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11  
12 **UNITED STATES DISTRICT COURT**  
13 **NORTHERN DISTRICT OF CALIFORNIA**  
14 **OAKLAND DIVISION**

15 FEDERAL TRADE COMMISSION,

16 Plaintiff,

17 vs.

18 AMERICAN FINANCIAL BENEFITS  
19 CENTER, a corporation, also d/b/a AFB and AF  
20 STUDENT SERVICES;

21 AMERITECH FINANCIAL, a corporation;

22 FINANCIAL EDUCATION BENEFITS  
23 CENTER, a corporation; and

24 BRANDON DEMOND FRERE, individually  
25 and as an officer of AMERICAN FINANCIAL  
26 BENEFITS CENTER, AMERITECH  
27 FINANCIAL, and FINANCIAL EDUCATION  
28 BENEFITS CENTER,

Defendants.

Case No. 4:18-cv-00806-SBA

**DECLARATION OF DANIEL  
HAMILTON IN SUPPORT OF  
FEDERAL TRADE COMMISSION'S  
MOTION FOR PRELIMINARY  
INJUNCTION**

**DECLARATION OF DANIEL HAMILTON**

1  
2  
3 1. My name is Daniel Hamilton and I reside in California. The following statements  
4 are within my personal knowledge and if called as a witness I could and would competently  
5 testify thereto.

6 2. Attached as **Composite Exhibit A** are copies of miscellaneous AmeriTech related  
7 documents I still have in my possession.

8 3. I started working for AmeriTech Financial around February of 2016. My  
9 employment ended nearly two years later when I was terminated around November 13, 2017. I  
10 was told that I deviated from the script by adding the word “any” to some portion of the script,  
11 however, my suspicion was that I was fired for asking too many questions about how the  
12 business operated.

13 4. Throughout my tenure at the company, I was employed as an enrollment  
14 specialist in the sales department. I reported to the El Dorado Hills office located at 1101  
15 Investment Blvd STE 290, El Dorado Hills, CA.

16 5. My training prior to starting lasted approximately 2 weeks and consisted of a  
17 series of tests and mock phone calls. I was also given a script that I was to practice. This script  
18 changed numerous times throughout the course of my employment.

19 6. I worked in an office where we received inbound phone calls from people that  
20 received our mailer. The mailer told consumers that AmeriTech Financial could reduce their  
21 monthly student loan payments and to call our phone number for more information.

22 7. Once prospective clients called, my job was to encourage them to enroll in our  
23 program and help them fill out our application over the phone. I would tell them that our  
24 program was designed to eliminate or reduce their monthly student loan payments and that I  
25 could qualify them over the phone.

26 8. The criteria I used to qualify clients were occupation, income, family size, and  
27 student loan balance. These factors determined if a potential client would qualify, with the most  
28 important factor being family size.

1           9.       In the event that a potential client did not qualify, management would encourage  
2       us to revisit the family size figure and get them to qualify. I recall being counseled by  
3       management when not giving examples of what constituted a family member. I recall a floor  
4       manager telling us that someone you gave gifts to meets the program's definition of a family  
5       member.

6           10.       Each week, I had to enroll a minimum of five clients. After six clients, I began to  
7       earn a bonus. Some of my colleagues in the sales department enrolled up to 15-17 clients a week.  
8       They accomplished this by aggressively inflating family size figures.

9           11.       Page A-6 to my declaration is a copy of the family size to income matrix that we  
10       used to qualify clients. For example, if someone earned between \$80,001.00 and \$86,000.00 a  
11       year, they would need to claim a family size of thirteen to qualify for our program.

12          12.       The program fees were comprised of a document preparation fee and  
13       membership fee. The document preparation fee ranged from \$800-\$1,200 and was used to  
14       restructure a client's loan by filing forbearance or deferment paperwork.

15          13.       Once a client signed our contract, we would also sell them a packet of other  
16       benefits. I am unsure of what these benefits were or whether clients actually used them. There  
17       were different packages labeled "A" through "R." The "A" package was the most expensive and  
18       was sold to individuals that could afford more while the "R" package was sold to those that  
19       could not afford as much.

20          14.       To my recollection, these packages ranged from \$69-\$240 a month. The  
21       membership would renew each year and the monthly fees were designed to be collected each  
22       month until a client's loan was paid off or forgiven. This could in many instances take between  
23       10-25 years.

24          15.       My understanding was that at least some of the fees clients paid us were going  
25       towards paying down their loan balances and that we would pass along client's payments to their  
26       loan servicer. Due to how compartmentalized the business was, I was unsure of what the fees  
27       were for or whether customers knew exactly what they were getting.

1           16. I recall management being dismissive when I asked them about how this process  
2 worked and how we were helping our clients. My general impression upon leaving this company  
3 was that they were running a scam.  
4

5           17. I declare under penalty of perjury that the foregoing is true and correct. Executed  
6 on 02 / 28 /, 2018, in California.  
7

8 

9 Daniel Hamilton  
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# **Hamilton Composite Exhibit A**

Notice to Employee to Change in Relationship

Don Hamilton  
Employee Name

Account Specialist  
Last Held Position

11/13/17  
Date

Your employment status with Ameritech Financial has changed for the following reason:

- Resigned / voluntary quit effective: \_\_\_\_\_ Date \_\_\_\_\_
- Layoff/reduction in force effective: \_\_\_\_\_ Date \_\_\_\_\_
- Discharge/termination effective: \_\_\_\_\_ Date 11/13/17
- Refusal to accept available work effective: \_\_\_\_\_ Date \_\_\_\_\_
- Leave of absence effective: \_\_\_\_\_ Date \_\_\_\_\_
- Expected date of return to work: \_\_\_\_\_ Date \_\_\_\_\_

Comments:

[Signature]  
Representative Signature

Daniel [unclear]  
Print Name

11/13/17  
Date

[Signature]  
Title

Employee Acknowledgment

I received a copy of this notice on

11/13/17  
Date

[Signature]  
Employee's Signature

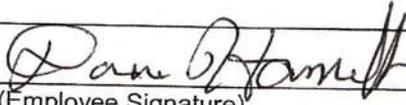
1. Confidential Information. Except as set forth below, I acknowledge that at the commencement of my employment with the Company I know nothing about the Confidential Information of the Company or its Clients, except information that has been disclosed to me by the Company:

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2. Conflicting Relationships. Except as set forth below, I acknowledge that I have no other current or prior agreements, relationships, or commitments that conflict with my relationship with the Company under this Agreement (if none, so state):

---

Dated: \_\_\_\_\_

  
(Employee Signature)

DAN HAMILTON  
(Typed or Printed Name of Employee)

**Appendix B**

**Termination Certification**

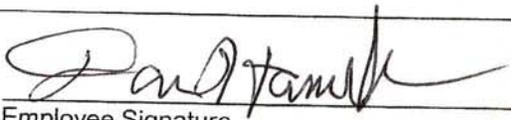
This is to certify that I do not have in my possession, nor have I failed to return, any Confidential Information or copies of such information, or other documents or materials, equipment, or other property belonging to the Company. I further certify that I have complied with and will continue to comply with all the terms of the Confidentiality, Non-Disclosure And Non-Compete Agreement which I signed as a condition of employment.

I further agree that, in compliance with the Confidentiality, Non-Disclosure And Non-Compete Agreement, I will preserve as confidential and not use any Confidential Information or other information that has or could have commercial value or other utility in the business in which the Company is engaged. I will not participate in the unauthorized disclosure of information that could be detrimental to the interests of the Company, whether or not such information is identified as Confidential Information by the Company.

On termination of my employment, I will be employed by \_\_\_\_\_  
(name of new employer)

(if not applicable, so state) \_\_\_\_\_

Dated: \_\_\_\_\_

  
Employee Signature

DAN HAMILTON  
Employee Name Typed or Printed

# Disciplinary Action Notice

Verbal       Written       Final Written       Termination

Employee Name: Dan Hamilton

Date: November 13, 2017

Department: Sales

Job Title: Account Specialist

### Description of Events

*Attach additional pages if necessary*

On August 18, 2017, you received a Verbal Warning for not meeting the acceptable standards for Call Compliance. On September 5, 2017, you received a Written Warning for not meeting the acceptable standards for Call Compliance. On September 18, 2017, you received a Final Written Warning for not meeting the acceptable standards for Call Compliance.

A recent audit of Salesforce record <https://na72.salesforce.com/0011H00001NpZEp> has shown a Compliance score of 80%.

A recent audit of Salesforce record <https://na72.salesforce.com/0031H00001nStay> has shown a Compliance score of 80%. At 7:27, you say FS includes "any gifts, any loans" etc. At 1:30:00 you tell the client that there is no negative effect on their credit.

### Description of Policy Violation

*Attach additional pages if necessary*

The Account Specialist role is required to maintain full compliance per the established Call Compliance matrix.

BAD #16 – Family Size definition not read to consumer word for word.

BAD #7 - Providing false / untrue legal, tax or credit advice.

### Corrective Action

*Attach additional pages if necessary*

Discharge.

***Continued violations of Company policy may result in further disciplinary action, up to and including termination of employment.***

### Employee Comments

*Attach additional pages if necessary*

\_\_\_\_\_  
\_\_\_\_\_

Employee signature: Dan O'Hameh Date: 11/13/17

Manager signature: \_\_\_\_\_ Date: \_\_\_\_\_

Witness signature: \_\_\_\_\_ Date: \_\_\_\_\_

**original to Human Resources; copy to employee**

Disciplinary Action Form  
Created 11/16  
Reviewed 11/16  
Revised 11/16

**Performance Improvement Plan**

**Employee Name:** Dan Hamilton

**Supervisor:** Taylor Parrott

**Date:** July 24, 2017

**Subject:**

Performance Improvement Plan

During the past 2 weeks, it has become evident to me that you have not been performing your assigned work in accordance with what is expected of an Account Specialist.

You are being placed on a written improvement plan. For the next 14 days, **July 24, 2017 – August 6, 2017** your work will be closely monitored by your leadership team. You must demonstrate immediate improvement in the following areas:

**Closing % equal to or greater than 16%**

We will review your progress on each of the above items requiring improvement regularly. We trust that in so doing, we can guide you in becoming a contributing employee of AmeriTech Financial.

Improvement must occur immediately and must be maintained. If any portion of this improvement plan is violated at any time during the specified timeframe, disciplinary action to include separation from the company may occur. A decrease in performance after successfully completing the improvement plan may result in being dismissed from AmeriTech Financial without the issuance of another warning or improvement plan.

As always, the Open Door Policy is available for you to discuss any concerns.

Your signature acknowledges this discussion. It does not indicate agreement or disagreement with this plan.



Employee Signature

7-25-17

Date

Performance Improvement Plan Template  
Created 11/16  
Reviewed 11/16  
Revised 11/16

Agent Name: \_\_\_\_\_

Date: \_\_\_\_\_

Client Name: \_\_\_\_\_

	Read the introduction to the script- Inform the client that we are a document preparation company. We are NOT the government but this program is through the department of education.
	Explain the recertification process. Meaning we re-certify and maintain the file every year for the full 10, 20 or 25 years.
	Read the FULL federal definition of family size.
	Have client write down the T-box and disclose the fees involved.
	If the client is PSLF- disclose that they must work a minimum of 30 hours per week for the full 10 years to qualify.
	Inform to the client hat we collect the first months IBR/ICR payment but they are responsible for paying the servicer starting on month two. They will receive correspondence from the servicer stating the dollar amount.
	Follow the proper steps for AGI. 1- studentloans.gov 2- picture of tax return or paystub 3- stated income
	Read the script while reviewing the agreement with the client.
	Explain to the client that we have a dedicated escrow account with "global client solutions". No money is collected out of the account until the services are performed.
	Fully explain what the FEBCP is.

FARM  
SIZE

1	\$0.00	\$19,000.00
2	\$1,901.00	\$25,000.00
3	\$25,001.00	\$31,000.00
4	\$31,001.00	\$37,000.00
5	\$37,001.00	\$43,000.00
6	\$43,001.00	\$49,000.00
7	\$49,001.00	\$55,000.00
8	\$55,001.00	\$61,000.00
9	\$61,001.00	\$67,000.00
10	\$67,001.00	\$73,000.00
11	\$73,001.00	\$80,000.00
12	\$80,001.00	\$86,000.00
13	\$86,001.00	\$92,000.00
14	\$92,001.00	\$98,000.00

INCOME

States We Do Not Do Business In

- NH New Hampshire
- CT Connecticut
- CO Colorado
- ME Maine
- GA Georgia
- SC South Carolina
- NC North Carolina
- WI Wisconsin
- KS Kansas
- WV West Virginia
- ID Idaho
- WA Washington
- IL Illinois
- OR Oregon
- VT Vermont

States We Do Referral Business in ONLY

- IA Iowa
- DE Delaware
- MN Minnesota
- ND North Dakota
- RI Rhode Island
- MS Missouri
- NJ New Jersey
- OH Ohio

PAYCHEX  
Dhamilton - [REDACTED]

# Compliance Enrollment Call Audit

Agent name: Dan Hamilton  
 Manager:  
 Date/Time of Audit: 10/24/17 8:10am  
 Consumer name: XXXXXXXXXX  
 Compliance officer: Wren Nicholson

Date of Call:	10/23/2017
Time of Call:	10:39am
Call 2	
Call 3	
Call 4	

Timestamp	Process	Compliance (Score out of 5)	
:40	1. Introduction Script	5	Reads script
7:27	2. Family Size	0	Not on script
18:09	3. T-Box	5	Reads script
28:05/1:25:23	4. PSLF	5	Reads script
1:24:51	5. Renewal	5	Reads script
2:20:22	6. Servicer Business Practices	5	Reads script
1:16:35/2:21:07	7. Terms & Conditions	5	Reads script
1:24:13	8. Customer Service	5	Reads script
4:58/1:09:31	9. AGI (if Stated)	5	Read off paystub
1:29:45/1:59:18/ 2:09:22	10. Payment Breakdown	0	Does not break down enrollment
		<b>Total of Points</b>	<b>50</b>
		<b>Out of:</b>	<b>40</b>
		<b>Percentage Score:</b>	<b>80%</b>
7:27	<b>Bad 16</b>	Says FS includes 'any gifts, any loans' etc	

Agent Signature:

10/25/2017

## Compliance Enrollment Call Audit

Rev. 9/11/17

**Agent name:** Dan Hamilton  
**Manager:** Dan Henry  
**Date/Time of Audit:** 10/25/2017 @ 17:35  
**Consumer name:** XXXXXXXXXX  
**Compliance officer:** Matt Stone  
**Call Recording Location:** [Call Uploaded to Google Drive](#)

Date of Call:	10/25/2017
Time of Call:	9:22
Call 2	
Call 3	
Call 4	

Timestamp	Process	Compliance (Score out of 5)	
1:00	1. Introduction Script	5	
7:45	2. Family Size	5	
21:55	3. T-Box	5	
1:35:15	4. PSLF	5	
1:34:05	5. Renewal	5	
1:36:20	6. Servicer Business Practices	5	
	7. Terms & Conditions	0	Rep did not read the Terms & Conditions.
1:33:25	8. Customer Service	5	
5:40, 1:32:40	9. AGI (If Stated)	5	
1:42:40	10. Payment Breakdown	0	Rep did not disclose the one time enrollment fee.
		<b>Total of Points</b>	
<b>Timestamp</b>	<b>Process #</b>	<b>Notes</b>	<b>Out of:</b> 50
		<b>Percentage Score:</b>	80%

Agent Signature:

Rep Name: **Dan Hamilton**  
Manager: **Timothy Arquilla**  
Branch: **EDH**

Hours Worked: 39.7  
Hours Scheduled: 40  
Hours/Work Qualifier %: 99%

Tardys: 0  
Tardy Bonus %: 100%

Litmos Completed: Yes

Compliance Audit (# <100%): 0  
Compliance Bonus %: 100%

Utilization Time (Ready Call & VM, On Call): 31.23  
Utilization %: 79%

Rolled Calls: 1  
Rolled Call %: 4.2%

% COO / Inbound Calls: 75%  
Ready VM Time: 0.00  
%Ready VM: 0.0%

# Calls: 22  
# Contracts: 3  
**\*\*Closing %**: 13.6%  
Closing % Bonus: 90%

Total Unit Values: 3.5  
Utilization Override: No

# Cancels: 1  
Cancel %: 33.3%  
Cancel Bonus %: 0%

**All Bonus Qualifications Met?: No**

Base Bonus: \$0.00  
Bonus Factor (Closing % x Cancel % x Tardy % x Compliance %): %  
Referral Bonus: \$0.00  
**Net Bonus: \$0.00**

**\*\*2<sup>nd</sup> Voice Tier Candidate: No**

2<sup>nd</sup> Voice Prior - Results: 31.818181818

Notes:

Account Specialist signature: *Dan Hamilton*

Date: 10-4-17

Sales Manager signature:

Date:

Rep Name: **Dan Hamilton**  
Manager: **Timothy Arquilla**  
Branch: **EDH**

Hours Worked: 40.0  
Hours Scheduled: 40  
Hours/Work Qualifier %: 100%

Tardys: 0  
Tardy Bonus %: 100%

Litmos Completed: Yes

Compliance Audit (# <100%): 1  
Compliance Bonus %: 90%

Utilization Time (Ready Call & VM, On Call): 32.46  
Utilization %: 81%

Rolled Calls: 0  
Rolled Call %: 0.0%

% COO / Inbound Calls: 74%  
Ready VM Time: 0.00  
%Ready VM: 0.0%

# Calls: 21  
# Contracts: 3  
\*\*Closing %: 14.3%  
Closing % Bonus: 90%

Total Unit Values: 3.25  
Utilization Override: No

# Cancels: 0  
Cancel %: 0.0%  
Cancel Bonus %: 100%

**All Bonus Qualifications Met?: No**

Base Bonus: \$0.00  
Bonus Factor (Closing % x Cancel % x Tardy % x Compliance %): %  
Referral Bonus: \$0.00  
**Net Bonus: \$0.00**

**\*\*2<sup>nd</sup> Voice Tier Candidate: Yes**

2<sup>nd</sup> Voice Prior - Results:

Notes:

Account Specialist signature: *Dan Hamilton*

Date: *10-16-17*

Sales Manager signature:

Date:

A. **Attendance Qualifier:** The AS must work a minimum of 80% of the time scheduled per pay period to qualify for a bonus. You're "normally" scheduled for 80 hours every 2 weeks, 80% is 64 hours. The 10% you can miss is equal to 2 days. Out of 10 days, you can miss 2 days.

B. **Timekeeping Policies Qualifier:**

- 1 Tardy 10% deduction
- 2 Tardies 35% deduction
- 3 Tardies 50% deduction
- 4+ Tardies NO BONUS

You have a 6 minute window to clock in/out. IE; if you're scheduled at 8am and you clock in at 8:06am, you're on time, at 8:07am you're tardy. Same qualifications go for breaks. Set alarms on your cell phone to stay on schedule. Know how long it takes you to get to work and plan appropriately.

C. **Utilization Qualifier – 75%:**

**FIVE9 DISPOSITIONS:**

- Ready Call & VM - To be used the majority of the day
- On Call - To be used the majority of the day
- Ready VM - NEVER USE
- Ready Call - NEVER USE
- Not Available - NEVER USE
- Not Ready - NEVER USE
- Waiting for Resign - NEVER USE
- In Verification - SM will watch deal, AS goes GREEN
- Training - Used for meetings – keep to a minimum.
- Break - Used for 20 mins per day
- Lunch - Used for 1 hour per day

D. **Rolled Call Qualifier – 5%:**

**NEVER ROLL CALLS, PERIOD. THERE IS NO EXCUSE FOR THIS.**

E. **Compliance Qualifier – 80% moving toward 100%:**

- 80% - 100% - No deduction
- 70.00% - 79.99% - 10% deduction
- 60.00% - 69.99% - 50% deduction
- Less than 60.00% - NO BONUS

F. **Minimum Performance Qualifier:** 10 points for the 2 week pay period.

G. **Continuing Education Qualifier:** Do your Litmos tests when you get them.

H. **Closing Percentage (%) Multiplier:**

- 00.00% - 19.99% Closing Percentage = 90%
- 20.00% - 24.99% Closing Percentage = 100%
- 25.00% - 29.99% Closing Percentage = 110%
- 30.00% - 34.99% Closing Percentage = 115%
- 35.00% + Closing Percentage = 120%

I. **Cancellation Percentage Factor (%)**

- 0 – 20% cancels = 100% Bonus
- 20.01% – 25.00% cancels = 50% Bonus
- 25.01% + cancels = NO BONUS

Category	Score = 4 points	Score = 5 points
<b>Read Intro Script</b>	Read intro script exactly as provided. Did not answer client's questions with compliant/provided responses.	Read Intro script exactly as provided. Answered client's questions with compliant/provided responses.
<b>Read Family Size Definition, Followed FS Process</b>	Read Family Size as scripted. Gave a personal example, but not approved. Got the client's FS number. 'Helped' client increase FS number.	Read Family Size as scripted. Gave an approved personal example. Got the client's FS number. Did not coach client to increase family size.
<b>T-Box: Had client write down figures</b>	Has client write down T-Box and figures, but doesn't follow script for explanation.	Has client write down all T-box figures, and follows script for explanation. In full control of the T-Box portion of the conversation.
<b>Followed AGI Determination process</b>	Did not try and get AGI from FSA/IRS. Skipped to 'Statement of Income' steps instead.	Got AGI through FSA/IRS. If not, got client to provide tax returns (image attached to file). If not, got info from paystubs. If not, got stated information. Correctly selected Income Proof type in SF.
<b>(If PSLF) Disclosed must work 30+ hours, and job change could affect program</b>	X	Disclosed must work 30+ hours, and job change could affect program.
<b>Explained Annual Renewal Process</b>	Disclosed that client will need to recertify for their program each year. Did not get client's acknowledgement that they understand.	Disclosed that client will need to recertify for their program each year. Got client's acknowledgement that they understand.
<b>Complete Contract Review</b>	Followed provided script and explained each page of the contract. Did not correctly/compliantly, responded to client questions.	Followed provided script and explained each page of the contract. Correctly, and compliantly, responded to any client questions.
<b>Disclosed that in program, client needs to make payments directly to Servicer</b>	Ensures that client understands that they need to make payments directly to servicer. Did not get client's acknowledgement that they understand.	Ensures that client understands that they need to make payments directly to servicer. Got client's acknowledgement that they understand.
<b>Referral Program</b>	Followed Referral Script. Sent Confirmation Email. Got T&C Box Checked.	Followed Referral Script. Sent Confirmation Email. Got T&C Box Checked. Client Logged in and Shared.
<b>Servicer Business Practices Rebuttal -Explanation</b>	Followed Servicer Business Practices Explanation - Supplemental Script. Did not get client's acknowledgement that they understand.	Followed Servicer Business Practices Explanation - Supplemental Script. Got client's acknowledgement that they understand.

1. Student Loan Consolidations

- have no restrictions on eligibility
- allows borrowers to combine all of their federal student loans into one new loan with one lender
- need state approval
- can only accept 3 existing loans

2. With the "Standard Repayment Plan"

- The borrower needs a full time job
- A Visa or Mastercard
- the payment is calculated based on the size of the loan and the term of the loan
- A Spouse

3. With the "Standard Repayment Plan" the borrower

- must be still in school
- cannot owe money to more than 2 lending institutions
- is required to not ever change marital information before repayment
- will pay less interest than they will under the graduated payment plan

4. Student Loan Repayment Options include

- Standard Repayment
- Graduated Repaymen
- Income Contingent Repayment
- Income Based Repayment
- All of the above

5. With a "Graduated Repayment Plan"

- payments start lower and then increase later in repayment
- interest is doubled
- results in repossession of books
- causes bad debt, placed for collection

6. Eligibility is determined by the Department of Education.

- True
- False

7. "Income Sensitive Repayment" Plans must at least cover the interest that accrues each month.

- True
- False

8. With a "Pay As You Earn" Plan

- you will make sure the client reports only estimated income information
- you will calculate your client's reduced monthly payments by using their gross income and family size
- forgiveness is granted after 30 years of qualifying payments
- The lender must report information to the state government

9. With an "Income Based Repayment" Plan

- Payment is based on your client's adjusted gross income
- Payment may be less than the interest that accrues each month
- Payments are recalculated annually
- All of the Above

10. With an "Income Contingent Repayment" Plan

- It requires your client to provide documentation annually
- Rules are there to protect the previous lenders
- Guidelines are established for Collection Agencies
- Guidelines set out the rules for applying for credit by a borrower

11. The "Income Sensitive Repayment Plan".

- The payment must at least cover the interest that accrues each month
- Only applies to married borrowers
- Only applies to single borrowers
- Interest is not considered

12. A benefit of Student Loan Consolidation is.

- Loans will have a fixed interest rate
- New payment will be lower
- Client will have one convenient payment per month to one lender
- All of the above

13. Eligible "FFEL" Loans included in the "Income Sensitive Repayment" Plan include.

- Stafford Subsidized
- Stafford Un-subsidized
- Student PLUS
- Parent PLUS
- All of the above

14. The "Income Contingent Repayment" Plan calculates the borrowers payment two different ways, and then gives them the lower of the two payments.

- True
- False

15. Some disadvantages of Student Loan Consolidation are.

- Borrowers may be making payments for a longer time
- For older loans, they may lose some deferment option
- May increase the amount of interest they pay over the long term

16. Eligible loans under the "Standard Repayment Plan" include .

- All of the above
- Stafford Subsidized
- Stafford Unsubsidized
- Student PLUS
- All of the above

17. FFEL loans are Federal Family Education Loans

- True
- False

18. With the "Pay As You Earn" Plan.

- Your client must not have a partial financial hardship
- If they're married must not file a joint tax return
- Repayment period is up to 30 years
- None of the above

19. The Student Loan Consolidation Process includes.

- Determining your client's current financial situation
- Identifying which program maximizes your client's savings
- Submission to the Department of Education
- All of the above

20. The Consumer Financial Protection Bureau estimates that one-fourth of the American workforce may be eligible for Student Loan repayment or loan-forgiveness programs.

- True
- False

21. With "Pay As You Earn" Repayment Plans.

- Payments are usually 10% of their discretionary income
- It is only available for recent borrowers. If your client took out their first federal loan on or after October 1, 2007
- They make payments for 20 years, then any remaining balance is forgiven
- All of the above

22. "Income Sensitive Repayment Plans" are an alternative to "Income Contingent Repayment" Plans

- True
- False

23. With "Loan Rehabilitation".

- The payments must be "reasonable and affordable" based on total financial circumstances
- Payments must be voluntary
- A borrower cannot rehabilitate a loan that has been reduced to a judgment
- All of the above

24. A guaranty agency.

- Is a consumer collection agency
- Guarantees that a consolidation loan is approved
- Submits the application to the Department of Education
- Is a state agency or a private, nonprofit organization that administers FFEL Program loans

25. A lender may grant a "forbearance" if a borrower is willing but unable to make loan payments.

- True
- False

**Important: I certify that I am the person whose name is included on this examination**

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