian or Other Pacific Islander – 0.1%

Two or More – 0.3%

Unknown – 0.4%

First-time Undergraduate Pell recipients – 78%

***Student Body Information reported in IPEDS on 10/20/2010**

FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT (FERPA)

FERPA, the *Family Educational Rights and Privacy Act* (sometimes referred to as the Buckley Amendment) was passed by Congress in 1974 and provides the following rights to students:

1. The right to inspect and review the student's education records within 45 days from when the Institution receives a request for access. Students should submit to the registrar, dean, head of the academic department, or other appropriate officials, written requests that identify the record(s) they wish to inspect. An Institution official will make arrangements for access and notify the student of the time and place where the records must be inspected. If the records are not maintained by the Institution's official to whom the request was submitted, that official shall forward the student to the correct official to whom the request should be addressed.

2. The right to request an amendment of the student's education records that the student believes is inaccurate or misleading. They should write to the Institution's official responsible for the record clearly identifying the part of the record they want changed, and specifying why it is inaccurate or misleading. If the Institution decides not to amend the record as requested by the student, the Institution will notify the student of the decision and advise them of his or her right to a hearing regarding the request for an amendment. Additional information regarding hearing procedures will be provided to the student when notified of the right to a hearing.
3. The right to consent disclosure of personally identifiable information contained in the student's education records, except to the extent that *FERPA* authorizes disclosure without consent.

One exception, which permits disclosure without consent is disclosure to school officials with legitimate educational interests. Upon request, the Institution discloses education records without consent to officials of another school, in which a student seeks or intends to enroll.

Note: *FERPA* requires an institution to make a reasonable attempt to notify the student of the records request unless the institution states in its annual notification that it intends to forward records upon request.

A school may disclose *personally identifiable information* without student consent to the following parties:

- School officials with legitimate educational interests
- U.S. Comptroller General, U.S. Attorney General, U.S. Department of Education
- State and local officials
- Authorized organizations conducting educational research
- Accrediting agencies
- Alleged victim of a crime
- Parent of a dependent student as defined by the IRS
- Parent of a student under 21 regarding the violation of a law relating to alcohol or abuse

In contrast to the exceptions of the notification and recordkeeping requirements granted for law enforcement purposes, educational agencies or institutions may disclose information pursuant to any other court order or lawfully issued subpoena only if the school makes a reasonable effort to notify the parent or eligible student of the order or subpoena in advance of compliance, so that the parent or eligible student may seek protective action. Additionally, schools must comply with *FERPA*'s recordkeeping requirements when disclosing information pursuant to a standard court order or subpoena.

The school will make a reasonable effort to notify a student who is the subject of a subpoena or court order before complying, so that the student may seek protective action (unless the court or issuing agency has prohibited such disclosure).

4. The right to file a complaint with the U.S. Department of Education concerning alleged failures by the State Institution to comply with the requirements of *FERPA*. The name and address of the office that administers *FERPA* is: **Family Policy Compliance Office, U.S. Department of Education, 400 Maryland Avenue, S.W., Washington, D.C. 20202-4605.**

What are Education Records?

Under *FERPA*, education records are defined as records that are directly related to a student and are maintained by an educational agency or institution or by a party acting on behalf of an agency or institution. Protected education records can be maintained in paper, computer media, video or audio tape, film, microfilm and microfiche. Examples include, but are not limited to the following:

- Transcripts
- Class schedules
- Academic history reports
- Attendance record
- Grades
- Advising notes
- Financial records
- Degree audit report

According to *FERPA*, a student can request that the institution not release any directory information that relates to them. Institutions must comply with this request, once received, if the student is still enrolled.

Any record that contains personally identifiable information that is directly related to the student is an education record under *FERPA*. This information can also include records kept by the school in the form of student files, student system databases kept in storage devices such as servers, recordings or broadcasts which may include student projects.

A student shall not be permitted to inspect records which personally identify other students even if he/she is personally identified. In such case he/she shall simply be informed of the information contained in the record.

The following are not considered as education records as defined by *FERPA*:

- Private notes of individual staff or faculty (not kept in student advising folders)
- Campus police records
- Medical records
- Statistical data compilations that contain no mention of personally identifiable information about any specific student.

Faculty notes, data compilation, and administrative records kept exclusively by the maker of the records that are not accessible or revealed to anyone else are not considered educational records and therefore, fall outside the *FERPA* disclosure guidelines. However, these records may be protected under other State or Federal laws.

Directory Information

Some information in the student education records are defined as directory information under *FERPA*. Under a strict reading of *FERPA*, the school may disclose this type of information without the written consent of the student. However, the student can exercise the option to restrict the release of directory information by submitting a formal request to the school to limit disclosure. Directory Information may include, but is not limited to:

- Name
- Address
- Phone number
- E-mail address
- Dates of attendance
- Degree(s) awarded
- Enrollment status
- Major field of study

Non-Directory Information

Non-directory Information is any education record not considered directory information. Non-directory information must not be released to anyone, including parents of the student, without the prior written consent of the student. Further, faculty and staff can access non-directory information only if they have a legitimate academic need to do so. Non-directory Information may include:

- Social Security numbers
- Student Identification numbers
- Race, ethnicity, and/or nationality
- Gender
- Transcripts, grade reports

Written Consent Information

In general, a student must provide a signed and dated written consent before an education agency or school can legitimately disclose non-directory information from the student's education records.

The written consent must:

- Specify the records that may be disclosed.
- State the purpose of the disclosure.
- Identify the party or class of parties to whom the disclosure may be made.

When a disclosure is made:

- If a parent or eligible student so request, the school must provide him or her with a copy of the records disclosed, and if the parent of a student who is not an eligible student so requests, the school must provide the student with a copy of the records disclosed.

Signed and dated written consent may include a record and signature in electronic form that:

- Identifies and authenticates a particular person as the source of the electronic consent.
- Indicates such person's approval of the information contained in the electronic consent.

Prior written consent is not required when disclosure is made directly to the student or to other school officials within the same institution where there is a legitimate educational interest. A legitimate educational interest may include enrollment or transfer matters, financial aid issues, or information requested by regional accrediting organizations.

Institutions do not need prior written consent to disclose non-directory information where the health and safety of the student is at issue, when complying with a judicial order or subpoena, or where, as a result of a crime of violence, a disciplinary hearing was conducted by the school, a final decision was recorded, and the alleged victim seeks disclosure.

In order for institutions to be able to disseminate non-directory information in these instances, *FERPA* requires that institutions annually publish the policies and procedures that they will follow in order to meet *FERPA* guidelines.

STUDENTS RIGHT-TO-KNOW ACT

Beauty Schools of America[®] is pleased to provide the following information regarding our institution's graduation and completion rates. The information is provided in compliance with *the Higher Education Act of 1965*, as amended. *Students Right-to-Know Act* is a federal policy which mandates that all schools participating in Title IV programs provide the information to its students.

The following is the four year average from 2004-2007 graduation and completion rate reported in IPEDS for our main and branch campuses for cohort year 2007.

Graduation Rates:

Hialeah Campus – 74%

Miami Campus – 77%

North Miami Beach – 71%

Homestead – Rates not available since school opened after reporting date.

Miami Beach – Rates not available since school opened after reporting date.

***Graduation Rates reported in IPEDS on 04/13/2011**

Retention Rate:

In accordance with the *Higher Education Act (HEA) of 1965*, as amended, each postsecondary institution must make available information regarding retention rates to currently enrolled and prospective students. Listed below is BSA retention rate of certificate seeking first-time full-time undergraduate's students for the 2009 cohort year.

Hialeah Campus – 71%

Miami – 83%

North Miami Beach – 71%

Homestead – 79%

Miami Beach – Rates not available since school opened after reporting date.

***Retention Rates reported in IPEDS on 04/13/2011**

CAMPUS SAFETY AND SECURITY REPORT

Introduction

Beauty Schools of America[®] (BSA) strives to ensure the safety of all students, faculty, staff, and clients of our institution. For this reason, BSA has implemented a full time Director of Security and Loss Prevention to serve the BSA community and handle any issues regarding safety and security at all campus locations and official events.

Should any student, faculty, staff or clients witness a crime, become a victim of a wrongful act either while attending school or at a school event, or feel that their individual safety may be in danger, they should immediately contact the local Campus Director, who will in turn inform the Regional Director of Security and Loss Prevention to investigate and take any necessary action to address the issue.

This information is being provided to you as part of Beauty Schools of America[®] commitment to safety and security on campus, and is in compliance with the requirements of the crime awareness and *Campus Security Act of 1990*.

The *Jeanne Clery Act* requires institutions of Higher Education receiving federal aid to report specified crime statistics on college campuses and provide other safety and crime information to members of the campus community. The crime statistics report is prepared in cooperation with the police agencies surrounding each campus, and is available each year by October 1st, and contains three years of campus crime statistics. The Crime Statistics report is compiled from the following categories:

- Criminal Homicide
- Forcible Sex Offenses
- Non Forcible Sex Offenses
- Robbery
- Aggravated Assault
- Burglary
- Motor Vehicle Theft
- Arson
- Liquor law violations
- Drug abuse violations and weapons law violation

The annual security report includes other information related to security, including explanation of the *Clery Act* and details about crime prevention on campus and more.

Campus Facilities

Access to campus buildings is restricted during non-business hours. Campus buildings are opened by a school official at approximately 8:00 am (students will be permitted to go to their assigned classroom starting at 8:30 am) and are closed at approximately 10:00 pm. On weekends, buildings are opened and closed by department personnel for scheduled classes and events only. It is the responsibility of each staff and faculty member on campus to ensure that all doors allowing access to their offices, rooms and other areas are secured at the end of their work day.

Reporting Crimes and Emergencies

Beauty schools of America[®] employs security officers with training specific to public safety. Criminal incidents are referred to the local police who have jurisdiction on the campus. All crime victims and witnesses are strongly encouraged to immediately report any crime to security Officer and the appropriate police agency. Prompt reporting will assure timely warning notices on-campus and timely disclosure of crime statistics.

Security Officers have the authority to:

- Ask individuals on campus for identification and to determine whether or not individuals have legitimate reasons for being on campus.
- Address and report possible violations of institutional policies committed by the students to the School Director which can be sanctioned to disciplinary process.

Students are encouraged to promptly report any criminal activity or emergency they observe. If you see a suspicious activity or a person seen in the parking lot, loitering around vehicles, or inside buildings, or around residential halls, or should you witness a crime in process or are a victim of a crime, Beauty Schools of America® requests that you follow the following:

Contact

- **Campus Security Authority (non-emergencies only)**
- **Dial 9-1-1 (emergencies only).**

Campus Security Authority

The *Clery Act* is a federal law that requires the institution to identify individuals and organizations that meet the definition of a campus security authority. Campus Security Authorities have an important role in complying with the law. A campus Security Authorities must report any crimes or incidents that occur. Campus Security Authority crime reports are used by the school to:

- Fulfill its responsibility to annually disclose *Clery* crime statistics, and
- To issue timely warnings for *Clery* crimes that pose a serious or continuing threat to the campus community.

If an individual reporting an incident needs assistance, a Campus Security Officer or Authority should explain how to get help. In the midst of an emergency situation, such as a physical assault, however, a Campus Security Authority should call 911, as appropriate.

List of Campus Security Authority

1. **Hialeah** – Tania Hernandez-Mosquera (Campus Director) 305-824-2127
2. **Hialeah** – Daulemis Lopez (Campus Director of Education) 305-824-2219
3. **Miami** – Diana Karim (Campus Director) 305-824-2227
4. **Miami** – Mercedes Pedraza (Campus Director of Education) 305-824-2252
5. **N. Miami Beach** – Addys Lorenzo (Campus Director) 305-824-2327
6. **N. Miami Beach** – Leticia Velasquez (Campus Director of Education) 305-824-2339
7. **Homestead** – Dolly Rivera (Campus Director) 305-824-2420
8. **Homestead** – Maribel Suarez (Campus Director of Education) 305-824-2360
9. **Miami Beach** – Glenda Guevara (Campus Director) 305-824-2527
10. **Miami Beach** – Carmen Follaco (Campus Director of Education) 305-824-2350
11. **All Campuses** – Art Shields (Regional Director of Security and Loss Prevention) 305-824-2120

Daily Crime Log

To ensure the accurate and prompt reporting of all crimes, authorized administrative personnel will take a full written statement from involved parties and witnesses and all reported emergency or criminal incidents. The written statements are included as part of a written report: such statements may be used by campus security personnel (if applicable) and local/state law enforcement authorities for the purpose of criminal apprehension and/or crime prevention. Criminal Incidents may also be reviewed by the institution's administrative staff for the purpose of disciplinary action.

All crimes that are reported will be posted in the School Bulletin Board within two business days of the reporting.

Timely Warning and Emergency Notification

In the event that a situation arises, either on or off campus, that may constitute an immediate or continuing threat to the campus community, upon confirmation of a significant emergency or dangerous situation involving an immediate threat to the health and safety of students and employees, a campus wide "timely warning" will be issued. The warning can be issued through the Executive Vice President, School Director and/or Campus Security Authority and will inform the student body and employees on campus. If the situation occurs after school hours, students as well as employees can contact the school *Emergency Hotline number at 305-824-2030*. Some examples of significant emergencies or dangerous situations are:

- Outbreak of a serious illness
- Approaching tornado
- Hurricane
- Other extreme weather conditions
- Gas leak
- Terrorist attack
- Armed intruder
- Bomb threat
- Civil unrest
- Rioting
- Explosion
- Hazardous waste or chemical spill

Campus Sex Crimes Prevention Act

In accordance to *The Campus Sex Crimes Prevention Act of 2000*, which amends *The Jacob Wetterling Crimes Against Children and Sexually Violent Offender Registration Act*, the *Jeanne Cleary Act* and the *Family Educational Rights and Privacy Act of 1974*, requires institutions of higher education to issue a statement advising the campus community where law enforcement information provided by a State concerning registered sex offenders may be obtained. It also requires sex offenders already required to register in a State to provide notice of each institution of higher education in that State at which the person is employed, carries a vocation, or is a student. Registry information provided shall be used for the purposes of the administration of criminal justice, screening of current or prospective employees, volunteers or otherwise for the protection of the public in general and children in particular.

Unlawful use of the information for purposes of intimidating or harassing another is prohibited and willful violation shall be punishable as a Class 1 misdemeanor.

Sex offender information in the State of Florida is compiled by The Florida Department of Law Enforcement/Florida Sexual Offenders and Predators. The Florida Department of Law Enforcement website allows the public to search their sex offender database online. This information can be found at: <http://offender.fdle.state.fl.us/offender/homepage.do>

Other links:

Florida Department of Corrections <http://www.dc.state.fl.us/>

Florida Sex Offenders <http://florida.sexoffenders.ws/>

Sexual Assault Policy

Beauty Schools of America[®] is committed to maintaining an academic environment free from any form of sexual assault. For purposes of this policy, sexual assault is defined as sexual contact without consent, rape, acquaintance rape, forcible and non-forcible sex offenses.

Sexual assault is defined as but not limited to:

- Forcing or attempting to force, any other person to engage in sexual activity of any kind without her or his consent.
- Having impaired substantially the ability of the other person to appraise or control conduct by administering or employing drugs or intoxicants without the knowledge or against the will of the other person
- Intimidation, forced or threatened
- Is physically incapable of resisting or communicating an unwillingness to participate

The following sanctions will be imposed regarding rape, acquaintance rape, or other forcible or non-forcible sex offenses for any student who individually participates or attempts to participate in a sexual offense, regardless of whether it takes place on or off campus. This will be subject to disciplinary actions, notwithstanding any action that may or may not be taken by the Police Department. Both the victim and the accused will have the opportunity to present testimony and witnesses. Each will be allowed to argue their case through a representative. Both the victim and the accused shall be informed of the outcome of any school disciplinary proceedings. Sanctions the school may impose following final determination include suspension or dismissal.

Victims of a sexual assault are advised to adhere to the following guidelines:

- Get to a safe place as soon as possible
- Call 911 and/or Campus Security
- Contact someone you trust to be with you and help you deal with the trauma of having been violated
- Try to preserve all evidence. Do not throw away clothes, wash, douche or change. If you must change clothing, put all of the clothing you were wearing at the time of the assault in a paper bag.
- Document any injury you suffered either by photograph or by showing someone you trust
- Get medical attention as soon as possible to treat any physical injury
- Seek counseling if needed

Counseling for Sex Offenses Victims and Family Victim Services:

| | |
|---|-------------------------------|
| North Dade Victims Center..... | 305-758-2546 (24 hours a day) |
| South Dade Victims Center..... | 305-247-4249 (24 hours a day) |
| Victim Assistance Program..... | 305-758-2819 |
| Victims of Crime Services..... | 305-230-6141 |
| Roxcy Bolton Rape Treatment Center..... | 305-585-7273 |
| The Journey Institute..... | 305-443-1123 |
| M.U.J.E.R..... | 305-247-1388 |

Confidential Report

If you are the victim of a crime and do not want to pursue action within the Institutional System or the criminal justice system, you may want to consider making a confidential report. With your permission, a Campus Security Authority can file a report on the details of the incident without revealing your identity. The purpose of a confidential report is to comply with your wish to keep the matter confidential, while taking steps to ensure the safety of yourself and others. With such information, the Institution can keep an accurate record of the number of incidents involving students, determine where there is a pattern of crime with regard to a particular location, method, or assailant, and alert the campus community to potential danger. Reports filed in this manner are counted and disclosed in the annual crimes statistics for the institution.

Student Responsibility to Campus Safety

The purpose of this plan is to ensure the safety of all students, staff and visitors in the event of a real, threatened or impending danger. All students are informed about Campus Security procedures and practices on orientation day or the first day of class at the school premises. Students should remember that safety begins with you.

Crime Prevention Tips

- Be alert. Look around and be aware of your surroundings before entering or exiting a building or vehicle.
- Try not to walk alone and avoid parking lots, secluded pathways, or alleyways.
- Walk in public areas. Do not take shortcuts with little or no lighting.
- Do not carry large amounts of cash.
- Keep your motor vehicle in good running condition. Always lock your car and remove all packages and any valuables.
- If you see something suspicious, call campus security. If you are unable to reach an officer, call the police department.
- Be alert of your surroundings. If you suspect you are being followed, run in a different direction, go to the other side of the street and yell for help, or head quickly for a lighted area or groups of people.
- If you see someone sitting in a vehicle or standing near your vehicle, turn around, go back inside, and call for an escort.
- If someone has entered your vehicle and told you to drive, then drive your vehicle into anything available: walls, buildings, curbs, or other vehicles. Never drive off.
- Never let someone force you into a vehicle. Your chances of survival significantly decrease after you are inside a vehicle. If grabbed, let your body go limp. Fall to the ground and scream. Dead weight is hard to lift and is difficult to move. Stretch your arms out to grab onto anything, but try to keep out of the vehicle. If you are forced into the trunk, kick out a taillight and push your hand out, waving it.
- If confronted, surrender your valuables, including your purse. Toss your purse or wallet away from you and run in opposite direction.
- Scream or shout if attacked.
- Use self-defense techniques, if necessary.
- Report all thefts and property losses immediately to campus security.
- Keep a record or copy of your credit card numbers, identification cards, and checking account numbers. Never write down your PIN number.
- Be security conscious at all times.

Weapons Policy

Beauty Schools of America® strictly prohibits possession of weapons of any type by students. The unapproved possession, use, or sale of firearms, ammunition, fireworks, major or minor explosives, or any lethal weapon is forbidden. Any student who violates this policy shall be subject to disciplinary actions up to and including dismissal consistent with guidelines of the student code of conduct as well as possible criminal prosecution.

In the state of Florida a person who willfully and knowingly possesses any firearm is in violation of a criminal offense that is considered a third degree felony as defined in *Florida Statute 790.115*.

Students may not bring to any campus or any campus related activity any weapons prohibited by law or identified below:

- Firearm
- Electric weapon or device
- Destructive device
- Sword
- Sword cane
- Razor blade
- Box cutter
- Common pocket knife

Emergency Response and Evacuation Procedure

Below are the procedures the institution will use to immediately notify the campus community upon the confirmation of a significant emergency or dangerous situation involving an immediate threat to the health and safety of students or employees occurring on campus.

Medical Emergency - Serious Illness or Injury

- If injury/illness is life threatening call 911 immediately
- Describe the nature of the circumstance to emergency personnel
- Advise the School Director that an emergency 911 call has been made
- Stay at the location of emergency until emergency personnel arrives
- Contact the victim's emergency contact and family member immediately
- The School Director will contact Executive Vice President as soon as possible and describe all details
- Acquire a copy of the Emergency Medical Report
- Complete an Accident Report

Fire Safety

In the event of a fire, the fire alarm will sound. Staff assigned by the Executive Vice President will escort all students, staff and visitors. The emergency evacuation route guidelines (posted in classrooms and offices) will be as follows:

- A whistle will blow three times.
- When you hear the whistle, you are to immediately stop what you are doing and exit calmly to the nearest exit. Evacuation routes are posted around the campus.
- Once you are out of the building, you are to stand at least 500 feet from the building. Remain quiet and calm. Look for all fellow classmates.
- The instructor will be taking roll call after insuring the building is clear of students and customers.
- Do not re-enter building until declared safe by Police, Fire, and/or School Director.

Bomb Threat

In the event of a bomb threat, the individual receiving such threat will contact the School Director. The School Director will contact the local Police Department and begin evacuation of the building. The Executive Vice President will be advised by the School Director of such event immediately. The following guidelines should be performed:

- re-location site.

Tornado Warning

In the event of a tornado warning, if a tornado has been sighted, the School Director will notify students, staff and faculty of the possible danger. The Executive Vice President will be advised by the School Director of such event immediately. The following guidelines should be followed:

- If you are indoors, do not leave the building.
- If you are outside, move immediately to the nearest designated shelter location.
- Stay away from exterior walls, doors and windows.
- Students would be advised to exit their classrooms and go into an interior hallway.
- Students on the upper floor should be moved to the lower level hallway.
- Do not use elevators.
- If tornado is close to school ground move to small interior rooms (ex: bathrooms, closets).
- Get under a piece of furniture if possible (ex: sturdy table, desk).
- Kneel down, bend head toward wall and cover any exposed area with coat or covering.
- After Tornado students will be instructed to calmly exit the building.
- Building property will be inspected for safety and when an “all clear” has been issued, students can return to class.

Hurricane Warning

In the event of a Hurricane warning the following guidelines should be performed:

- The School Director will notify all students that a hurricane is expected within 36 hours.

- The school will be closed and the telephone system will be placed on emergency mode. The telephone system will state the emergency and will notify all parties when the emergency situation has passed.
- When the Hurricane has passed or danger is not evident, the Executive Vice President along with a designated school official will visit the schools to ensure the safety of all concerned.
- When an all clear is evident, the Executive Vice President will advise the School Director to notify staff of the proceeds of resuming the normal schedule and updating the telephone system.

For information on the opening or closing of the school during inclement weather, students as well as employees can contact the school *Emergency Hotline number at 305-824-2030*.

Emergency Lockdown

In the event of a disaster situation, such as an armed intruder or any other life threatening acts, the following guidelines should be performed:

- Immediately notify police and appropriate law enforcement agencies (911)
- Initiate action and secure building
- Remain calm and encourage others to remain calm
- Proceed to a room that can be locked or barricaded (classroom, office, closet, etc.)
- If the room cannot be locked, determine if there is a nearby room that you can safely get to that can be locked. Consider barricading the door if you cannot lock it.
- Turn out the lights.
- Move away from all doors and windows and sit down on the floor.
- Ignore all knocks.
- Remain quiet (silence all cell phones).
- Remain in place until an “all clear” is given by an authorized person or law enforcement official.
- In case of an immediate life- threatening event, each individual should take whatever actions are necessary to protect his or her own life.
- If possible to flee the area safely and avoid danger, do so.

NOTIFICATION OF DRUG FREE WORKPLACE

Drug Policy

Beauty Schools of America® has a policy of maintaining a drug and alcohol free learning environment. All employees and students are hereby notified that the unlawful manufacture, distribution, dispensing, possession or use of illicit drugs and alcohol is prohibited in the school's learning environment. The employees and students must notify the school of any criminal drug and alcohol statute conviction for a violation occurring in the learning environment no later than five days after such conviction. In compliance with the *Drug-Free Workplace Act of 1988* and *The Drug-Free School and Communities Act of 1989* as amended, required all Higher Learning Institutions to certify to the U. S Department of Education by October 1, 1990, that they adopted and implemented a program to prevent the illicit use of drugs and the abuse of alcohol by students and employees.

Substance abuse is a widespread problem that not only seriously affects an individual's work performance, but may also pose potential health, safety and security risks. Our policy is, designed to provide a drug-free, healthy, safe and secure learning/work environment.

Non-Compliance will result in the following action being taken by the school:

- The employee and student will be required to actively participate in a drug or alcohol abuse assistance or rehabilitation program approved by federal, state or local health, law enforcement or other appropriate agency.
- Community service with one of the above stated agencies.
- Termination of enrollment and/or employment.

Liquor Law Violation Policy

The violation of state or local laws, or ordinance prohibiting the manufacture, sale, purchases, transportation, possession, or use of alcoholic beverages, not including driving under the influence, fall under this policy.

Observance of the law is the responsibility of each student. Failure to obey the law may subject the student to prosecution by law enforcement authorities, both civil and criminal. It may also subject a student to judicial action on campus including but not limited to expulsion from campus. Being under the influence of alcohol shall not excuse any student from the legal and disciplinary consequences of offenses, disorderly, or unlawful conduct.

Alcohol Uses and Effects

Alcohol consumption causes a number of marked changes in behavior. Even low doses significantly impair the judgment and coordination required to drive a car safely, increasing the likelihood that the driver will be involved in an accident. Low to moderate doses of alcohol also increases incidents of a variety of aggressive acts, including spousal and child abuse. Moderate to high doses of alcohol cause marked impairments in higher mental functions, severely altering a person's ability to learn and remember information. Very high doses cause respiratory depression and health issues. If combined with other depressants of the central nervous system, much lower doses of alcohol will produce the effects just described.

Repeated use of alcohol may lead to dependence. Sudden cessation of alcohol intake is likely to produce withdrawal syndrome, including severe anxiety, tremors, hallucinations, and convulsions. Alcohol withdrawal can be life threatening. Long-term consumption of large quantities of alcohol, particularly when combined with poor nutrition, can also lead to permanent damage to vital organs such as the brain and the liver.

Mothers who drink alcohol during pregnancy may give birth to infants with fetal alcohol syndrome. These infants have irreversible physical abnormalities and mental retardation. In addition, research indicates that children of alcoholic parents are at greater risk than other youngsters of becoming alcoholics.

Counseling, Rehabilitation, and Assistance Programs

1. *The Dade Family Counseling Hialeah Center*
1490 West 49th Place Suite 410
Hialeah, FL 33012
Phone: 305-827-3252
2. *The Dade Family Counseling Miami Center*
8352 SW 8th Street
Miami, FL 33144
Phone: 305-267-0205
3. *The Dade Family Counseling Miami Gardens Center*
3968 NW 167th Street
Miami Gardens, FL 33054
Phone: 305-621-6160
4. *Transitions Recovery Programs*
1928 NE 154th Street
North Miami Beach, FL 33162
Phone: 305-949-9001 or 800-626-1980 (24 hours)

5. *About Drugs Online Information*
www.aboutdrugsonline.com/rehabs.php/US/Florida/Miami_Beach

6. *National Association for Drug Abuse/National Directory of Drugs and Alcohol Abuse*
 - a. 1-800-662-HELP
 - b. www.findtreatment.samha.gov
 - c. 850-681-8715 substance abuse helpline.

7. *Miami Beach Community Service Center*
833 Sixth Street
Miami Beach, FL 33139
Phone: 305-672-1705

8. *Florida City / Homestead Community Center*
1600 NW 6th Court
Florida City, FL 33034
Phone: 305-247-2068

Local Penalties and Sanctions for Illegal Possession of a Controlled Substance and Alcohol Abuse

In addition to the aforementioned federal and the following state sanctions, local ordinance generally provides for legal sanctions of unlawful possession of illicit drugs and alcohol.

All Florida drug trafficking crimes are First degree felonies and carry mandatory sentences (893.135 FLA. Statute).

| FLORIDA DRUG TRAFFICKING PENALTIES | | |
|---|--|---------------------------------------|
| DRUG | QUANTATITY | MANDATORY MINIMUM PENALTY |
| Marijuana (pot, cannabis) | 25 – 2,000 pounds or 300 or more cannabis plants | 3 years in prison and \$25,000 fine |
| | 2,000 pounds but less than 10,000 pounds or is 2,000 or more cannabis plants | 7 years in prison and \$50,000 fine |
| | 10,000 pounds or more or is 10,000 or more cannabis plants | 15 years in prison and \$200,000 fine |
| Cocaine | 28 to 200 grams | 3 years in prison \$25,000 fine |
| | 200 to 400 grams | 7 years in prison \$75,000 fine |
| | 400 grams to 150 kilograms | 15 years in prison \$250,000 fine |
| Heroin | 4 to 14 grams | 3 years in prison \$50,000 fine |
| | 14 to 28 grams | 15 years in prison \$100,000 fine |
| | 28 grams to 30 Kilograms | 25 years in prison \$250,000 fine |

Florida DUI Penalties

The state of Florida treats those convicted of the crime of Driving Under the Influence (DUI) differently; the penalties differ depending on the number of prior DUI convictions and/or the driver's Blood Alcohol Content (BAC).

As of July 1, 2009, *Enhanced* penalties apply if the driver's BAC is 0.15% or over, or if a minor was in the vehicle at the time of the offense.

| FLORIDA DUI PENALTIES | | |
|--|---|--|
| DUI OFFENSE | BAC .08 AND ABOVE | ENHANCED BAC .15 AND ABOVE |
| 1 ST Offense | Jail up to 180 days; probation up to 1 year (however, the total period of probation and incarceration cannot exceed 1 year); a fine of \$250 - \$500; License suspension for 6 months to 1 year; 50 hours of community services (in the alternative may pay \$10 per hour of community services); DUI school; Level 1; One of the defendant's cars will be impounded for 10 days. | The penalties will be the same if there was no enhancement, with the exception of those listed below: Jail up to 270 days; a fine of \$500 - \$1000; an Interlock Ignition Device must be installed in the defendant's car, and remain up to 6 months. * If there was an accident, the defendant may be sentenced to up to 364 days in jail. |
| 2 nd Offense (1 st offense occurred within 5 years) | Mandatory 10 days in Jail, but maybe up to 270 days; probation up to 1 year; a fine of \$500 - \$1000; license suspension for 5 years; DUI school, Level 2; all of the defendant's cars will be impounded for 30 days; an Interlock Ignition Device will be installed in the defendant's car and, remain for 1 year. | The penalties will be the same if there was no enhancement, with the exception of those listed below: Mandatory 10 days in Jail, but it may be up to 364 days; a fine of \$1000 - \$2000; an Interlock Ignition Device must be installed in the defendant's car, and remain for 2 years. * If there was an accident, the defendant may be sentenced to up to 364 days in jail. |
| 3 rd Offense (2 nd offense occurred within 10 years) | Jail from 30 days to 5 years; probation up to 5 years; a fine of \$1000 - \$5000; license suspension for 10 years; DUI school, Level 2; All of defendant's cars will be impounded for 90 days; An Interlock Ignition Device will be installed in the defendant's car, and remain for 2 years. | Same as 3 rd offense |
| 4 th Offense (3 rd offense occurred within 10 years) | Jail up to 5 years; probation up to 5 years; a fine of \$1000 - \$5000; Permanent loss of license; All of defendant's car will be impounded for 90 days; No Interlock Ignition Device as the defendant's license will be permanently suspended. | Same as 4 th offense |

Federal Penalties and Legal Sanctions for Illegal Possession of a Controlled Substance

| Federal Penalty Code | Sanctions |
|----------------------------------|---|
| 21 U.S.C 844(a) | <p>1st conviction: up to one year imprisonment and fined at least \$1,000 but not more than \$100,000 or both.</p> <p>After 1 prior drug conviction: at least 15 days in prison, but not exceed 2 years and fined at least \$2,500 but not more than \$250,000 or both. After 2 or more prior drug convictions: at least 90 days in prison, not to exceed 3 years and fined at least \$5,000 but not more than \$250,000 or both, If:</p> <ul style="list-style-type: none"> (a) 1st conviction and the amount of crack possessed exceed 5 grams. (b) 2nd crack conviction and the amount of crack possessed exceed 3 grams. (c) Or subsequent crack conviction and the amount of crack possessed exceeds 1 gram. |
| 21 U.S.C 853 (A) and 881 (A) (7) | Forfeiture of personal and real property used to possess or facilitate possession of a controlled substance if that offense is punishable by more than 1-year imprisonment (see special sentencing provisions re: crack). |
| 21 U. S.C 861 (A) (4) | Forfeiture of vehicle, boats, aircraft or any other conveyance used to transport or conceal a controlled substance. |
| 21 U.S.C 844a | Civil fine up to \$10,000 |
| 21 U.S.C 853a | Denial of Federal benefits, such as student loans, grants, contracts, and professional and commercial licenses, up to 1 year for the first offense, up to 5 years for second and subsequent offenses. |
| 18 U.S.C. 922(g) | Ineligible to receive or purchase a firearm |
| Miscellaneous | Revocation of certain Federal license and benefits e.g. pilots licenses, public housing tenancy, e.g., are vested within the authorities of individual Federal agencies. |

For more information you can access the U.S Department of justice at <http://www.deadiversion.usdoj.gov/index.html>

Note: These are only Federal Penalties and Sanctions, additional State penalties and sanctions may apply.

Drug Free School Notification: Federal Trafficking Penalties

| FEDERAL TRAFFICKING PENALTIES | | | | | | |
|--|---|--|---|--|--|---|
| CONTROLLED SUBSTANCE ACT SCHEDULE: I AND II | | | | | | |
| Drug | Quantity | 1st Offense | 2nd Offense | Quantity | 1st Offense | 2nd Offense |
| Methamphetamine | 5 - 49 gm. pure or 50-499 gm. mixture | Not less than 5 years and not more than 40 years. If death or serious injury, not less than 20 years or more than life. Fine of not more than \$5 million individual, \$25 million if not an individual. | Not less than 10 years and not more than life. If death or serious injury, life imprisonment. Fine of not more than \$8 million individual, \$50 million if not individual. | 50 gm. or more pure or 500 gm. or more mixture | Not less than 10 years and not more than life. If death or serious injury, not less than 20 years or more than life. Fine of not more than \$10 million individual, \$50 million if not an individual. | Not less than 20 years and not more than life. If death or serious injury, life imprisonment. Fine of not more than \$20 million individual, \$75 million if not an individual. |
| Heroin | 100 - 999 gm. mixture | | | 1 Kg or more mixture | | |
| Cocaine | 500 - 4,999 gm. mixture | | | 5 Kg or more mixture | | |
| Cocaine Base | 28 - 279 gm. mixture | | | 280 gm. or more mixture. | | |
| PCP | 10 - 99 gm. pure or 100 - 999 gm. mixture | | | 100 gm. or more pure or 1 Kg or more mixture | | |
| LSD | 1- 9 gm. mixture | | | 10 gm. or more mixture | | |
| Fentanyl | 40 - 399 gm. mixture | | | 400 gm. or more mixture | | |
| Fentanyl Analogue | 10 - 99 gm. mixture | | | 100 gm. or more mixture | | |

| FEDERAL TRAFFICKING PENALTIES | | | |
|---|-----------------|--|--|
| Drug | Quantity | 1st Offense | 2nd Offense |
| Substances Act Schedule: I and II | | | |
| Other Schedule I & II drugs (and any drug product containing Gamma Hydroxybutyric Acid) | Any | Not more than 20 yrs. If death or serious injury, not less than 20 yrs., or more than Life. Fine \$1 million if an individual, \$5 million if not an individual. | Not more than 30 yrs. If death or serious injury, not more than 15 yrs. Fine \$2 million if an individual, \$10 million if not an individual. |
| Substance Act Schedule: III | | | |
| Other Schedule III drugs | Any | Not more than 10 years. If death or serious injury, not more than 15 yrs. Fine not more than \$500,000 if an individual, \$2.5 million if not an individual. | Not more than 20 yrs. If death or serious injury, not more than 30 yrs. Fine not more than \$1.5 million if an individual, \$5 million if not an individual. |
| Substance Act Schedule: IV | | | |
| All other Schedule IV drugs | Any | Not more than 5 years. Fine not more than \$250,000 if an individual, \$1 million if not an individual. | Not more than 10 yrs. Fine not more than \$500,000 if an individual, \$2 million if not an individual. |
| Flunitrazepam (Schedule IV) | Less than 1 gm. | | |
| Substance Act Schedule: V | | | |
| All Schedule V drugs | Any amount | Not more than 1 yr. Fine not more than \$100,000 if an individual, \$250,000 if not an individual. | Not more than 4 yrs. Fine not more than \$200,000 if an individual, \$500,000 if not an individual. |

| FEDERAL TRAFFICKING PENALTIES- MARIJUANA | | | |
|---|---|---|--|
| Description | Quantity | 1st Offense | 2nd Offense |
| Marijuana | 1,000 Kg or more mixture; or 1,000 or more plants | Not less than 10 years, not more than life. If death or serious injury, not less than 20 years, not more than life. Fine not more than \$4 million individual, \$10 million if other than individual. | Not less than 20 years, not more than life. If death or serious injury mandatory life. Fine not more than \$8 million individual, \$20 million if other than an individual. |
| | 100 Kg – 999 Kg mixture; or 100 – 999 plants | Not less than 5 years, not more than 40 years. If death or serious injury, not less than 20, not more than life. Fine not more than \$2 million individual, \$5 million other than individual. | Not less than 10 years, not more than life. If death or serious injury mandatory life. Fine not more than \$ 4 million individual, \$10 million if other than an individual. |
| | 50 – 99 Kg or more mixture; or 50 or more plants | Not more than 20 years. If death or serious injury, not less than 20 years, not more than life. Fine not more than \$1 million individual, \$5 million other than individual. | Not less than 30 years. If death or serious injury not more than life. Fine not more than \$1 million individual, \$5 million of other than an individual. |
| | Less than 50 Kg mixture | Not more than 5 years. | Not more than 10 years. |
| Hashish | 10 Kg or more | Fine not more than \$250,000 individual, \$1 million other than individual. | Fine not more than \$500,000 if individual, \$2 million if other than individual. |
| Hashish Oil | 1 Kg or more | | |

For more information you can access the U.S Drug Enforcement Administration at <http://www.justice.gov/dea/agency/penalties.htm>

TEXTBOOK PRICING INFORMATION

English Textbooks

COSMETOLOGY:

| | | <u>BSA Retail Price</u> |
|--|-----------------------|-------------------------|
| Milady's Standard Cosmetology Textbook, Edition 2008 | ISBN 13-9781435482067 | \$ 329.84 |
| Milady's Standard Cosmetology Workbook for Theory, Edition 2008 | ISBN 13-9781418049146 | \$ 134.84 |
| Milady's Standard Cosmetology Workbook for Practical, Edition 2008 | ISBN 13-9781418049423 | \$ 134.84 |
| | | \$ 599.52 |

BARBER:

| | | |
|--|-----------------------|------------------------|
| Milady's Standard Professional Barbering Textbook, Edition 2011 | ISBN 13-9781435497153 | \$ 596.84 |
| Milady's Standard Professional Barbering Workbook, Edition 2011 | ISBN 13-9781435497139 | |
| Milady's Standard Professional Barbering Review Book, Edition 2011 | ISBN 13-9781435497122 | (for all three) |

SKIN CARE (SPA THERAPY, FULL SPECIALIST WITH SALON MANAGEMENT, COMPREHENSIVE FACIAL AND MAKEUP, and MAKEUP ARTIST AND SKIN CARE PROGRAMS)

| | | |
|---|-----------------------|------------------|
| Milady's Standard Esthetics Fundamentals Textbook, Edition 2009 | ISBN 13-9781428318922 | \$ 377.84 |
|---|-----------------------|------------------|

MASSAGE (SPA THERAPY and MASSAGE THERAPY PROGRAMS)

| | | |
|--|-----------------------|-----------------------|
| Milady's Theory & Practice of Therapeutic Massage Textbook, Edition 2010 | ISBN 13-9781435485242 | \$ 383.84 |
| Milady's Theory & Practice of Therapeutic Massage Workbook, Edition 2010 | ISBN 13-9781435485259 | (for text & workbook) |
| Illustrated Essentials of Musculoskeletal Anatomy Book, Edition 2010 | ISBN 13-9780935157079 | \$ 36.00 |
| | | \$ 419.84 |

ELECTROLYSIS

| | | |
|--|------------------|------------------|
| Electrolysis, Thermolysis and the Blend: The Principles and Practice of Permanent Hair Removal Book | ISBN (NONE) | \$ 61.20 |
| Electrolysis Exam Review: An Excellent Guide for Students of Practitioners Preparing for Regulatory or National Certification Book | ISBN (NONE) | \$ 75.50 |
| The Blend Method Book | ISBN 0-9642682-0 | \$ 75.60 |
| | | \$ 212.30 |

NAILS (FULL SPECIALIST WITH SALON MANAGEMENT and NAIL TECHNICIAN)

| | | |
|--|-----------------------|------------------|
| Milady's Standard Nail Technology Textbook, Edition 2011 | ISBN 13-9781435497689 | \$ 308.84 |
|--|-----------------------|------------------|

Spanish Textbooks

COSMETOLOGY:

| | | <u>BSA Retail Price</u> |
|--|-----------------------|-------------------------|
| Milady's Standard Cosmetology Textbook, Edition 2008 | ISBN 13-9781435482081 | \$ 404.84 |
| Milady's Standard Cosmetology Workbook for Theory, Edition 2008 | ISBN 13-9781418049539 | \$ 164.84 |
| Milady's Standard Cosmetology Workbook for Practical, Edition 2008 | ISBN 13-9781418049522 | \$ 164.84 |
| | | \$ 734.52 |

BARBER:

| | | |
|--|-----------------------|------------------------|
| Milady's Standard Professional Barbering Textbook, Edition 2011 | ISBN 13-9781435497085 | \$ 683.84 |
| Milady's Standard Professional Barbering Workbook, Edition 2011 | ISBN 13-9781435497078 | (for all three) |
| Milady's Standard Professional Barbering Review Book, Edition 2011 | ISBN 13-9781435497061 | |

SKIN CARE (SPA THERAPY, FULL SPECIALIST WITH SALON MANAGEMENT, COMPREHENSIVE FACIAL AND MAKEUP, and MAKEUP ARTIST AND SKIN CARE PROGRAMS)

| | | |
|---|-----------------------|------------------|
| Milady's Standard Esthetics Fundamentals Textbook, Edition 2009 | ISBN 13-9781428319028 | \$ 407.84 |
|---|-----------------------|------------------|

MASSAGE (SPA THERAPY and MASSAGE THERAPY PROGRAMS)

| | | |
|--|-----------------------|-----------------|
| Milady's Theory & Practice of Therapeutic Massage Textbook, Edition 2010 | ISBN 13-9781111131456 | \$ 443.68 |
| Milady's Theory & Practice of Therapeutic Massage Workbook, Edition 2010 | ISBN 13-9781111131404 | |
| Illustrated Essentials of Musculoskeletal Anatomy Book, Edition 2010 | ISBN 13-9780935157093 | \$ 36.00 |
| | | \$479.68 |

ELECTROLYSIS

Not available in Spanish

NAILS (FULL SPECIALIST WITH SALON MANAGEMENT and NAIL TECHNICIAN)

| | | |
|--|-----------------------|------------------|
| Milady's Standard Nail Technology Textbook, Edition 2011 | ISBN 13-9781435497559 | \$ 383.84 |
|--|-----------------------|------------------|

TERMS AND CONDITIONS OF DIRECT LOANS

Governing Law

The terms of this Application and the Master Promissory Note (MPN) will be interpreted in accordance with the Higher Education Act of 1965, as amended (20. U.S.C. 1070 *et seq.*), the U.S. Department of Education's (ED's) regulations, as they may be amended in accordance with their effective date, and other applicable federal laws and regulations (collectively referred to as the "Act"). Applicable state law, except as preempted by federal law, may provide for certain borrower rights, remedies, and defenses in addition to those stated in this MPN.

Disclosure of Loan Terms

This MPN applies to Federal Direct Stafford/Ford (Direct Subsidized) Loans and Federal Direct Unsubsidized Stafford/Ford (Direct Unsubsidized) Loans. Under this MPN, the principal amount that I owe, and am required to repay, will be the sum of all disbursements that are made (unless I reduce or cancel any disbursements as explained below under Loan Cancellation), plus any unpaid interest that is capitalized and added to the principal amount.

At or before the time of the first disbursement of each loan, a disclosure statement will be sent to me identifying the amount of the loan and additional terms of the loan. Important additional information is also contained in the Borrower's Rights and Responsibilities Statement accompanying this MPN. The Borrower's Rights and Responsibilities Statement and any disclosure statement I receive in connection with any loan under this MPN are hereby incorporated into this MPN.

Loans disbursed under this MPN are subject to the annual and aggregate loan limits specified under the Act. I may request additional loan funds to pay for my educational costs up to the annual and aggregate loan limits by contacting my school's financial aid office. My school will determine if I am eligible for any additional loan funds. I will be notified of any increase or other change in the amount of my loan.

My eligibility for Direct Subsidized Loans and Direct Unsubsidized Loans may increase or decrease based on changes in my financial circumstances. My school will notify me of any changes in my eligibility. I will be notified of any increase or decrease in the amount of my loan. I understand that each loan made under this MPN is separately enforceable based on a true and exact copy of this MPN.

Loan Cancellation

I may pay back all or part of a disbursement within the timeframes set by the Act, as explained in the Borrower's Rights and Responsibilities Statement and in a disclosure statement that I will receive. If I return the full loan amount within those timeframes, I will not incur any loan fee or interest charges. If I return part of a disbursement within those timeframes, the loan fee and interest charges will be reduced in proportion to the amount returned.

Interest

Unless the Department of Education (ED) notifies me in writing of a lower rate, the interest rate for any loan I receive under this MPN is determined using a formula specified in the Act. As explained in the Borrower's Rights and Responsibilities Statement, I will be notified of the actual interest rate for each loan that I receive. ED does not charge interest on a Direct Subsidized Loan during an in school grace, or deferment period, and during certain periods of repayment under the Income-Based Repayment Plan. ED charges interest on a Direct Subsidized Loan during all other periods (including forbearance periods), starting on the day after my grace period ends. ED charges interest on a Direct Unsubsidized Loan during all periods (including in-school, grace, deferment, and forbearance periods), starting on the date of the first disbursement. I agree to pay all interest that is charged to me. I will be given the opportunity to pay the interest that accrues during grace, in school, deferment, forbearance, or other periods as provided under the Act. If I do not pay the interest, I understand that ED may capitalize the interest at the end of the grace, deferment, forbearance, or other period.

Loan Fee

A loan fee is charged for each Direct Subsidized Loan and Direct Unsubsidized Loan as provided by the Act, and will be deducted proportionately from each disbursement of each of my loans. The loan fee will be shown on disclosure statements that will be issued to me. I understand the loan fee may be refundable only as permitted by the Act.

Late Charges and Collection Costs

ED may collect from me: (1) a late charge of not more than six cents for each dollar of each late payment if I fail to make any part of a required installment payment within 30 days after it becomes due, and (2) any other charges and fees that are permitted by the Act related to the collection of my loans. If I default on my loans, I will pay reasonable collection costs, plus court costs and attorney fees.

Grace Period

I will receive a six-month grace period on repayment of each loan made under this MPN. The grace period begins the day after I cease to be enrolled at least half-time at an eligible school. I am not required to make any payments on my loan during the grace period. However, interest will accrue on my Direct Unsubsidized Loan during the grace period and will be capitalized if I do not repay it.

Repayment

I must repay the full amount of the loans made under this MPN, plus accrued interest. I will repay each loan in monthly installments during a repayment period that begins on the day immediately following my 6-month grace period on that loan. Payments made by me or on my behalf will be applied first to late charges and collection costs that are due, then to interest that has not been paid, and finally to the principal amount of the loan, except during periods of repayment under an Income-Based Repayment Plan, when payments will be applied first to interest that is due, then to fees that are due, and then to the principal amount. ED will provide me with a choice of repayment plans. Information on these repayment plans is included in the Borrower's Rights and Responsibilities Statement. ED will provide me with a repayment schedule that identifies my payment amounts and due dates. If I am unable to make my scheduled loan payments, ED may allow me to temporarily stop making payments, reduce my payment amount, or extend the time for making payments, as long as I intend to repay my loan. Allowing me to temporarily delay or reduce loan payments is called forbearance. ED may adjust payment dates on my loans or may grant me forbearance to eliminate a delinquency that remains even though I am making scheduled installment payments. I may prepay all or any part of the unpaid balance on my loans at any time without penalty. If I do not specify which loans I am prepaying, ED will determine how to apply the prepayment in accordance with the Act. After I have repaid in full a loan made under this MPN, ED will send me a notice telling me that I have paid off my loan.

Acceleration and Default

At ED's option, the entire unpaid balance of a loan made under this MPN will become immediately due and payable (this is called "acceleration") if any one of the following events occurs:

- 1) I do not enroll as at least a half-time student at the school that certified my loan eligibility
- 2) I do not use the proceeds of the loan solely for my educational expenses
- 3) I make a false representation that results in my receiving a loan for which I am not eligible
- 4) I default on the loan.

The following events will constitute a default on my loan:

- 1) I do not pay the entire unpaid balance of the loan after ED has exercised its option under items 1, 2, and 3 in the preceding paragraph
- 2) I do not make installment payments when due, provided my failure has persisted for at least 270 days
- 3) I do not comply with other terms of the loan, and ED reasonably concludes that I no longer intend to honor my repayment obligation. If I default, ED may capitalize all the outstanding interest into a new principal balance, and collection costs will become immediately due and payable. If I default, the default will be reported to national consumer reporting agencies and will significantly and adversely affect my credit history. I understand that a default will have additional adverse consequences to me as disclosed in the Borrower's Rights and Responsibilities Statement.

Legal Notices

Any notice required to be given to me will be effective if mailed by first class mail to the most recent address ED has for me. I will immediately notify ED of a change of address or status as specified in the Borrower's Rights and Responsibilities Statement. If ED fails to enforce or insist on compliance with any term of this MPN, this does not waive any right of ED. No provision of this MPN may be modified or waived except in writing by ED. If any provision of this MPN is determined to be unenforceable, the remaining provisions will remain in force. Information about my loans will be submitted to the National Student Loan Data System (NSLDS). Information in NSLDS is accessible to schools, lenders, and guarantors for specific purposes as authorized by ED.

LOAN REPAYMENT OPTIONS

The repayment period for each Direct Subsidized Loan and Direct Unsubsidized Loan that you receive begins on the day after your grace period ends. The Direct Loan Servicing Center will notify you of the date your first payment is due. You must make payments on your loan even if you do not receive a bill or repayment notice. Billing information is sent to you as a convenience, and you are obligated to make payments even if you do not receive a notice or bill. You may choose one of the following repayment plans to repay your loan:

Standard Repayment Plan – Under this plan, you will make fixed monthly payments and repay your loan in full within 10 years (not including periods of deferment or forbearance) from the date the loan entered repayment. Your payments must be at least \$50 a month and will be more, if necessary, to repay the loan within the required time period.

Graduated Repayment Plan – Under this plan, you will usually make lower payments at first, and your payments will gradually increase over time. You will repay your loan in full within 10 years (not including periods of deferment or forbearance) from the date the loan entered repayment. No single payment will be more than three times greater than any other payment.

Extended Repayment Plan – Under this plan, you will repay your loan in full over a period not to exceed 25 years (not including periods of deferment or forbearance) from the date the loan entered repayment. You may choose to make fixed monthly payments or graduated monthly payments that start out lower and gradually increase over time. If you make fixed monthly payments, your payments must be at least \$50 a month and will be more, if necessary, to repay the loan within the required time period. You are eligible for this repayment plan only if (1) you have an outstanding balance on Direct Loan Program loans that exceeds \$30,000, and (2) you had no outstanding balance on a Direct Loan Program loan as of October 7, 1998 or on the date you obtained a Direct Loan Program loan after October 7, 1998.

Income Contingent Repayment Plan – Under this plan, your monthly payment amount will be based on your annual income (and that of your spouse if you are married), your family size, and the total amount of your Direct Loans. Until we obtain the information needed to calculate your monthly payment amount, your payment will equal the amount of interest that has accrued on your loan unless you request forbearance. As your income changes, your payments may change. If you do not repay your loan after 25 years under this plan, the unpaid portion will be forgiven. You may have to pay income tax on any amount forgiven.

Income-Based Repayment Plan (effective July 1, 2009) – Under this plan, your required monthly payment amount will be based on your income during any period when you have a partial financial hardship. Your monthly payment amount may be adjusted annually. The maximum repayment period under this plan may exceed 10 years. If you meet certain requirements over a 25-year period, you may qualify for cancellation of any outstanding balance on your loans.

If you can show to our satisfaction that the terms and conditions of the above repayment plans are not adequate to meet your exceptional circumstances, we may provide you with an alternative repayment plan. If you do not choose a repayment plan, we will place you on the Standard Repayment Plan. The chart at the end of this Borrower's Rights and Responsibilities Statement ("Repaying Your Loans") allows you to estimate the monthly and total amounts you would repay under the Standard, Graduated, Extended, and Income Contingent repayment plans based on various initial loan amounts. You may change repayment plans at any time after you have begun repaying your loan. There is no penalty if you make loan payments before they are due, or pay more than the amount due each month. Except as provided by the Act for payments made under the Income-Based Repayment Plan, we apply your payments and prepayments in the following order: (1) late charges and collection costs first, (2) outstanding interest second, and (3) outstanding principal last. When you have repaid a loan in full, the Direct Loan Servicing Center will send you a notice telling you that you have paid off your loan. You should keep this notice in a safe place.

Sample Loan Repayment Chart

| Loan Payment Chart | | | | |
|---------------------------|-----------|------------------|----------------|----------------------|
| Amount Borrowed | Loan Term | Interest Rate | | |
| | | 6% | | Total Payment |
| | | Monthly Payments | Total Interest | Interest + Principle |
| \$2,000 | 10 yrs. | \$22.20 | \$664 | \$2,664.00 |
| \$3,500 | 10 yrs. | \$38.86 | \$1,163 | \$4,663.00 |
| \$4,000 | 10 yrs. | \$44.41 | \$1,329 | \$5,329.00 |
| \$4,500 | 10 yrs. | \$49.96 | \$1,495 | \$5,995.00 |
| \$5,500 | 10 yrs. | \$61.06 | \$1,827 | \$7,327.00 |
| \$6,000 | 10 yrs. | \$66.61 | \$1,993 | \$7,993.00 |
| \$8,000 | 10 yrs. | \$88.82 | \$2,658 | \$10,658.00 |
| \$10,000 | 10 yrs. | \$111.02 | \$3,322 | \$13,322.00 |
| \$12,000 | 10 yrs. | \$133.22 | \$3,987 | \$15,987.00 |
| \$14,000 | 10 yrs. | \$155.43 | \$4,651 | \$18,651.00 |
| \$16,000 | 10 yrs. | \$177.63 | \$5,316 | \$21,316.00 |
| \$18,000 | 10 yrs. | \$199.84 | \$5,980 | \$23,980.00 |
| \$20,000 | 10 yrs. | \$222.04 | \$6,645 | \$26,645.00 |
| \$20,500 | 10 yrs. | \$227.59 | \$6,811 | \$27,311.00 |
| \$22,000 | 10 yrs. | \$244.25 | \$7,309 | \$29,309.00 |
| \$24,000 | 10 yrs. | \$266.45 | \$7,974 | \$31,974.00 |
| \$26,000 | 10 yrs. | \$288.65 | \$8,638 | \$34,638.00 |
| \$28,000 | 10 yrs. | \$310.86 | \$9,303 | \$37,303.00 |
| \$30,000 | 10 yrs. | \$333.06 | \$9,967 | \$39,967.00 |
| \$32,000 | 10 yrs. | \$355.27 | \$10,632 | \$42,632.00 |
| \$34,000 | 10 yrs. | \$377.47 | \$11,296 | \$45,296.00 |
| \$36,000 | 10 yrs. | \$399.67 | \$11,961 | \$47,961.00 |
| \$38,000 | 10 yrs. | \$421.88 | \$12,625 | \$50,625.00 |
| \$40,000 | 10 yrs. | \$444.08 | \$13,290 | \$53,290.00 |
| \$42,000 | 10 yrs. | \$466.29 | \$13,954 | \$55,954.00 |
| \$44,000 | 10 yrs. | \$488.49 | \$14,619 | \$58,619.00 |
| \$46,000 | 10 yrs. | \$510.69 | \$15,283 | \$61,283.00 |
| \$48,000 | 10 yrs. | \$532.90 | \$15,948 | \$63,948.00 |
| \$50,000 | 10 yrs. | \$555.10 | \$16,612 | \$66,612.00 |
| \$52,000 | 10 yrs. | \$577.31 | \$17,277 | \$69,277.00 |
| \$54,000 | 10 yrs. | \$599.51 | \$17,941 | \$71,941.00 |
| \$56,000 | 10 yrs. | \$621.71 | \$18,606 | \$74,606.00 |

| Loan Payment Chart | | | | |
|---------------------------|-----------|------------------|----------------|----------------------|
| Amount Borrowed | Loan Term | Interest Rate | | |
| | | 6.8% | | Total Payment |
| | | Monthly Payments | Total Interest | Interest + Principle |
| \$2,000 | 10 yrs. | \$23.02 | \$762 | \$2,762.00 |
| \$3,500 | 10 yrs. | \$40.28 | \$1,333 | \$4,833.00 |
| \$4,000 | 10 yrs. | \$46.03 | \$1,524 | \$5,524.00 |
| \$4,500 | 10 yrs. | \$51.79 | \$1,714 | \$6,214.00 |
| \$5,500 | 10 yrs. | \$63.29 | \$2,095 | \$7,595.00 |
| \$6,000 | 10 yrs. | \$69.05 | \$2,286 | \$8,286.00 |
| \$8,000 | 10 yrs. | \$92.06 | \$3,048 | \$11,048.00 |
| \$10,000 | 10 yrs. | \$115.08 | \$3,810 | \$13,810.00 |
| \$12,000 | 10 yrs. | \$138.10 | \$4,572 | \$16,572.00 |
| \$14,000 | 10 yrs. | \$161.11 | \$5,333 | \$19,333.00 |
| \$16,000 | 10 yrs. | \$184.13 | \$6,095 | \$22,095.00 |
| \$18,000 | 10 yrs. | \$207.14 | \$6,857 | \$24,857.00 |
| \$20,000 | 10 yrs. | \$230.16 | \$7,619 | \$27,619.00 |
| \$20,500 | 10 yrs. | \$235.91 | \$7,810 | \$28,310.00 |
| \$22,000 | 10 yrs. | \$253.18 | \$8,381 | \$30,381.00 |
| \$24,000 | 10 yrs. | \$276.19 | \$9,143 | \$33,143.00 |
| \$26,000 | 10 yrs. | \$299.21 | \$9,905 | \$35,905.00 |
| \$28,000 | 10 yrs. | \$322.22 | \$10,667 | \$38,667.00 |
| \$30,000 | 10 yrs. | \$345.24 | \$11,429 | \$41,429.00 |
| \$32,000 | 10 yrs. | \$368.26 | \$12,191 | \$44,191.00 |
| \$34,000 | 10 yrs. | \$391.27 | \$12,953 | \$46,953.00 |
| \$36,000 | 10 yrs. | \$414.29 | \$13,715 | \$49,715.00 |
| \$38,000 | 10 yrs. | \$437.31 | \$14,477 | \$52,477.00 |
| \$40,000 | 10 yrs. | \$460.32 | \$15,239 | \$55,239.00 |
| \$42,000 | 10 yrs. | \$483.34 | \$16,000 | \$58,000.00 |
| \$44,000 | 10 yrs. | \$506.35 | \$16,762 | \$60,762.00 |
| \$46,000 | 10 yrs. | \$529.37 | \$17,524 | \$63,524.00 |
| \$48,000 | 10 yrs. | \$552.39 | \$18,286 | \$66,286.00 |
| \$50,000 | 10 yrs. | \$575.40 | \$19,048 | \$69,048.00 |
| \$52,000 | 10 yrs. | \$598.42 | \$19,810 | \$71,810.00 |
| \$54,000 | 10 yrs. | \$621.43 | \$20,572 | \$74,572.00 |
| \$56,000 | 10 yrs. | \$644.45 | \$21,334 | \$77,334.00 |

The loan repayment chart shown above is provided to help estimate your student loan payment. Figures have been rounded to the nearest dollar and represent minimum payments at 6.0% for Stafford Loans and 6.8% for Unsubsidized Loans over a 10 year period. This does include interest that may be accumulated during periods of deferment and forbearance.