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Introduction

The purpose of this manual is to assist you in understanding your student loan repayment obligations, providing necessary guidance as you transition into student loan repayment. This information details your rights and responsibilities towards your loans and is used in conjunction with the student loan exit counseling that all federal student loan borrowers are required to complete in order to obtain administrative clearance for graduation or receive non-senior administrative clearance should the student be considered withdrawn. The manual is an excellent resource for you to use to help you understand your options for repayment of your student loans, but realize that your options could change at some future point because of legislative initiatives that affect student loans. Your lenders and loan servicer(s), as well as the Financial Aid Office, remain good sources of information to provide updates on regulations that might affect your repayment options.

Student who have only borrowed private education loans (with the exception of Tufts Loans) are not required to complete the student loan exit counseling requirement. However, they are advised to review the pertinent areas of this manual and contact their private education loan lenders/loan servicers to update their contact information and for further information pertaining to loan repayment.

This manual reviews the following loan programs:

**Federal Family Education Loan Programs (FFELP) and Federal Direct Loan Program**
- Federal Stafford Loan & Federal Direct Loan
  - Subsidized
  - Unsubsidized
- Grad PLUS Loan & Federal Direct Grad PLUS Loan
- Federal Perkins Loan
- Federal Consolidation Loan

**University Loans**
- Tufts Loan

**Health Professions Loan Programs**
- Health Professions Student Loan (HPSL)
- Loans for Disadvantaged Students (LDS)

**Private Educational Loans**
STUDENT LOAN EXIT COUNSELING SESSION

Completion of the student loan exit counseling session is required of all students who have received federal or university (Tufts) student loans while enrolled at TUSDM as mandated by federal and university regulations. Exit counseling is accomplished during the student’s final semester prior to graduation or at the time the student withdraws from school or drops below half-time status. Students who plan a leave of absence from their academic program are also required to receive student loan exit counseling should their leave be treated (for financial aid-related purposes) as though they’ve withdrawn from the school. It is important to note that exit counseling takes place at the end of the academic program for which the student received federal or university student loans. Although a DMD candidate may intend to continue his or her education as a Tufts post-graduate student, he or she is still required to complete exit counseling for aid received during their DMD program. The student will be required to complete additional student loan exit counseling at the conclusion of their certificate or post-graduate degree program for student loans obtained for that academic program. Student loan exit counseling is a required component of senior and non-senior administrative clearance conducted by the Office of Enrollment Services – Registration Office. Students who fail to complete exit counseling procedures will have an administrative hold placed on all of their academic and financial aid records. This includes withholding academic services, certifying letters, and/or recommendations. Additionally, students could be blocked from participating in the clinic until such time the student completes their student loan exit counseling requirements.

Student loan exit counseling is intended to be a helpful tool for borrowers as it provides an opportunity for them to review the terms of their student loans received while enrolled at TUSDM. It is also meant to provide useful information on repayment options so borrowers can develop an effective repayment strategy. Conditions for deferment will also be discussed for those students who plan to continue their education with post-graduate work. Although students might not necessarily enjoy looking at the “bottom line” as to how much they owe, the vast majority feel better after they receive exit counseling having gained a better understanding of the terms of their loans, their options for repayment and their rights for postponement of payment if they plan to continue their education or encounter financial hardship. During the financial aid exit counseling session, the Financial Aid Office will review your rights and responsibilities towards each federal and institutional loan programs available to TUSDM students. Each borrower will receive a personalized packet of information which includes an itemization of loan programs borrowed, principal amounts of loans outstanding, a review of interest rates, grace periods, deferment options, forbearance, estimated monthly payments and various repayment plan options including information on loan consolidation.

It is highly recommended that you read this manual thoroughly before your exit counseling session. Borrowers should certainly read this information prior to entering repayment, as it will assist in planning their financial future. Please take note, however, that the information in the manual is not the ONLY source of information that will help in navigating your way through student loan repayment. As student loan borrowers, your lenders and loan servicers will prove to be valuable sources of information pertaining to policy, regulations, and repayment options available to you. In addition, their websites are very comprehensive and often include the ability to download important forms. They also have tools available such as loan repayment calculators to determine estimated monthly loan payments as well as very comprehensive information on loan consolidation programs and policies surrounding those programs.

Many students have borrowed private education loans in conjunction with federal and institutional loans. With the exception of Tufts Loans, the Financial Aid Office is not required to conduct exit counseling for private education loans borrowed while the student was enrolled. Private education loans will be discussed during the exit counseling session in general terms and the principal amount borrowed will be included on debt summary reports provided to borrowers. Borrowers, however, are referred to their lenders for specific terms of their private education loans. Keep in mind that if you borrowed non-school certified private education loans such as residency, board exam and relocation loans or direct-to-consumer loans, the Financial Aid Office does not have record of these loans since we were not involved in their certification process. As a result, these types of loans are not addressed in student loan exit counseling sessions nor are they included as part of indebtedness summary information. If you borrowed these types of loans, we suggest that you contact your lender for information pertaining to repayment.
Student Loan Exit Counseling Format for Graduating Students – DMD/DIS Students

The Financial Aid Office conducts student loan exit counseling sessions for graduating students by holding a total of three (3) group sessions scheduled from February through March. Students have been pre-registered for a session by Academic Affairs. Students should check their schedule to determine the group exit session to which they have been assigned to attend. The dates selected for the group sessions are coordinated with Academic Affairs. Sessions are held AFTER normal business hours so as not to interfere with a student’s academic and/or clinical work to the extent possible. Depending on room availability the sessions are held on varying days of the week to allow as much flexibility for students with other obligations such as work, home, and family. Nonetheless, the student must realize that completion of the financial aid exit counseling process is considered “school business” and takes precedence over other matters.

In addition to attending the group exit counseling session, students who have borrowed a Federal Stafford Loan (Subsidized or Unsubsidized)/Federal Direct Loan (Subsidized or Unsubsidized) and/or Grad PLUS/Federal Direct Grad PLUS loans are required to complete an online exit counseling session. This can be accomplished by going to the Financial Aid Office’s website (http://dental.tufts.edu/financialaid) then clicking on “Federal Stafford Loan/Direct Loan and Grad PLUS/Direct Grad PLUS Loan Exit Counseling” under the Quick Links section in the lower right hand corner or by going https://studentloans.gov/myDirectLoan/index.action. Note that this one online session covers both Stafford/Direct Loan and Grad PLUS/Direct Grad PLUS loan programs and the Financial Aid Office automatically receives a record when the student has completed their counseling session.

HPSL, LDS, Perkins Loan, and Tufts Loan Borrowers

Borrowers who have received Health Professions Student Loans (HPSL), Loans for Disadvantaged Students (LDS), Perkins Loan, and/or Tufts Loan will need to complete additional exit counseling online in addition to attending one of the three group sessions available AND completing the online Stafford/Direct Loan - Grad PLUS/Direct Grad PLUS exit counseling. Additional information and instructions have been provided to these students in the cover letter accompanying this manual. The Financial Aid Office will be automatically notified when the student has completed the online exit counseling requirement. Instructions on how to access the online counseling session for these loans are released via email (to your Tufts University email account) from support@myloancounseling.com after the initial group counseling session is held. The instructions will direct you to https://www.myloancounseling.com to complete the appropriate documentation for each type of loan you have received. The online exit sessions for HPSL, LDS, Perkins, and Tufts Loans are coordinated by the Tufts University Student Loan Office and the university’s loan servicer, University Accounting Services (UAS).

Financial Aid Exit Counseling Format for Graduating Students – Post-Graduate Students

Post-graduate students who have received Federal Stafford/Direct Loans or Grad PLUS/Direct Grad PLUS loans while in attendance at TUSDM will be required to complete online Stafford/Direct Loan - Grad PLUS/Direct Grad PLUS exit counseling following the specific instructions contained in the cover letter that accompanied this manual. Post-graduate students are also welcome to attend one of the group sessions provided to DMD candidates if they feel they need a more extensive review of their student loan terms. Financial Aid Office staff will be happy to meet with post-graduate students on an individual basis or via phone or email communication to answer specific questions or concerns AFTER he or she has completed the online counseling session if the student is unable to attend a group session.

Exit Interview Counseling for Withdrawn Students

The Financial Aid Office is notified by the Associate Dean for Student Affairs when a student has withdrawn or is expected to take a leave of absence from their academic program. [Note that, although a student may intend to return after a leave of absence, the Financial Aid Office may be required to consider that student to have withdrawn and
notify the student’s lenders/loan servicers accordingly.] Upon receipt of notification of withdrawal or leave of absence, the Financial Aid Office will determine if it is necessary for the student to complete exit counseling and notify the student accordingly with specific instructions to complete the appropriate online format depending on the type of student loans received. The Financial Aid Office highly recommends withdrawn students or those taking a leave of absence meet with a member of the Financial Aid Office staff so they understand how their leave of absence affects their student loans. No student will receive administrative clearance until they complete all elements of their required student loan exit counseling.

**Individual Counseling Sessions**

The Financial Aid Office staff will be happy to meet with students on an individual basis to address specific questions they may have once the student attends a group session and completes the required online exit counseling session(s). Appointments can be scheduled with the Financial Aid Office. The Financial Aid Office encourages those students who are considered to have withdrawn from the school to meet with a member of the Financial Aid Office staff in person or via phone. Students who withdraw from their academic program must also complete the appropriate online counseling session(s) based on the loans they’ve borrowed while in attendance.

**Retention of Exit Counseling Documentation**

As a recipient of federal or institutional student loans, the borrower/student is required to provide personal data information and references (including complete address and other contact information) as part of the exit counseling process. This data is obtained while the borrower completes the required online exit counseling sessions. The borrower is not considered to have completed their online exit counseling session unless this data is provided by the borrower. Federal regulations require the Financial Aid Office collect and retain certain documentation from the borrower as proof they’ve completed exit counseling for all federal student loans that the borrower received while in attendance. The documentation collected is made available to the US Dept. of Education (in the case of Federal Direct Loans and Direct Grad PLUS Loans) and the student’s other federal student loan providers and guarantee agencies from whom the student used to obtain Federal Stafford Loan or Grad PLUS Loans through the Federal Family Education Loan program. If a student is required to complete online exit sessions with University Accounting Services (for Perkins, HPST, LDS or Tufts Loan), the personal data provided is used by UAS and Tufts University Student Loan Office for billing and other types of repayment correspondence.

**Borrower’s Responsibilities for Changes of Contact Information and Enrollment/Student Status**

It is absolutely critical that students/borrowers notify ALL of their loan servicers immediately of any changes in their contact information (i.e., mailing address, phone number, email address and/or name). During the exit counseling session, the Financial Aid Office will provide a complete list of the student’s loan servicers and their contact information so that students are informed as to who they must contact in the event of a change. Loan servicers need to have a valid mailing address so that they may send you timely billing notices and other essential correspondence regarding the status of your student loan accounts. Tufts University does not update lenders/loan servicers with graduates’ address information that might be provided by graduates to Alumni Affairs or any other office within the dental school.

Borrowers also bear the responsibility of notifying his or her lenders/loan servicers immediately of any change in expected graduation date or if there is a change in his or her enrollment status (with the borrower dropping below half time status, withdrawing from the school, or remaining enrolled beyond an expected graduation date). Although Tufts University reports the student’s enrollment status and expected graduation date (or withdrawal date) to the National Student Loan Clearinghouse on a monthly basis, the availability of this electronic information doesn’t always coincide with the date a loan enters grace or repayment status. To avoid any payments coming due on student loans earlier than expected, the borrower should be proactive in reporting any change in enrollment status and/or graduation date directly to the loan servicer, providing any paper enrollment documentation obtained through the Enrollment Services – Registration Office that might be required in the interim before the electronic data can be received.
Exit Counseling Guidelines

During Spring 2018, the Financial Aid Office will assist a large percentage of 2018 expected graduates needing to complete the financial aid exit counseling process within a short time frame. We take exit counseling very seriously as we feel it’s a very important and necessary step in providing our graduates with a solid foundation for financial health as they begin their career in dentistry. The information we provide in the exit packet has taken extensive time on our part to prepare and can’t be duplicated. Please be sure to safeguard the information in the packet we provide so as not to misplace it. We also expect your full cooperation during exit interview “season” and have outlined a few common courtesies below:

1) When asked to complete online counseling, please respond to the request quickly. A tremendous amount of our time is needlessly spent on repeatedly sending reminders to students.

2) Be sure to write down the date you’re scheduled to attend your group exit session. Your (DMD/DIS candidates) attendance at one of the sessions is mandatory and supersedes all other school business. If you must reschedule, 24-hour advance notice is requested out of courtesy, but be aware that we provide only 3 group sessions. Please don’t needlessly delay your attendance until the final session. Our intent is to have 3 sessions in order to keep each session a manageable size and maintain a small group atmosphere where students feel comfortable raising questions.

3) DMD candidates who borrowed federal and/or institutional aid while in attendance MUST attend the group exit counseling session AND complete the Stafford/Direct Loan and Grad PLUS/Direct Grad PLUS online exit counseling session. Those students who received HPSL, Tufts Loan, Perkins Loan, and/or LDS will ALSO have to complete a separate online session for their particular loans.

4) We realize that parts of the group session presentation may not apply to every student but privacy laws prohibit us from “ear-marking” a session for only those students who have borrowed particular loans. Please have some patience and courtesy for those that need to listen!

5) The session dates are carefully selected to accommodate students’ needs to the extent possible. Please realize your responsibility in attending one of the sessions and completing this administrative clearance task.

Your Credit History and Student Loans

All student loans are reported to national credit bureaus and become part of your credit history. By examining your payment history on all of your consumer credit including student loans, your potential creditors will be able to determine whether or not you are a good credit risk which is usually determined by your credit score. Your credit score (referred to as your FICO score) and overall credit history will impact your ability to obtain additional credit and the loan terms future lenders offer you. The higher your FICO score, the better risk you are and, as a result, you’re apt to receive more favorable credit terms than someone with a lower credit score. You are entitled to a free copy of your credit report annually from each of the national credit bureaus. You can obtain these by going to www.annualcreditreport.com. In addition, you can obtain information out your FICO score for a nominal fee by going to www.myfico.com. You should pull a copy of your credit report at this stage to see how your current borrowing history has impacted your credit report and, ideally, your FICO score as well. It’s sometimes helpful to know your FICO score so that you understand your future financing options (or limitations) and the terms that may be afforded to you by lenders. Most importantly, once you receive your credit report, you should make note of your student loans, become familiar with how to read your credit report and review it for any errors. Additionally, if you’re unsure of whom your creditors are, pulling a copy of your credit report will always provide that information to you.

You should become skilled in knowing how your credit decisions and payment history affect your FICO score and your ability to obtain financing. Certainly, falling behind in your student loan payments, becoming delinquent or defaulting on any credit obligation, including a student loan, will have negative consequences. You should periodically check your credit reports for errors and, if any are found, report it immediately to the credit bureau.
reporting the error by filing a dispute. In addition, having high credit limits (regardless of how much you actually owe) or having too little available credit can negatively impact your FICO score. You may be able to work with your creditors to positively affect your FICO score.

The three national credit bureaus are listed below should you need to contact them directly for any reason. Most will charge a small fee in exchange for mailing a copy of your credit report to you so be sure to obtain your annual free copy from www.annualcreditreport.com first.

**Trans Union Credit Info**
(800) 888-4213
www.transunion.com

**Experian Credit Bureau**
(888) 397-3742
www.experian.com

**Equifax**
(800) 997-2493
www.equifax.com

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**Student Loan Default**

Prior Tufts Dental School graduates appear to have fewer issues in repaying their student loan debt as evidenced by low default rates much lower than the national average. However, more recent graduates face increasingly heavier debt burden upon graduation. The estimated average debt for the Class of D2018 is approximately $278,000. This average debt is based on all students including those that have not borrowed any student loans. The average debt for D18 based on only students that did borrow is approximately $335,000. Of those who borrowed student loans, 57% borrowed in excess of $325,000. These figures show a significant increase in debt burden from students who graduated in previous years. Going forward, Tufts Dental graduates must be increasingly prepared to manage their student loan debt to avoid defaulting on their student loans.

Defaulting on your student loans has serious consequences for you. There are a number of reasons why borrowers could have difficulties in repaying student loans. Many defaulters did not comprehend the size of their debt and how that translated into expected monthly payments once they were out of school. Although starting salaries are very robust for dentists compared to those who have chosen other career paths, monthly student loan payments can deplete income quite quickly. With average student loan indebtedness being as high as it is for TUSDM graduates, borrowers need to use caution to not live beyond their means in light of expected student loan payments.

Some borrowers who default may not have known to take advantage of all of their repayment options available that help to lower expected monthly payments. Information on different repayment options available to you are contained on your loan servicer websites or outlined on the US Dept. of Education’s website [http://studentaid.ed.gov/repay-loans](http://studentaid.ed.gov/repay-loans). Although you may be hesitant to contact your servicer telling them you’re experiencing financial difficulties, they are most able to help you BEFORE your loan goes into delinquency or default status.

It’s extremely important to notify your loan servicers with any changes to your contact information. Some student loan borrowers may not have updated their mailing address or might have done so with some but not ALL of their loan servicers. Before too long, they find themselves being denied consumer credit because they are delinquent or are in default of a student loan. Unfortunately this usually will occur at an unfortunate time leaving borrowers with very little time to try to rectify the issues.

Regardless of the reason as to why student loan default occurs, the Federal Government will take the following action against student loan defaulters:

a) Referral to a collection agency the cost of which is absorbed by the borrower
b) Reporting negative credit rating to a credit bureau
c) Referral to the Department of Justice for litigation and enforcement of judgment which may include seizure of property, garnishments of wages and attachment of liquid assets such as bank accounts
d) Offset of IRS refunds and salary
e) Medicare/Medicaid offset and exclusion
f) Preclude borrower from receiving federal student aid
Cure Programs

The Federal government has instituted cure procedures to “rehabilitate” student loan defaulters’ credit histories and restore their ability to apply for federal student aid and perhaps other types of consumer credit in the future. If you do find yourself as having defaulted on a student loan, you should contact the loan servicer for further information regarding the requirements for loan rehabilitation.

Again, the idea is to not let your financial situation get to the point where you’re ignoring payments due on your student loans. Although you are given a chance to cure a default, rehabilitating your credit will not happen overnight and could take a significant number of months – even years – before your credit history is restored. Your loan servicers are there to help you explore your options but it’s obviously better to do this before the onset of a financial crisis.
DEFINITIONS AND TERMINOLOGY

Oftentimes borrowers get confused because they lack the basic understanding of certain terminology that’s often associated with their student loans. This section will help the borrower understand common references as it relates to repayment of their student loans.

Graduation Date

Schools are required to notify loan servicers of a borrower’s anticipated graduation date at the time the Financial Aid Office certifies a loan request. Anticipated graduation dates are usually scheduled for May (DMD and DIS students) or June 30th (PG and MS students) and are considered an estimate as to when a student is expected to graduate from their academic program. During the student’s final term of expected enrollment, these graduation dates are then redefined as the academic clearance date (DMD and DIS students) or the administrative clearance date (PG and MS students). These dates are considered a student’s separation date from the school where they are no longer considered enrolled at least half-time or they have completed their program. This is the date that loan servicers will use to determine the start of a student’s grace period or their repayment period. Please note that this date doesn’t necessarily coincide with a student’s degree date.

Grace Period

A grace period is granted on certain loans and is a period of time (usually 6, 9, or 12 months depending on the type of loan) granted after you cease either half-time or, in some cases, full-time enrollment status. Depending on the type of loan, interest may or may not accrue during a grace period. If interest does accrue, you usually have the opportunity to pay interest to avoid it being added to the principal loan amount (capitalization) before repayment begins.

Grace periods allow a borrower time to find employment before repayment begins as well as time to establish a living expense budget in light of their expected monthly student loan payments. In doing so, the borrower should be considering the different types of loan repayment schedules that are available. The budget established should be realistic with the intention the borrower will make the maximum effort to repay their student loans as aggressively as possible but still have reasonable means of supporting basic necessities.

Under most circumstances, borrowers are allowed only one grace period which immediately follows the in-school period – the period of time you were enrolled at least half time or full time in college or dental school. This grace period is exclusive of your total repayment period allowed in accordance to the terms of your loan’s promissory note. There are some loan programs that will allow the borrower to regain their full grace period if they returned to school as at least a half-time or full-time student - obtaining an in-school deferment - prior to the end of the grace period. Examples of these programs include Federal Stafford and Federal Direct Loans and Federal Perkins Loans. Other loan programs will require that the borrower expend all of their grace period regardless of their post-graduation plans. Health Professions Student Loans and Loans for Disadvantaged Students are examples of programs where borrowers must expend all grace period time prior to the application of an eligible deferment period. Because you often are only be allowed one grace period on your loans, loans borrowed in a prior education loan program might enter immediate repayment upon graduation from Tufts. This is especially true if you took more than 6 months off between college and dental school or dental school and your post-graduate program or if you took a leave of absence during your educational program where you were considered a withdrawn student for a period of 6 months or more.

It is important to note that some loans do not have grace periods. Grad PLUS Loans* and Federal Consolidation Loans do not have grace periods and the student enters repayment within 30 days after graduation, withdrawal or dropping below half-time status.

*Grad PLUS Loans have a special, post-enrollment deferment period. Please review the “Deferment” section on the next page for more information.
Only one loan program, the Federal Perkins Loan, has a post-deferment grace period provision. If the borrower has previously expended their initial 9-month grace period on their Perkins Loan then returned to school as at least a half-time student or received some other eligible deferment, they would have a 6-month grace period upon ceasing enrollment at least half-time.

**Deferment**

A student loan borrower is eligible for a deferment if they meet certain conditions that qualify them to postpone repayment of their loans while meeting those conditions. Like a grace period, deferment time is usually exclusive of total repayment time. For example, a student having just graduated dental school and qualifies for deferment over a 2-year period of time on a loan that has a maximum 10-year repayment period, will still have 10 years to repay that loan after their deferment period expires. In most cases, the borrower is required to complete a deferment form seeking approval from their loan servicer (most can be obtained from the loan servicer’s website). There are different types of deferment forms depending on the type of deferment. Although the deferment forms are universally used by all loan servicers, borrowers need to submit a deferment form to each of their loan servicers who are servicing the loans for which the deferment is being sought. If you find that you have multiple loan servicers servicing the same types of student loans, you need to apply for deferment with all those servicers. For example, in the event that you have Stafford/Direct Loans at three different loan servicers, you need to complete a deferment form for each loan servicer for each type of loan.

Borrowers who have private education loans must contact their private education loan lender/servicer to determine their repayment options and the availability for deferments, since these will oftentimes differ from federal or institutional loan deferment options.

Do not make the mistake of assuming all your loans offer the same deferment provisions. Deferment options differ by loan program and can differ based on the date the loan was received. As a general rule, Federal Perkins, Federal Stafford/Direct Loan and Grad PLUS have similar deferment options although your eligibility for deferment may differ based on the dates you borrowed these loans. Deferment provisions for Health Professions Student Loan (HPSL), Loans for Disadvantaged Students (LDS) and Tufts Loan differ greatly from Perkins, Stafford/Direct Loans and Grad PLUS.

Also, do not assume that all your lenders/loan servicers communicate with one another. If you notified one servicer of your address change, they’re not going to notify the other loan servicers. Tufts University will not update your address with your loan servicers. This is always your responsibility.

Usually the process of applying for deferment involves completing a paper form and obtaining a wet signature from a certifying official which provides proof to your loan servicers of your eligibility for a particular deferment. There are, however, two exceptions to this. The first is a post-enrollment deferment provided on Grad PLUS Loans borrowed on or after 7/1/2008. Recall that Grad PLUS loans do not have a grace period thus the post-enrollment deferment provides time for the borrower to prepare for repayment of their Grad PLUS loans. Loan servicers have been given the authority to apply a 6-month post-enrollment deferment on a borrower’s account automatically once the borrower ceases enrollment as a half-time student. This deferment can be applied without the borrower’s authorization. Most loan servicers assume borrowers prefer to have this deferment applied but borrowers may contact their Grad PLUS servicers to indicate they do not wish to have this deferment. One reason a borrower may not want this post-enrollment deferment is because it increases the frequency of when unpaid interest capitalizes.

The second exception where a paper deferment form may not be necessary is when a student enrolls as at least a half time student at an eligible school which is defined as one that participates in Federal Student Aid Programs. Most colleges and universities in the US report enrollment status and expected graduation dates for each of their student populations to the US Department of Education’s National Student Loan Data Service (NSLDS) electronically. Loan servicers will “sweep” NSLDS data for data matches with student loans they may be servicing. Normally, this is how an “in-school” or “education” deferment is applied on federal student loans and is one of the few types of deferments that do not require the borrower to complete a paper deferment form. However, schools may not provide enrollment files over the summer months (usually considered June, July and August). As a result, borrowers may not
be able to fully rely on schools reporting their enrollment to their loan servicers during these months. Borrowers may need to complete an actual paper in-school deferment form(s) for all of their loan servicers until such time their school provides enrollment data to the Clearinghouse.

In most cases the borrower is required to “expire” or use up all their grace period time before the deferment status is placed on their loan accounts. For example, if the borrower is applying for an Economic Hardship Deferment to defer his Stafford/Direct Loans payments, he would be required to expire (use) his entire grace period first before his lender can determine his eligibility for deferment. This would mean upon expiration of the Economic Hardship Deferment, the borrower would enter repayment. He would not have any grace period left to utilize at that point.

Loans may accrue and capitalize interest during an eligible deferment period. Some loan programs offer a reduced interest rate during a deferment period, which usually mirrors the interest rate charged during the in-school and grace periods.

There are many types of deferments, however very few pertain to the profession of dentistry. Realize that during the exit interview process, we’ll pay most attention to in-school deferment, military deferment, and economic hardship deferment. Students can reference their promissory notes and this manual for additional deferment benefits but borrowers are encouraged to inquire with their loan servicers as sometimes there are legislative changes made to deferment benefits.

Forbearance

Borrowers who find themselves ineligible for deferment and are experiencing financial hardship may request forbearance from their loan servicers. Forbearance is a temporary cessation of payments granted by the borrower’s lender(s)/loan servicer(s) in increments not in excess of one year. Borrowers are normally allowed a total of 24 months forbearance time per loan program. The borrower’s lender(s)/loan servicer(s) must approve a borrower’s request for forbearance. By arranging forbearance with lender(s)/loan servicer(s), a borrower is keeping their account(s) out of delinquent status and avoiding default.

Forbearance differs from deferment because the borrower is considered in active repayment of their student loans during forbearance. Interest, therefore, accrues during forbearance and, if gone unpaid, will capitalize at the end of the forbearance period. Recall that during an eligible deferment or grace period, the federal government continues to pay interest subsidy on certain types of federal loans. Unlike a grace period and deferment period, forbearance periods are inclusive of total repayment time. For instance, if a borrower has 10 years to repay a loan and he uses 24 months forbearance time, his monthly payments will reflect an 8-year repayment schedule as opposed to 10 years. Obviously, this means that taking forbearance will increase the monthly payment due. Interest during the forbearance period will also accrue and capitalize onto the principal balance upon expiration of each forbearance period. Borrowers have the option to pay interest during the forbearance period or to make payments when they are financially capable even though their accounts are in forbearance.

Borrowers may request forbearance at any point during their repayment schedule but only after they have used their grace period, or are nearing the end of the grace period, and do not qualify for any type of deferment. Prior to taking forbearance, the borrower is encouraged to consider different types of loan repayment options they might have available to them based on the types of loans they borrowed. A change in repayment schedules might allow for a much lower monthly payment which is more affordable. Forbearance should really be an option of last resort or to be used on a very temporary, short-term basis if possible.

In the case of federal loans, borrowers are granted a total of 24 months maximum forbearance time per loan program. In some cases, the loan servicers may provide an additional 12 months forbearance time. Forbearance time may or may not be granted for private education loans and the time frame for which they are allowed is the prerogative of the lender. To request forbearance, a borrower must contact his lender(s)/loan servicer(s) explaining the reason for the request. Forbearance requests can be made verbally but many times you can request forbearance on the loan servicer’s website. Once the forbearance is approved, your account will reflect that no payments are due for the duration of the forbearance, yet the borrower may still receive a bill to reflect the status of the account and/or be
given the opportunity to pay accruing interest. It’s important to realize that payments must be made up until the point that the forbearance is approved. Borrowers should plan at least 30 days ahead of time when considering their need for forbearance to allow for processing time.

**The Financial Aid Office strongly encourages borrowers to use their forbearance options wisely.** If relief from student loan payments is necessary, consider your repayment plan and/or loan deferment options first. If forbearance is necessary, we suggest borrowers only take forbearance for 3-month intervals, renewing the agreement if it is a financial necessity. Consider trying to pay down the interest that’s accruing on the loan during a forbearance period. When your forbearance is nearing its expiration, carefully evaluate your financial situation to see if you have other options for repayment other than forbearance.

In most cases forbearance can be fairly easy to receive, yet borrowers should realize that private education loan lenders (including Tufts University and the Tufts Loan program) do reserve the right to have the borrower show proof of financial hardship and they may also limit the time allowed. Additionally, they may require you keep interest current during the forbearance. In the event you’re not entitled to forbearance time and have exhausted all options for deferment yet repayment of a loan still presents a hardship, consider what other loan programs you might have that will allow for forbearance or change in repayment schedule. Revising one loan’s repayment schedule may “free up” money in your budget to pay on the loan whose repayment schedule isn’t flexible.

A borrower may qualify for what is termed a mandatory forbearance. If a borrower qualifies for this because of certain conditions, a lender/loan servicer is required to grant the borrower mandatory forbearance for the length of time those conditions exist. The borrower is required to submit documentation as proof of those conditions. The most common example of mandatory forbearance for dental school graduates entails participation in a hospital-based general practice residency (GPR). The borrower will be required to submit documentation of his internship/residency program, certified by an authorized program official, noting the beginning and ending dates of the residency program. In these cases, borrowers are required to utilize their entire grace period before a mandatory forbearance is authorized by the lender(s)/loan servicer(s).

A borrower’s lender(s)/loan servicer(s) can provide additional details regarding mandatory forbearance including information of the various types of mandatory forbearance and the documentation required in order to receive them.

**Clarification of Deferment Eligibility for General Practice Residencies**

There has been much confusion regarding eligibility for internship/residency deferments. Unfortunately, many students in the past have thought that if they are enrolled in a General Practice Residency (GPR) or Advanced Education in General Dentistry (AEGD), they’d be able to defer their student loans. While that might be true in some cases, it really depends on the residency program as well as the type of loan you borrowed. Although Health Professions Student Loan (HPSL) allows for internship/residency deferment, Federal Perkins, Stafford/Direct Loans and Grad PLUS/Direct Grad PLUS loans generally do not.

Any borrower who had no outstanding balance on Stafford/Direct Loans as of July 1, 1993 and borrowed Stafford/Direct Loans (the loans were made and disbursed) after July 1, 1993 ARE NOT eligible for internship/residency deferment. This same rule applies to all Perkins and Grad PLUS/Direct Grad PLUS borrowers seeking a deferment of these loans during an internship/residency. If the borrower is unable to make payments during their internship/residency and their grace period is due to expire shortly, they could seek an Economic Hardship Deferment or a change in their repayment options that may make payments due more affordable. If either of those are not options, borrowers may request mandatory forbearance (see prior section).

Borrowers whose Stafford/Direct Loans were made and disbursed prior to July 1, 1993, and who still had an outstanding balance on that date when they borrowed a subsequent Stafford/Direct Loan after July 1, 1993, remain eligible for internship/residency deferment for a maximum of 2 years. This same rule applies for all Perkins Loan borrowers seeking a deferment for internship/residency. The grace period would have to be expired first before the deferment is applied to the borrowers’ accounts.
It has been our observation that the confusion appears to lie in how the general practice residency program considers its participants. Some GPR programs at hospitals are affiliated with higher education institutions while others have no affiliation with schools. It has been our experience in noting that school-based GPR program participants are certified as at least half time students by that school’s Registrar’s Office. Therefore, the student participating in this type of program is actually requesting an in-school deferment from their lender/loan servicer and not an internship/residency deferment. In these cases, the student receives all the benefits of an in-school deferment (for Perkins, Stafford/Direct Loans and Grad PLUS/Direct Grad PLUS), and if they do not expire their grace periods (on their Perkins or Stafford/Direct Loans) before entering this deferment, the student normally receives their grace period after their deferment period. Hospital-based programs do not list students as in-school because they are not eligible to do so. Hospital-based GPR participants can seek a mandatory forbearance (see previous section).

Again, we have no knowledge as to the criteria of what certifies a program as hospital- or school-based nor do we know that ALL school-based programs list students as registered students enrolled at least half time. Those borrowers who will be participating in a GPR/AEGD are urged to contact their program directors or, for school-affiliated programs, the school’s Registrar’s Office for additional information. It is ultimately up to the lender/loan servicer who must uphold the provisions set forth by the Dept. of Education.

Choice in FFELP/Federal Direct Loan Repayment Schedules

A good source of information on the federal student loan repayment plans can be found on the Federal Student Aid Program website (https://studentaid.ed.gov/sa/repay-loans/understand/plans)). The information in this section is meant to summarize key points of each program available.

Repayment plan options for both FFELP (Federal Stafford Loans, Grad PLUS and Federal Consolidation Loans) and Federal Direct Loan Programs (Direct Loans, Direct Grad PLUS and Direct Consolidation Loans) are similar with one minor difference. It’s important to note that borrowers can request a change in their repayment schedule at any point during repayment. However, borrowers entering repayment need to take some time to review their overall financial picture developing a strategy for repayment of all their student loans. The repayment option selected should be the one that is most suitable to their financial situation. Remember that there’s no penalty to paying off student loans sooner than expected.

### FFELP/Federal Direct Loan Repayment Plan Options

<table>
<thead>
<tr>
<th>Repayment Plan Option</th>
<th>FFELP (Federal Stafford, Grad PLUS, Federal Consolidation Loans)</th>
<th>Federal Direct Loan Program (Federal Direct Loan, Direct Grad PLUS, Direct Consolidation Loans)</th>
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</thead>
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</tr>
<tr>
<td>Revised Pay As You Earn (REPAYE)</td>
<td>X</td>
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**Repayment Option Descriptions**

The **standard repayment schedule** (also sometimes referred to as a fixed repayment schedule) entails repaying both principal and interest through the maximum 10-year repayment period. Although this is the most optimal repayment schedule in terms of being the least costly to the borrower, it is often not realistic depending on a borrower’s overall student loan debt in combination with their cost of living. Borrowers are often provided with the standard repayment schedule initially. It’s up the borrower to contact their loan servicer to request a change in their repayment schedule.

Borrowers who wish to keep to a 10-year repayment schedule to the extent they’re financially capable of can consider a **graduated repayment schedule** where the borrower is making minimal payments towards principal during the initial years in repayment yet are making payments on the interest due during that period of time. Usually the
monthly payments increase every two years. Borrowers interested in graduated schedules must consider their income levels at the time when payment towards principal is expected.

Borrowers may also wish to consider an income-sensitive repayment schedule, however income-sensitive schedules are only available on Federal Stafford Loans (subsidized and unsubsidized), Grad PLUS (through the FFELP program) and FFELP Federal Consolidation Loans (Direct Loans do not qualify). This is becoming less of an option since the government officially ended the FFELP program in 2010. Income-sensitive schedules base monthly payments as a percentage of gross monthly income and borrowers must reapply annually updating their loan servicer(s) with income documentation. These schedules require smaller payments at the beginning of repayment when your income is at its lowest. At minimum, the borrower must pay the interest charged. Gradually, as your income increases, the expected monthly payment increases. The theory behind this schedule is that when your income is higher, higher payments are more affordable yet they can increase substantially (based on borrower’s income) since the maximum loan repayment term is 10 years. With the help of their loan servicer(s), borrowers may need to forecast changes in annual income to ensure income-sensitive payment schedules are viable based on their overall financial budget. When income starts to increase, monthly student loan payments under an income-sensitive repayment schedules might be too steep considering the 10-year repayment schedule.

Borrowers who have Federal Direct Loans (subsidized and unsubsidized), Federal Direct Grad PLUS Loans or Direct Consolidation Loans may consider an income-contingent repayment schedule for payment of these loans. Similar to FFELP’s income-sensitive schedules, monthly payments under an income-contingent schedule, are based on income but also consider family size and overall student loan indebtedness. Repayment schedules are adjusted annually based on these criteria and a 25-year repayment term is allowed. Any balance remaining after 25 years is forgiven. Note that the amount forgiven is considered taxable income during the year in which it was forgiven. Income-contingent schedules allows for what is referred to as “negative amortization” where payments can be less than what accrues monthly in interest.

Income-based repayment (IBR) schedules became available to borrowers beginning July 1, 2009. This type of repayment schedule is designed for those that will enter lower-paid careers such as public service or non-profit work. Income-based repayment caps monthly payments at 15% of your monthly discretionary income if you are not a new borrower and at 10% if you are a new borrower. For the IBR Plan, you’re considered a new borrower on or after July 1, 2014, if you had no outstanding balance on a William D. Ford Federal Direct Loan (Direct Loan) Program loan or Federal Family Education Loan (FFEL) Program loan when you received a Direct Loan on or after July 1, 2014. Discretionary income is defined as the difference between adjusted gross income (AGI) and 150% of the federal poverty line which is published annually by the Dept. of Health and Human Services (http://aspe.hhs.gov/poverty/index.shtml). The monthly payments are adjusted annually based on changes in annual income and family size. The maximum repayment length for income-based repayment is 25 years. After 25 years, any remaining balance is discharged (forgiven). Note that the amount forgiven is considered taxable income during the year in which it was forgiven. One unique features with an IBR schedule is that if your monthly IBR payment amount doesn’t cover the interest that accrues on your loans each month, the government will pay your unpaid accrued interest on your Direct Subsidized Loans or Subsidized Federal Stafford Loans (and on the subsidized portion of your Direct or FFEL Consolidation Loans) for up to three consecutive years from the date you began repaying your loan under IBR. Most dental practitioners with high levels of student loan debt may initially qualify for IBR schedules. However, eligibility is reviewed annually and a borrower may eventually be found ineligible for IBR. At that point, the borrower could opt to leave IBR but unpaid interest is then capitalized and the borrower is placed into a standard repayment schedule with monthly payments based on 10 years MINUS the amount of time spent under an IBR schedule. Borrowers must remain in that repayment schedule for 1 month before opting to change their repayment schedule to one that might be more affordable for which they may qualify. Borrowers who are found ineligible for IBR can remain in the IBR schedule where the maximum monthly payment would equal no more than what would have been their expected monthly payment under a 10-year standard repayment schedule at the start of repayment. IBR repayment schedules can be helpful at the start of your dental career or if you are pursuing non-profit employment but, at some point, if you don’t qualify for a partial financial hardship, the payments can become steep and, overall, the total interest you pay may be higher than under a different schedule. Go to http://studentaid.ed.gov/repay-loans/understand/plans/income-based to learn more about the advantages and disadvantages to IBR.
**Pay As You Earn (PAYE) repayment schedules** became available in December 2012 for certain borrowers. In order to qualify for the PAYE schedules, you must be considered a new borrower as of Oct. 1, 2007, and must have received a disbursement of a Direct Loan on or after Oct. 1, 2011. You are a new borrower if you had no outstanding balance on a Direct Loan or FFEL Program loan as of Oct. 1, 2007, or had no outstanding balance on a Direct Loan or FFEL Program loan when you received a new loan on or after Oct. 1, 2007. PAYE schedules apply only to Federal Direct, Grad PLUS and Direct Consolidation Loans. You can review your loans at [www.NSLDS.ed.gov](http://www.NSLDS.ed.gov) to see if your loans qualify or you may contact your loan servicers directly. Similar to the IBR schedules, however, PAYE schedules cap monthly payments at 10% of your monthly discretionary income where discretionary income is defined as the difference between adjusted gross income (AGI) and 150% of the federal poverty line which is published annually by the Dept. of Health and Human Services ([https://aspe.hhs.gov/poverty-guidelines](https://aspe.hhs.gov/poverty-guidelines)). The monthly payments are adjusted annually based on changes in annual income and family size. The maximum repayment length for PAYE repayment is 20 years. After 20 years, any remaining balance is forgiven. Note that the amount forgiven is considered taxable income during the year in which it was forgiven. PAYE repayment schedules carry the same “disadvantages” as IBR repayment schedules but could be help to substantially lower payments for borrowers who are pursuing working in the non-profit sector or their career path has lower income potential.

Students need to continue to qualify for the PAYE schedules yearly and, should they no longer qualify, the monthly payments expected would be subject to increase. The total amount of interest paid might be higher than under a different schedule. Go to [http://studentaid.ed.gov/repay-loans/understand/plans/pay-as-you-earn](http://studentaid.ed.gov/repay-loans/understand/plans/pay-as-you-earn) to learn more about the advantages and disadvantages of the PAYE repayment schedules.

**Revised Pay As You Earn (REPAYE) repayment schedules** were introduced in December 2015. This payment plan is intended to expand PAYE. All students who have at least one Direct Loan are eligible to participate in REPAYE. Monthly payments under REPAYE are limited to 10% of your monthly discretionary income, where discretionary income is defined as the difference between adjusted gross income (AGI) and 150% of the federal poverty line which is published annually by the Dept. of Health and Human Services ([https://aspe.hhs.gov/poverty-guidelines](https://aspe.hhs.gov/poverty-guidelines)). Monthly payments are adjusted annually based on changes in annual income and family size. The maximum repayment length for REPAYE repayment is 25 years for students who borrowed Direct Loans during graduate school (this term is 20 years if a student borrowed only during undergrad). After 25 years, any remaining balance is forgiven. Note that the amount forgiven is considered taxable income during the year in which it was forgiven. REPAYE repayment schedules carry the same “disadvantages” as PAYE and IBR repayment schedules but could be help to substantially lower payments for borrowers who are pursuing working in the non-profit sector or their career path has lower income potential. Unlike PAYE and IBR, students participating in REPAYE are not required to continue to qualify for the plan via demonstration of partial financial hardship. This means that there is no cap on your monthly payments. Should your income rise dramatically, it is possible under REPAYE for your monthly payment to exceed what you would have been paying under the Standard 10-Year plan. The total amount of interest paid might be higher than under a different schedule. Go to [https://studentaid.ed.gov/sa/repay-loans/understand/plans/income-driven](https://studentaid.ed.gov/sa/repay-loans/understand/plans/income-driven) to learn more about the advantages and disadvantages of the REPAYE repayment schedules.

**Extended repayment schedules** of up to 25 years are available to borrowers who did not have an outstanding balance on FFELP Loan or Federal Direct Loan prior to 10/7/1998 and the outstanding balance of their loans under either program exceeds $30,000. Although the extended repayment schedules can be used for both FFELP Stafford and Grad PLUS and Federal Direct Loans and Direct Grad PLUS loans, the outstanding balances under each program are calculated separately. For instance, if the borrower’s outstanding balance on Federal Direct and Direct Grad PLUS loans exceed $30,000 yet the outstanding balance on their FFELP Stafford Loan and Grad PLUS is less than $30,000, only the Federal Direct and Direct Grad PLUS loans can be repaid using the extended repayment schedules. The remaining FFELP balance could not be repaid under extended repayment schedules. Students who choose extended schedules can also opt for extended graduated schedules. Go to [https://studentaid.ed.gov/sa/repay-loans/understand/plans/extended](https://studentaid.ed.gov/sa/repay-loans/understand/plans/extended) for further information on the Extended repayment schedule.

**Loan consolidation** provides another opportunity for students to extend their repayment periods beyond the standard 10-year timeframe. Although this manual addresses Federal Loan Consolidation more thoroughly later, borrowers can essentially collapse their federal student loans into a new loan with different terms. Depending on how much the
borrower is consolidating, repayment schedules can be extended to up to 30 years. There’s no penalty for overpayment and borrowers can be considered for graduated, income-based or income-contingent schedules (note that, currently, the only lender providing consolidation options is the US Dept. of Education through their Federal Direct Consolidation program).

Borrowers should carefully consider whether or not loan consolidation is a good choice. At one point in time it was extremely beneficial for students to consolidate their federal student loans into a Federal Consolidation Loan. Borrowers could obtain a very low fixed interest rate on a consolidation loan because they were including variable interest rate loans which were low at the time they consolidated. More recently, however, there’s not really any financial advantage to consolidate because few borrowers have outstanding variable rate Stafford or Direct Loans. However, consolidation into the Federal Direct Consolidation Loan program is a consideration for those that might be considering a career in public/non-profit sector (see Loan Forgiveness Programs), may have outstanding variable rate Stafford or Direct Loans or if they are having trouble managing repayment because of the number of loan servicers they must work with month to month.

Finalizing Your Repayment Schedule

After reviewing your repayment options, you probably have determined that it will take a bit of research on your part to determine which repayment option is best for you. There are numerous websites that have calculators available to determine if you qualify for particular schedules and help you compare the differences. Do not hesitate to work with your loan servicers for assistance in this area. Once you’ve determined which type of repayment schedule will work within your budget, you must arrange your repayment schedule with each of your loan servicers. Loan servicers will usually provide the standard/fixed repayment schedule initially since that’s the one that’s least costly to the borrower. Student loan borrowers are afforded grace period time to work out their budget and decide which repayment schedule works best within that budget. Borrowers should finalize their choice in repayment schedules prior to the start of repayment. Borrowers have the right to change their repayment schedule at any point during repayment. Still, they must contact their loan servicer to formally make that change. At any point, borrowers can pay more than what is expected of them without penalty.

Although the afore-mentioned repayment schedules only apply to FFELP/Federal Direct student loans, private education loan borrowers can discuss similar options provided by their private education loan lenders. Private education loans have repayment schedules of up to 10 to 20 years in most cases. Many private education loan lenders will work with borrowers to devise repayment plans that meet the needs of borrowers.

The drawback to a graduated, income-sensitive, income-contingent, IBR, PAYE, REPAYE or extended repayment schedules or consolidation is that borrowers will pay more in interest had they repaid their loans under the standard repayment schedules because you’re paying back principal at a slower pace than normal. Recall that the amount of interest you pay is based on the principal balance owed. The longer you take to repay principal, the more interest you inevitably pay. However, since there are no penalties to accelerate repayment, the borrower can do so when they feel financially comfortable to avoid excessive interest. Statistics indicate that the borrower is more likely to enter delinquency or default within 5 to 6 years after graduation or withdrawal because the borrower’s income tends to be at its lowest point. Taking advantage of the many repayment options available should provide more affordable options for borrowers with high debt.

Loan Forgiveness Programs

Under certain circumstances, certain federal agencies will cancel all or part of an educational loan. In order to qualify the borrower must meet very specific criteria where the borrower is performing volunteer work (such as AmeriCorps, VISTA and Peace Corps), certain types of military duty, teach or practice in low-income and underserved communities.

Public Service Loan Forgiveness (PSLF) has been created for federal student loan borrowers who work in certain areas of public service (including public health) for a period of 10 years having made 120 payments towards eligible loans. You may select from standard, income-based, pay as you earn or income-contingent schedules (a repayment
option under the Federal Direct Loan Program similar to income-sensitive schedules). Although only Federal Direct Loans are eligible for cancellation after 10 years of service, students that borrowed Federal Stafford, Grad PLUS or Federal Consolidation Loans made under the FFELP program may consolidate those loans into a Federal Direct Consolidation Loan for purposes of participating in the Public Service Loan Forgiveness Program.

If you believe you qualify for loan forgiveness, talk to your employer or the director of the program for which you are volunteering or employed. Your loan servicers will also help to ensure you receive eligible benefits. For more information on loan forgiveness and cancellation programs such as PSLF, go to [http://studentaid.ed.gov/repay-loans/forgiveness-cancellation](http://studentaid.ed.gov/repay-loans/forgiveness-cancellation).

**Borrower Benefits/Interest Rate Reduction Programs**

Borrower benefits are provided on some federal and private education loans as an incentive to borrowers to repay their student loans on time. Usually, borrower benefits encompass interest rate reductions and/or loan fee rebates if borrowers meet certain criteria. Borrower benefits used to be substantially more lucrative for borrowers than they are currently. Oftentimes these benefits were a factor for students choosing a student loan lender for Federal Stafford Loans and perhaps remain a factor in selecting a private education loan. Federal regulatory changes, most notably the eventual demise of the Federal Family Education Loan (FFEL) program, forced lenders to curtail borrower benefits on their federal loan products. However, the benefits that were offered to borrowers at the time they borrowed the loan remain intact. The borrower may still qualify for these benefits as long as loan remains outstanding and borrower meets the criteria. Note that if the loan is paid off through a consolidation loan, the benefits tied to that underlying loan are cancelled. The effect on borrower benefits when borrowing a Federal Consolidation loan is a consideration and why some borrowers choose to not consolidate their loans. Also, if a loan should be transferred or sold from one loan servicer to another, the benefits attached to the original loan must be honored by the new holder of the loan.

Beginning with the 2009-10 academic year, Tufts University no longer participated in the Federal Family Education Loan Program (FFELP) where students relied on private student loan lenders for their student loans. That year, the university chose to participate in the William D. Ford Federal Direct Loan Program where funds are provided directly from the Federal government as opposed to the private sector. Beginning in the 2010-11 academic year, all colleges and universities in the country had to switch over to the Federal Direct Loan Program. The FFELP program no longer exists yet any loans that remain outstanding must obviously be repaid under the original terms of agreement outlined in the promissory note. The borrower benefits, remember, are still tied to those loans. The Federal Direct Loan program also provides borrower benefits. These are as follows:

- Borrowers receive an immediate origination fee rebate on Federal Direct Loans (0.5%) and Grad PLUS Loans (1.5%) upon the loan’s disbursement on loans borrowed before 7/1/2012. The borrower retains the rebate provided they meet the first 12 scheduled monthly payments on their loans. Should the borrower fail to meet payments as scheduled, the amount of the rebate is charged back to the loan and added to the loan’s principal.

- 0.25% Interest Rate reduction for ACH payments (automatic payment withdrawal from bank account designated by borrower).

It should be noted that effective for new loans borrowed on or after July 1, 2012, the only borrower benefit that will be offered by the US Dept. of Education (Direct Loans and Grad PLUS) will be the 0.25% interest rate reduction if the borrower opts for the ACH payment.

Private education loans may also carry borrower benefits and borrowers of these loans should contact their respective servicers for an outline of the criteria to receive these benefits.

**Prepayment**

There are no penalties for prepayment of any student loan program, federal, private or university including consolidation loans. If you wish to pay off your loan(s) in full, contact your lender to ask for the payoff amount. You should ask what date the payoff amount will be adjusted for interest and make payment in full prior to that date.
When asked to do so, most lenders/loan servicers will give a borrower a “10-day pay off” amount, which will allow the borrower 10 days to make payment in full. When a loan is paid in full, your lender should send you the original promissory marked “Paid in Full.” Keep this copy for your records.

STUDENT LOAN LENDING RELATIONSHIPS

Up to this point, students have generally dealt with the Financial Aid Office in hopes of finding answers to many of their questions. When students enter repayment, they may be corresponding with several different entities including their lenders and/or loan servicers. In some cases, the student’s original lender will sell their loan portfolios to a different lender. From the borrower’s perspective, the most important entity is their loan servicer because it’s that organization with which the borrower will most frequently contact for information and assistance. But it is important for the student as a student loan borrower to recognize all the different “players” when it comes to their student loans. The following are organizations and a brief description of their role in providing student loans to borrowers:

**Lender:** This is usually a bank or credit union from which you originally borrowed the loan or is considered the current “holder” of the loan (that entity that owns your promissory note). In the case of the William D. Ford Federal Direct Loan program, the U.S. Dept. of Education acts as the borrower’s lender. Examples of private lenders are SallieMae, Wells Fargo, Citizens Bank. Tufts University is considered the lender for Perkins, HPSL, LDS and Tufts Loans.

**Loan Servicer:** The loan servicer is usually a subsidiary company of the lender or otherwise is contracted by the holder of the loan or the secondary market to service the loan on behalf of the lender. A loan servicer can also be contracted by the lender to service their loan portfolio. This is the case with the William D. Ford Federal Direct Loan Program. The Federal government (through the US Dept. of Education) contracts with several different loan servicers in the private sector to service their loan portfolio. A loan servicer is responsible for sending bills to borrowers each month, keeping track of payments and account information, processing deferment forms and, in the case of FFELP and Direct Loans, granting forbearance. Your loan servicers work on behalf of the holder of your loan and must ensure that they follow federal regulations which govern due diligence and collection of payments. In addition, they must meet quality control standards. Your loan servicers play a critical role since they are the entity with whom borrowers will have the most contact. Popular loan servicers include Navient, University Accounting Services (UAS), Great Lakes, and FedLoan Servicing.

**Multiple Loan Servicers**

It is possible that borrowers have multiple loan servicers for their FFELP Stafford/Grad PLUS Loans as well as their Federal Direct Loans. Additionally, if the borrower has loans through Tufts University (Perkins, HPSL, LDS or Tufts Loans) or if they’ve borrowed private education loans, these loans will mostly likely be serviced a different loan servicer. Although it’s easier to manage student loan repayment using a single loan servicer, it’s not always advisable or possible for that to occur. If the borrower is faced with having multiple loan servicers, it’s important for them to know who each of these are. Realize that if working with multiple loan servicers and applying for deferment or forbearance or are considering different loan repayment schedules, the borrower will need to be in contact with all their loan servicers.

Loans can also be transferred to a different loan servicer. When this occurs, borrowers are notified in writing ahead of time but if the borrower has arranged for payments to be automatically deducted from their bank account, they will usually need to complete new authorization forms with the new loan servicer.

**National Student Loan Data System (NSLDS)**

At this point, borrowers should be wondering how they find out who their loan servicers are for their FFELP and Federal Direct Loans. Fortunately, this information can easily be obtained by going to the National Student Loan Data System (NSLDS) at www.NSLDS.ed.gov. Borrowers can log into this site using their FSA ID. You can create an ID at any time on www.fsaid.gov if you do not have one). Once borrowers are logged in, they will come to their “Financial Aid Review” page. They will find their loans numbered (1, 2, 3, etc.). Clicking on the number will open up a detail page for that loan providing loan servicing contact information. Although the Financial Aid Office will provide guidance during the student’s exit counseling session as to who the borrower’s loan servicers are, recognize that loan servicers may change periodically. If this should occur, the borrower is always notified. When loans are
sold or servicing transferred, borrowers are formally notified but it helps to periodically check NSLDS for updated information. Note that NSLDS only provides information on certain types of Federal Loans which include Federal Stafford Loans and Federal Grad PLUS Loans through the FFELP program, William D. Ford Federal Direct Loans (Direct Loans and Direct Grad PLUS), Federal Consolidation Loans (made under either the FFELP or Direct Loan program) and Federal Perkins Loans. NSLDS will not provide information on any private education loan (including Tufts Loans) or Health Professions Student Loans (HPSL) or Loans for Disadvantaged Students (LDS).

**Managing Loan Payments**

Your loan servicers will be your guide as to what payment options are available to you. Generally you can request paper bills and write out checks separately to each loan servicer. E-bills are ideal especially for those that might be changing addresses often. Electronic payments can be arranged with your loan servicers where you either initiate the monthly payment directly on a monthly basis or that you arrange an ACH payment where payments are automatically taken from your bank account for a specific amount on a specific date. With the number of loan servicers TUSDM graduates have, ACH payments are probably the easiest way to manage loan payments provided there are adequate funds in the bank account by the required date each month. Opting to set up ACH payments may qualify you for an interest rate reduction on the loan as well as facilitate making on-time payments which help you meet necessary borrower benefit criteria on some student loans.

You might want to consider opening up a separate “no-fee” bank account where all your student loan payment transactions are paid through this account. You can transfer/deposit necessary funds into that account to cover payments which usually can be done electronically as well. Because your bank will usually provide you with an account statement on a monthly or quarterly basis, you would then have a clean summary of all your student loan payment transactions made for that period of time.
FFELP AND WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM TERMS

The subsequent information pertains to the following loan programs borrowed at the graduate level:

- Federal Stafford Loan (Subsidized and Unsubsidized)
- Federal Grad PLUS Loan
- Federal Direct Loan (Subsidized and Unsubsidized)
- Federal Direct Grad PLUS Loan

Note that there are slight differences between the FFELP Stafford/Grad PLUS and Federal Direct Loan/Grad PLUS Loan programs.

<table>
<thead>
<tr>
<th>Loan Program</th>
<th>Maximum Annual Loan Amount</th>
<th>Maximum Aggregate Lifetime Limit</th>
<th>Interest Rate Loans Borrowed:</th>
<th>Grace Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Prior to 6/30/13</td>
<td>7/1/14 – 6/30/15</td>
</tr>
<tr>
<td>FFELP Stafford Loan/Direct Loan (Subsidized)</td>
<td>$8,500</td>
<td>$65,500</td>
<td>0% (During in-school, grace, deferment periods)</td>
<td>N/A</td>
</tr>
<tr>
<td>FFELP Stafford Loan/Direct Loan (Unsubsidized)</td>
<td>$40,500 minus annual subsidized Amount*</td>
<td>$224,000**</td>
<td>6.8% Fixed (During in-school, grace, deferment and repayment)</td>
<td>6.21% Fixed (During in-school, grace, deferment and repayment)</td>
</tr>
<tr>
<td>FFELP Grad PLUS</td>
<td>None</td>
<td>None</td>
<td>8.5% Fixed (During in-school, grace, deferment and repayment)</td>
<td>N/A</td>
</tr>
<tr>
<td>Direct Grad PLUS</td>
<td>None</td>
<td>None</td>
<td>7.9% Fixed (During in-school, grace, deferment and repayment)</td>
<td>7.21% Fixed (During in-school, grace, deferment and repayment)</td>
</tr>
</tbody>
</table>

* Post-graduate students’ maximum annual limit is equal to $20,500 minus annual subsidized loan amount. First-time health professions students’ annual Stafford/Direct Loan amount can be prorated to a maximum $47,167 based on the length of the student’s academic year. Proration does not apply to post-graduate students since they are not considered first-time health professions students.

** The maximum aggregate Stafford/Direct Loan limit for post-graduate students is $138,500 ($65,500 subsidized aggregate limit). This aggregate limit excludes the amount the student was eligible to borrow as a first-time health professions student during their DMD program.

***Applies to Grad PLUS/Direct Grad PLUS loans borrowed on or after 7/1/2008.

Please refer to page 14 for available repayment schedule options.
Loan Deferment Summary Chart – Federal Direct, FFELP Stafford and Direct and FFELP Grad PLUS

<table>
<thead>
<tr>
<th>Deferment Condition</th>
<th>Stafford Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct Loans</td>
</tr>
<tr>
<td>At least half-time* study at a postsecondary school</td>
<td>YES</td>
</tr>
<tr>
<td>Study in an approved graduate fellowship program or in an approved rehabilitation</td>
<td>YES</td>
</tr>
<tr>
<td>training program for the disabled</td>
<td></td>
</tr>
<tr>
<td>Unable to find full-time employment</td>
<td>Up to 3 Years</td>
</tr>
<tr>
<td>Economic hardship (includes Peace Corps Service)</td>
<td>Up to 3 Years</td>
</tr>
<tr>
<td>Engages in service listed under discharge/cancellation conditions</td>
<td>NO</td>
</tr>
<tr>
<td>Active Military Duty while borrower is on active duty during a war or other military</td>
<td>YES</td>
</tr>
<tr>
<td>operation or national emergency and if the borrower was serving on or after Oct.</td>
<td></td>
</tr>
<tr>
<td>1, 2007, for an additional 180-day period following the demobilization date for</td>
<td></td>
</tr>
<tr>
<td>the qualifying service</td>
<td></td>
</tr>
</tbody>
</table>

*a For Grad PLUS/Direct Grad Plus Loans and unsubsidized Stafford Loans, only principal* is deferred. Interest continues to accrue.

*b A Direct Loan borrower who had an outstanding balance on a FFEL Loan first disbursed before July 1, 1993, when the borrower received his or her first Direct Loan, is eligible for additional deferments.

*c Applies to loans first disbursed on or after July 1, 1993, to a borrower who has no outstanding FFEL or Federal Supplemental Loans for Students (Federal SLS) loan on the date he or she signed the promissory note.* (Note that the Federal SLS Program was repealed beginning with the 1994–95 award year.) Different deferments are available for borrowers with pre-July 1, 1993, loan.

*d More information on teaching and other types of service deferments and cancellations can be found online at [www.FederalStudentAid.ed.gov](http://www.FederalStudentAid.ed.gov). At the site, click on "Students, Parents and Counselors."

Note that, for Grad PLUS and Direct Grad PLUS Loans borrowed AFTER 7/1/2008 borrowers may request a "post-enrollment" deferment period of up to 6 months. Note that loan servicers may automatically apply this deferment to the appropriate Grad PLUS loans while others will do so upon the request of the borrower. Borrowers must contact their loan servicer(s) as to their policy however borrowers can decline this deferment should they wish. Note that during the deferment, interest will accrue and capitalize during this deferment period.

Please see Appendix for Federal Stafford/Direct Loan and Grad PLUS/Direct Grad PLUS Loan Cancellation/Forgiveness and Discharge Summary Chart.
HEALTH PROFESSIONS AND INSTITUTIONAL LOAN PROGRAM TERMS

FEDERAL PERKINS LOAN

Loan Amount: $ 8,000 maximum/year; $60,000 lifetime aggregate limit

Interest Rate: 5% Fixed - no interest accrues during in-school, eligible deferments or grace periods.

Grace Periods: 9 months; 6 month post-deferment grace period provided after an eligible deferment period.

Repayment Length: 10 years exclusive of deferments

Repayment Schedules Available: Standard (fixed payments of principal and interest)

Loan Deferment Summary Chart – Perkins Loan

<table>
<thead>
<tr>
<th>Deferment Condition</th>
<th>Perkins Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least half-time study at a postsecondary school</td>
<td>YES</td>
</tr>
<tr>
<td>Study in an approved graduate fellowship program or in an approved rehabilitation training program for the disabled</td>
<td>YES</td>
</tr>
<tr>
<td>Unable to find full-time employment</td>
<td>Up to 3 Years</td>
</tr>
<tr>
<td>Economic hardship (includes Peace Corps Service)</td>
<td>Up to 3 Years</td>
</tr>
<tr>
<td>Engages in service listed under discharge/cancellation conditions</td>
<td>YES</td>
</tr>
<tr>
<td>Active Military Duty while borrower is on active duty during a war or other military operation or national emergency and if the borrower was serving on or after Oct. 1, 2007, for an additional 180-day period following the demobilization date for the qualifying service</td>
<td>YES</td>
</tr>
</tbody>
</table>

Please see Appendix for Perkins Loan Cancellation and Discharge Summary Chart.

Health Professions Loan Program (HPSL) & Loans for Disadvantaged Students (LDS)

Interest Rate: 5% Fixed - interest free during in-school, grace period and deferment periods

Grace Periods: One year (one allowed immediately following graduation/withdrawal)

Repayment Length: 10 years exclusive of deferment periods

Repayment Schedules Available: Standard or Graduated
(Note: Graduated schedules available to qualified borrowers and approved by the Tufts Student Loan Office.)

Deferments:

- Active duty in the uniformed services (maximum 3 years)
- Peace Corps volunteer (maximum 3 years)
- Advanced professional training such as General Practice Residency (Unlimited)
- Leave of absence to pursue related educational activity (maximum 2 years)
• Training fellowship, training programs and related educational activities for graduates of health professions schools (maximum 2 years)

Deferments are granted only after the end of the grace period. There is no additional grace period allowed after a deferment period unless the student enrolls full-time in another health professions school that begins before the grace period expires.

**UNIVERSITY LOANS (TUFTS LOAN PROGRAM)**

Tufts University Loan funds are comprised of individual named student loan funds that were established through the generosity of various donors. These named funds appear on copies of the Tufts Loan promissory notes. The Tufts Loan program underwent a change in loan terms for the 2017-18 academic year. Therefore, those who borrowed Tufts Loans in 2017-18 will have a different interest rate than the Tufts Loans they borrowed in a prior academic year. The change is for new Tufts Loans made on or after 7/1/2017.

**Tufts Loans Borrowed Between 7/1/2007 – 6/30/2017:**

| Interest Rate: 7% Fixed | - no interest accrues while the student is enrolled in the educational program for which they received the loan or during grace period. |

| Grace Period: 6 months |

| Repayment Length: 10 years exclusive of grace period |

| Repayment Schedules Available: Standard |

| Deferment Provisions: Maximum total of five years while pursuing an internship, residency, or full-time course of graduate study. Interest will accrue during eligible deferment periods and if gone unpaid, will capitalize at the end of the deferment period. |


**Tufts Loans Borrowed on or after 7/1/2017:**

| Interest Rate: 5% Fixed | - no interest accrues while the student is enrolled in the educational program for which they received the loan or during grace period. |

| Grace Period: 6 months |

| Repayment Length: 10 years exclusive of grace period |

| Repayment Schedules Available: Standard |

| Deferment Provisions: Maximum total of five years while pursuing an internship, residency, or full-time course of graduate study. Interest will accrue during eligible deferment periods and if gone unpaid, will capitalize at the end of the deferment period. |

TUFTS UNIVERSITY STUDENT LOAN OFFICE – UNIVERSITY ACCOUNTING SERVICES (UAS)

The Tufts Student Loan Office is part of Student Financial Services, located in Dowling Hall on the Medford campus. That particular office is responsible for the management of the collection of Tufts Loans, Federal Perkins, HPSL and LDS. Tufts University contracts with University Accounting Service LLC (UAS) to perform all aspects of billing, including processing deferment requests and providing loan payoff amounts as well as other general billing information. Please note that UAS DOES NOT have authority to grant forbearance.

All deferment form requests (except Tufts Loan), change of address information* and general billing questions:

<table>
<thead>
<tr>
<th>University Accounting Services LLC (UAS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-800-999-6227</td>
</tr>
<tr>
<td><a href="https://www.uaservice.com/">https://www.uaservice.com/</a></td>
</tr>
</tbody>
</table>

All Tufts Loan, HPSL, LDS or Perkins Loan payments:

<table>
<thead>
<tr>
<th>University Accounting Services, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>P.O. Box 5865</td>
</tr>
<tr>
<td>Carol Stream, IL 60197-5865</td>
</tr>
</tbody>
</table>

Difficulty making payments, need documentation or questions regarding repayment of HPSL, LDS, Tufts Loan or Perkins:

<table>
<thead>
<tr>
<th>Tufts University - Student Financial Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone: 617/627-4605; FAX: 617/627-3987</td>
</tr>
<tr>
<td>EMAIL: <a href="mailto:Studentloans@tufts.edu">Studentloans@tufts.edu</a></td>
</tr>
</tbody>
</table>

*To change your address, phone number or name you may contact any of the addresses above. Note that updating your contact information with the Student Affairs Office or the Alumni Relations Office WILL NOT update the Student Loan Office or University Accounting Services. YOU MUST CONTACT THE LATTER SEPARATELY!!

PRIVATE EDUCATIONAL LOANS

The use of private education loans has greatly diminished since the Federal Grad PLUS Loan program became available. Additionally the financial crisis caused credit markets to tighten their standards where lenders found it necessary to increase their credit standards making it difficult to gain loan approval. Use of private education loans at TUSDM is now largely limited to foreign students.

The terms of private education loan were usually adjusted annually by lenders. Therefore, the terms of private education loans borrowed by TUSDM students are going to be specific to the year, if not the date, the loan was borrowed or disbursed. This makes it rather impossible for the Financial Aid Office to provide specific repayment information on private education loans to borrowers and, in fact, we are not required to provide exit counseling on these types of education loans.

In general terms, private education loans, include Residency, Relocation and Board Exam loans, will normally have a grace period between 6-9 months after graduation. These loans tend to offer lengthy repayment schedules and some may have deferment options for students continuing in post-graduate programs and residencies. Private education loans have interest rates based on LIBOR or Prime Rate which were adjusted every quarter or even monthly with no interest rate cap. Any borrower benefits a lender might provide are going to be specific to the date the loan was borrowed. There are usually no penalties for early repayment of the loan. If a borrower is experiencing financial difficulty they have been able to request forbearance time however some lenders may need to adjust that policy going forward due to new banking regulations.

During the exit counseling session, students will receive a Student Loan Directory which includes contact information for private education loan lenders/loan servicers most used by TUSDM students. The Financial Aid Office STRONGLY encourages private education loan borrowers to contact their private education loan lender(s) to review the terms of their loans. Some key areas of discussion are as follows:

- Updating borrower contact information
- Confirmation of date of graduation
- Confirm principal and interest outstanding
- Interest capitalization policy/when interest is due to capitalize
- Length of Grace Period and Repayment Period
• Repayment schedule options
• Current interest rate and how rate is determined (if you have multiple loans through the same lender ask if the rates are all the same)
• Deferment options
• Forbearance
• Billing and payment information
• Electronic access to borrower account information
• Borrower benefits offered by lender
• Co-signer information/co-signer release option
• Death and disability policy

It’s important to remember that private loans are not bound by the same set of federal regulatory requirements as, of course, federal student loans are. In addition, private education loan lenders may not update your enrollment status information using the National Student Loan Clearinghouse information that your federal loan servicers utilize, which means you may need to provide written verification that you’re enrolled in school or you are participating in an internship or residency program.

Private education loans can’t be included in any type of federal loan consolidation program. There are private education loan consolidation programs but the Financial Aid Office wouldn’t normally recommend them and, because of the current credit market situation, very few lenders may provide them.

Students might have borrowed Residency, Relocation and Board Exam loans or other types of non-school certified education loans. The Financial Aid Office does not track receipt of these loans and, as a result, these loans are not included in student exit counseling debt summary information. Students who borrowed these loans are urged to contact their lenders directly regarding the terms of these loans.

**LOAN CONSOLIDATION PROGRAMS**

**Federal Loan Consolidation Programs**

Federal Loan Consolidation allows a borrower to consolidate their federal loans into one loan. The borrower can select which federal student loans they wish to include in a consolidation loan. Federal loans eligible for consolidation are as follows:

• Federal Perkins Loan
• Health Professions Student Loan (HPSL)
• Loans for Disadvantaged Students (LDS)
• Federal Subsidized Stafford Loan
• Federal Unsubsidized Stafford Loan
• William D. Ford Direct Subsidized Loan
• William D. Ford Direct Unsubsidized Loan
• Grad PLUS
• Federal Direct Grad PLUS
• FFELP Federal Consolidation Loan (if including one other eligible loan other than a federal consolidation loan)
• Federal Direct Consolidation Loan (if including one other eligible loan other than a federal consolidation loan)

Although it may be very convenient to collapse all of your student loans into a single loan, it might not always be your best choice to do so. You need to carefully weigh the advantages and disadvantages of consolidation. In order to do so, you need a clear understanding of your current loans’ terms such as interest rate, deferment options and any borrower benefits that your FFELP lenders might have provided to you.

When you consolidate your loans, you are actually applying for a new loan equal to the amount of the principal and interest outstanding of the loans you are consolidating. Any accrued interest on these underlying loans will capitalize (added to the principal balance). The interest rate and deferment provisions may be altered after you consolidate since Federal Consolidation Loans offer their own deferment provisions. When consolidation loan funds are disbursed, they are sent to the lenders/loan servicers of your underlying loans included in the consolidation loan. These loans are then paid in full through the consolidation loan process.
The only lender to offer Federal Consolidation Loans is the US Dept. of Education thus this is a borrower’s only lender option. FFELP lenders did have a Federal Consolidation Loan program at one time therefore it is possible for borrowers to have an outstanding FFELP consolidation loan. The two programs mirrored each other with the exception of some minor differences. Notably these differences are the repayment schedules allowed and eligibility to participate in the Public Service Loan Forgiveness Program. The Federal Direct Consolidation Loan allows the same loan repayment schedules of those offered under the Federal Direct and Direct Grad PLUS loans (see page 14). Only Federal Direct Loans, Direct Grad PLUS Loans and Federal Direct Consolidation Loans are eligible to be forgiven under the Public Service Loan Forgiveness Program. Borrowers who have outstanding FFELP loans may consolidate these loans under the Federal Direct Consolidation Loan Program for the purpose of participating in the Public Service Loan Forgiveness Program. Information regarding the Federal Direct Consolidation Loan can be found at http://studentaid.ed.gov/repay-loans/consolidation.

Federal Consolidation Loan Interest Calculation

The interest rate on a consolidation loan is determined by taking the weighted average of the interest rates on the loans which the borrower is choosing to consolidate. Once that weighted average was determined, the lender would round it up to the nearest 1/8th percentage point. That rate would then become the fixed interest rate for the life of the consolidation loan which is a maximum of 30 years. The number of years you may take is dependent on the amount you are consolidating. Recall that you can repay your loans sooner than expected at any point in time.

Advantages of Consolidation

**Consolidate Variable Rate Stafford Loans:** If you currently have outstanding Stafford or Direct Loans at a variable interest rate, you might want to consider consolidating those loans to obtain a low fixed rate of interest. Remember Stafford and Direct Loans borrowed prior to 7/1/2006 are at a variable rate that is reset each July 1st and have a rate cap of 8.25%. Through June 30, 2014, the rate that is in effect on loans borrowed between 7/1/1998 and 6/30/2006 is 1.75% (during grace and eligible deferment) and 2.35% (during repayment). These rates are extremely low therefore consolidating variable rate Stafford loans is a good idea because your loans would ultimately be locked in to a low fixed rate until they are paid in full. Keep in mind that the variable rate is due to be reset again on July 1, 2013 and could be higher or lower than what the rates are currently. Stafford Loans borrowed by graduate/professional students after July 1, 2006 and before June 30, 2013 have a fixed interest rate of 6.8%. Stafford/Direct Loans borrowed by graduate/professional students between July 1, 2013 and June 30, 2014 have a fixed 5.41% interest rate. Stafford/Direct Loans borrowed by graduate/professional students between July 1, 2014 and June 30, 2015 have a fixed 6.21% interest rate. If consolidating these loans, the varying percentage rates would be used to determine the weighted average rate of the consolidation loan.

**Consolidate FFELP Grad PLUS Loans:** FFELP Grad PLUS loans are at an interest rate of 8.5%. By consolidating these loans into a Federal Consolidation Loan, the rate would become 8.25% since consolidation loans are capped at that rate.

**Managing Repayment:** Loan consolidation may be an option for those that feel they may best manage student loan repayment having as few loan servicers as possible. Depending on your loan portfolio, the types of student loans you borrowed and when you borrowed them, you may have only 1 loan servicer already. Students who borrowed student loans prior to July 1, 2008 (post-graduate students or those that borrowed loans in college) may have more loan servicers. If you have multiple loan servicers managing bills and other types of paperwork such as submission of deferment forms, forbearance requests, updating your contact information, requesting different types of repayment schedules from each one of these may be a challenge to some. Loan consolidation helps to resolve this issue, at least in part, since there may be loans a borrower wishes to not consolidate or certain loans can’t be consolidated thus those must be managed separately from the consolidation loan.

**Public Service Loan Forgiveness Program:** If you consolidate using the Federal Direct Consolidation Loan program and are choosing to work in public health/non-profit sector as a career, you may qualify for Public Service Loan Forgiveness. You can learn more about this federal loan forgiveness program at https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service.
Disadvantages of Federal Consolidation

Deferment Provisions May Change: Federal Consolidation Loan deferment provisions mirror those that are currently offered under FFELP and Federal Direct Loan programs. Unless you have very old Federal Stafford and Direct Loans (borrowed before 7/1/1993), your deferment provisions on these loans will stay the same as those offered by the Federal Direct Consolidation Loan. However, if you have HPSL or LDS loans and consolidate those into a federal consolidation loan, your deferment provisions will change. Depending on your immediate and long-term career plans, losing deferment provisions allowed under HPSL and LDS loans may not matter. However, you should carefully consider the deferment provisions allowed on your current loans to determine if and how they might change once you consolidate.

Loss of Borrower Benefits: Any borrower benefits that were originally tied to your Federal Stafford Loans and Grad PLUS Loans will expire once you consolidate your loan. The consolidation loan may have borrower benefits attached to it yet they will not be as favorable. If you think your existing borrower benefits are attainable, you might hesitate to consolidate these loans. The Direct Consolidation Program does have a .25% interest rate reduction if the borrower agrees to ACH payments.

Capitalization of Interest: Once you consolidate your loans, any outstanding interest on the underlying loans will be added to the principal balance (capitalize). Because interest is based on the principal balance owed, the higher your principal, the more you pay in interest charges. If possible, you can pay down the accrued interest on the loans you wish to consolidate before you apply for loan consolidation to keep them from capitalizing.

Longer Repayment Schedules Means More Paying More Interest: Although you can repay a consolidation loan earlier than expected, if you don’t accelerate payment you will end up paying more interest than you would under the standard, 10-year plan. Although the same is true for any type of repayment schedule other than the standard 10-year schedule, you want to carefully consider all of your repayment options in light of your income and other necessary expenses. With the amount of student loan debt TUSDM graduates often face, you might need relief from high monthly payments at the start of your career. But don’t get too comfortable with your discretionary income after making the minimum payment expected on your student loan. Paying them down quickly will mean you are charge less interest overall.

Loss of Interest Subsidy on Certain Loans: If you are considering consolidating Perkins, HPSL or LDS, you may lose interest subsidy on these loans if you place the consolidation loan into deferment. It’s not advisable to include these loans if you will be pursuing deferment of any type until AFTER your deferment eligibility has expired.

Alternatives to Federal Consolidation Loan

Depending on the amount of their overall debt, it’s likely that borrowers will need a repayment plan that extends beyond a 10-year period of time. There are options available other than consolidation for borrowers that need to lower their monthly payments on their student loans especially at the start of their career where their income is likely to be at its lowest point. Refer to page 13 of this manual to review the various repayment schedule options.

Prior Federal Consolidation Loans

Students who might have opted to consolidate their federal loans received while in college thus having a prior Federal Consolidation Loan no longer have a grace period on their consolidated loans. Payments on prior Consolidation loans can be deferred while enrolled in school (or for any other eligible deferment criteria the borrower might meet). However, once that deferment expires, the borrower will enter immediate repayment.

To determine if they have outstanding federal consolidation loans, borrowers should access National Student Loan Data System at www.NSLDS.ed.gov, which tracks all FFELP, Perkins and Direct Loans including (Federal Stafford, Federal Direct, Federal Perkins and Grad PLUS and federal consolidation loans) received by the borrower. Your
Summary of Indebtedness (received during your exit interview with the Financial Aid Office) will also note any Federal Consolidation Loans.

Note that if you are still enrolled in school at the time that your consolidation loan comes due, you will need to contact your loan servicer to request an in-school deferment form. If you have completed your requirements yet you are unable to make payments, consider applying for Economic Hardship Deferment or Forbearance (in that order).

Private Loan Refinancing

Private student loan consolidation (often called refinancing) has become more popular in recent years. Similar to federal loan consolidation, refinancing allows students to effectively pay-off existing loans with a single, large private loan. Several companies currently allow refinancing of both federal and private student loans together. The Financial Aid Office cautions students considering this option as refinancing your federal student loans will result in loss of all federal protections, repayment plans (such as the income-based options), access to Public Service Loan Forgiveness, and any available borrower benefits. Refinancing cannot be undone once the new loan has been created. Private refinance loans are not eligible for any of the federal repayment plans or forgiveness options. However, if you have excellent credit, a high income, and a relatively modest debt-to-income ratio, you may be able to refinance at a lower interest rate than what you have received on your federal student loans. Realize that refinancing cannot be undone, so before you take this step we strongly encourage you to consider all available options. Loan terms (such as interest rate and repayment options) vary wildly from lender to lender. Do keep in mind that most refinance lenders require borrowers to have made a certain number of on-time, regularly scheduled payments on their student loans prior to approval.

Internet Tools

The internet is a tremendous resource for information for student loan borrowers. We encourage borrowers to access their student loan account information via their loan servicer’s website by obtaining a password/user ID with their loan servicers. This will allow you to review your account information, obtain deferment forms and apply for forbearance, as well as other useful tools such as online calculators. In addition, loan servicers provide financial management information, debt management tips, information on credit history and how to prevent identity theft. Your loan servicer’s contact information, including their website address, is included in your student loan counseling exit packet. Other websites borrowers might find helpful are as follows:

- [https://studentaid.ed.gov/repay-loans](https://studentaid.ed.gov/repay-loans): US Dept. of Education website offers comprehensive information regarding all aspects of repaying federal student loans including the various repayment plan options, loan consolidation and deferment eligibility criteria. Various loan calculators are also available.

- [www.finaid.org](http://www.finaid.org): Offers general information on financial aid, student loans and various online calculator tools

- [https://www.nslds.ed.gov](https://www.nslds.ed.gov): The National Student Loan Data System* tracks FFELP borrowing history for each borrower. History includes information on Federal Perkins Loan, Federal Stafford, Federal Direct Loans, Federal Consolidation and Grad PLUS. For those who borrowed loans in college yet forget who the loan servicer is, contact information can be found on NSLDS’ website. It also provides outstanding principal and interest balances on Grad PLUS, Federal Consolidation and Stafford Loans. Access requires using your FSA ID. Go to [www.fsaid.ed.gov](http://www.fsaid.ed.gov) to create an FSA ID for use on federal student aid websites.

- [https://www.saltmoney.org/](https://www.saltmoney.org/): Student loan calculator that allows you to upload your data directly from NSLDS. Excellent for tracking your student loans. Also includes access to repayment information and articles/tools that focus on general financial literacy topics such as budgeting, saving, investing, and using credit wisely.

- [www.aamc.org/services/fao-first/godental/](http://www.aamc.org/services/fao-first/godental/): Excellent student loan calculator by the AAMC and ADEA that is focused exclusively on the dental student experience. Allows students to automatically import data from NSLDS. Provides guidance on the various federal student loan repayment plans and allows students to input information such as expected salary, residency information, and other dental-specific outcomes. Free for all dental students.
*NOTE: NSLDS does NOT track HPSL, LDS, Tufts Loan or any other private education loan or private consolidation loan. If you are interested in loan consolidation, your lender will utilize your NSLDS information to pre-populate your consolidation loan application but if adding loans such as HPSL and LDS to the consolidation loan will require you to manually update the consolidation loan to include those loans.

**PLANNING A STUDENT LOAN REPAYMENT STRATEGY**

With all the options available to them, it is understandable how borrowers can be challenged in setting up a plan to effectively manage their student loan debt. The good news is that you have a lot of options available to you, but the bad news is that you need to take the time to figure it out. It is important for your overall financial health to have a plan of action to manage your student loan debt. Realize that, as time goes on, you may need to modify your plan to incorporate life changes.

The Financial Aid Office can provide some guidance but we can’t tell you what to do. Each borrower has individual financial circumstances and only you know what those are. The most that we’re able to provide is some “food for thought”. The following provides some points for consideration when determining a plan that best suits your needs in light of your career path and goals:

- **Know who your creditors are and introduce yourself to them.** Using the information the Financial Aid Office provided you during your exit session and NSLDS, you can easily obtain a complete list of your creditors/loan servicers and their contact information. Once you have this information, call your student loan servicers to ensure they have your correct graduation date, verify the loans (type, principal amount, interest outstanding) they’re servicing for you and obtain information as to how you can access this information online. You should also verify when your grace period ends, when your first payment begins and your repayment options available.

- **Borrower benefits that are provided on your loans can result in savings for you.** Borrowers that had borrowed FFELP Stafford and Grad PLUS prior to 7/1/2009 most likely have borrower benefits attached to those loans. You should know what those benefits are and what criteria you need to meet in order to obtain them and, before choosing to consolidate, decide whether or not these borrower benefits are attainable for you. You also need to decide what is most important to you when managing your student loan debt. Perhaps you’d be willing to forfeit whatever borrower benefits are afforded to you as long as you work with as few loan servicers as possible. If that’s true, maybe Federal Loan Consolidation is right for you.

- **Get to know your loans by placing your loans in a hierarchy of most favorable to least favorable.** By figuring out which loans you have are the least favorable and the most favorable in terms of their overall cost to you, it will help you set your goals for making overpayments on unfavorable loans while on more favorable loans you make the minimum payments. Variable rate loans such as most private education loans are considered your least favorable loans because they don’t have an interest rate cap and their rates change very frequently. The variable rate loans with an interest rate cap are better than private education loans with no cap. Do whatever you can to pay private education loans and/or higher rate loans off sooner rather than later. Fixed rate loans are more favorable than variable rate loans and those fixed rate loans that were interest-free while you were enrolled in school are also good.

- **Estimate a realistic timeframe in which you can repay your student loans.** This is hard to do and realize that you might have student loan debt equal to most home mortgages which can range from 15-30 years (and you still will have monthly rent or mortgage to pay AFTER you’ve made your student loan payments). Consider any financial help you might receive from your family. If you are part of a two-income household or reduce your living costs to the extent possible, you may be able to repay your loans sooner. You should have a realistic goal as to when you’d like to be done paying off your student loans with the emphasis on sooner rather than later.

- **Begin devising a household budget.** You need to decide what you can or cannot afford in terms of living standards and in student loan payments. Be brutally honest with yourself when deciding if an expense is necessary or if it’s considered a luxury. You may need to buy a car, but do you really need to buy that BMW or...
Lexus? Many of the decisions you will need to make regarding consolidation or various repayment schedules initially might be done when you have limited knowledge of your income and expenses. The best approach under such circumstances is to be very conservative in terms of deciding your wants and needs (do you WANT that BMW or do you NEED that BMW?). When trying to decide what type of student loan repayment schedule is right for you, you may need a schedule that provides you with the lowest monthly payment but, in doing so, you'll want to be aware of the total cost of the loan (i.e. how much principal and interest you would have paid by the time you make your last payment). Although this number might really shock you, it will provide an incentive to pay off the loan sooner than expected so your cost will be less than you originally anticipated. On the other hand, if you know that your living costs will be very low because you’re moving back home to live with your parents or you are part of a two-income household, your focus will shift from the importance of having the lowest monthly payment to having cost-savings as the most important feature. Even if you have some flexibility in your budget, keep in mind that life changes do occur. In other words, you’ll probably want to eventually buy a home, invest in a practice, save for retirement and maybe even start a family so you might have to shift your budget around to strike a balance when these big changes occur. You’ll probably need to strike some happy medium between building in some flexibility for low payments at the start of your career where your income is at its lowest point, and using some of your discretionary income to pay off your loans sooner than required when your income begins to grow. Recognize that if you selected an income-based, income-contingent or income-sensitive repayment schedule, you may be forced to switch those repayment schedules once your income started to increase.
HELPFUL HINTS FOR LOAN DEFERMENT PROCESSES

Federal Stafford Loans and Federal Perkins Loans

We have provided you with copies of Stafford Loan In-School and Federal Education-Related Deferment Forms in the Appendix of this manual, as well as Economic Hardship Deferment Form and the worksheets that will help you in determining if you’re eligible for an Economic Hardship Deferment. Your loan servicers are available to help you with these issues as well and will provide these forms for your use. These forms are used universally by loan servicers yet you need to carefully review each form to be sure you are using the correct one. Since the Economic Hardship Deferment Request can be quite confusing, we suggest you contact your loan servicer for assistance. Recall that if you are requesting forbearance, you must call your servicer/lender. They provide instruction and will send you the proper form. Also, use your loan servicer’s website as a resource for information. You will most likely have the opportunity to access your loan accounts online and you may see that you’re able to download forms and/or apply for forbearance online provided you are set up with security access codes.

National Student Clearinghouse

If you are returning to school or participating in a GPR or AEGD where you are considered as at least a half time student, you should also verify with the school’s Registrar’s Office whether or not an In-School Deferment Form (paper version) is required to be completed for your loan servicers or if they participate in the National Student Clearinghouse (NSC). Many schools contract with NSC and will report enrollment information on their student populations usually on a monthly basis. Loan servicers are required to utilize the clearinghouse data and will “sweep NSC data frequently to search for data matches (usually using borrower’s name, date of birth and social security number). Once a match occurs, the loan servicer will place the federal loan being serviced into an in-school deferment thus the paper deferment forms are not necessary.

Because some schools may not provide the NSC with data during the summer months (June, July and August), if you are beginning in-school student status during these months, you may need to have your school’s Registrar’s Office complete a paper In-School Deferment Form until such time the school reports your enrollment to the clearinghouse electronically.

For those students that have Perkins Loans, Tufts University’s loan servicer, University Accounting Services, uses enrollment data obtained through the NSC to update borrower accounts. Borrowers with HPSL or LDS will need to send additional documentation to the Tufts Student Loan Office verifying that they are enrolled in “advanced graduate study” or, for Tufts Loans, show proof of financial hardship order to receive the deferment.

Private Education Loans

If you are returning to school and have borrowed private education loans, more than likely it will be necessary to complete a paper deferment form or submit documentation to your private education loan servicer indicating your enrollment status and expected graduation date. Although private education loan servicers have access to clearinghouse information, they will often not utilize this information unless they are also servicing your federal loans (i.e. Stafford, Direct Loans, Grad Plus or Federal Consolidation Loan). Contact your private education loan lender/servicer for information on deferment provisions. Recognize that some private education loans cannot be deferred for in-school student status or internship/residency yet borrowers can utilize their grace periods and request forbearance for these loans if necessary. You can discuss your options with your loan servicer(s).

Other Deferment Benefits

We recommend that you review your promissory notes and/or the information available to you in this manual for information on all deferment benefits. During the process of student loan exit counseling we tend to focus on those deferment benefits that are applicable to the dentistry profession. These deferments more or less involve the borrower entering post-graduate training such as continuing in school for a post-graduate certificate or fellowship, GPR or AEGD program or active duty military. However, based on individual circumstances, you may qualify for
other deferment benefits which are not necessary addressed during the exit interview process. Your loan servicers will be able to help you establish whether or not you’re eligible for deferment or loan forgiveness programs based on when you borrowed certain loans.

**Federal Student Aid Ombudsman Office**

If you find you have issues with student loan repayment and are unable to rectify these issues between yourself and your lenders, you do have the right to contact the Federal Student Aid Ombudsman Office at the U.S. Department of Education to request assistance. Their contact information is noted below:

U.S. Department of Education  
FSA Ombudsman Group  
P.O. Box 1843  
Monticello, KY 42633  
Phone: (877) 557-2575  
Fax: (606) 396-4821  
The Tufts Loan Repayment Assistance Program (LRAP) is a university-wide program, launched in 2008, that helps selected Tufts graduates working in public service pay a portion of their annual education loan bills. Believed to be the first university-wide program of this kind in the country, the purpose of the Tufts Loan Repayment Assistance Program (LRAP) is to encourage and enable Tufts graduates to pursue careers in public service by reducing the extent to which their educational debt is a barrier to working in comparatively low-salaried jobs in the non-profit and public sectors.

All Tufts graduates (with undergraduate, graduate and professional degrees; does not include certificate programs) with educational loans incurred for the purpose of attending Tufts (as certified by the Financial Aid Office at Tufts) and who are employed by a non-profit (501c3 or equivalent) or public sector agency are eligible to apply. Applicants must be currently repaying educational loans (or be in a grace period). Applicants who have deferred payment (in order to resume academic studies, for example), who have defaulted on their loans, or are delinquent on their loan payment are not eligible for the program.

Awards will be made by a committee in each Tufts school. The committee will consider each applicant’s income, level of indebtedness, and overall need as compared to the entire applicant pool. Applicants may reapply each year. However, not every applicant will receive an award. Moreover, receiving an award in one year does not guarantee receipt of an award in subsequent years.

The Tufts LRAP is structured so that the awards should not be taxable, pursuant to special federal income tax rules that apply to the discharge of student loan debt (26 U.S.C. § 108(f)). In accordance with this provision, Tufts LRAP awards are made in the form of loans which are forgiven when the award recipient completes a year of continued public service employment. Applicants should consult a tax advisor with specific tax-related inquiries.

Additional information and application information can be found at lrap.tufts.edu. Applications for the 2018 award cycle will be made available during Fall 2018 with a deadline of December 1, 2018.
APPENDIX

The appendix includes:

- Cancellation and Discharge Summary Charts for the Federal Direct/FFELP Stafford Loans, Federal Direct/FFELP Grad PLUS Loan and Federal Perkins Loan programs;

- Federal Family Education Loan (FFEL) Program and William D. Ford Federal Direct Loan Forms Commonly Used Deferment Forms
  - DIRECT LOAN IN-SCHOOL DEFERMENT FORM (See Note 2)
  - DIRECT LOAN EDUCATION-RELATED DEFERMENT REQUEST (See Note 2)
  - DIRECT LOAN ECONOMIC HARDSHIP DEFERMENT FORM
  - DIRECT LOAN UNEMPLOYMENT DEFERMENT REQUEST FORM
  - MILITARY SERVICE DEFERMENT FORM – APPLICABLE FOR PERKINS, DIRECT AND FFELP LOAN PROGRAMS

- Interest Conversion and Accrued Interest Tables

You may also obtain these same deferment forms from your loan servicers’ websites with the return mailing address pre-populated. The forms are universal so photocopies of those included in the appendix can be used by any loan servicer yet you will need to provide the mailing address and/or fax number so that the forms will be received by the appropriate loan servicer(s). Note the forms are interchangeable and can be used for both FFELP and Federal Direct Loan programs. Be sure that the form you are using has not expired. Usually the forms provided through your loan servicer’s website will be up-to-date. If not, contact your loan servicer for further direction and to see if you can continue to use an expired form.

Note 1: National Student Loan Clearinghouse should report enrollment status of those eligible for an in-school deferment. Paper deferment forms can be used if student is deemed eligible for deferment yet school has not yet reported the borrower as enrolled. Check with the school’s Registrar’s Office for additional information and clarification.

Note 2: Borrowers should contact their loan servicer(s) to determine which of these two forms should be completed. FFELP and DL Education-related Deferment Requests are mostly used for those students who are participating in a Graduate Fellowship Program. Internship/residency deferment is not available for students who did not have an outstanding balance on Stafford or Direct Loan prior to 7/1/1993. If participating in a GPR or AEGD program and the program is affiliated with a school, check with the school’s Registrar’s Office to determine if you are considered enrolled at least half time during your residency. If so, then apply for an in-school deferment. Note that some schools might not report GPR/AEGD residents to National Student Loan Clearinghouse thus you will need to complete a paper deferment process.
**Federal Stafford/Direct Loan and Grad PLUS/Direct Grad PLUS Loan Cancellation/Forgiveness and Discharge Summary Chart**

<table>
<thead>
<tr>
<th>Discharge/Forgiveness Condition</th>
<th>Amount Discharged/Forgiven</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrower's total and permanent disability or death.†</td>
<td>100 percent</td>
<td>For a PLUS Loan, includes the death, but not disability, of the student for whom the parents borrowed.</td>
</tr>
<tr>
<td>Full-time teacher for five consecutive years in a designated elementary or secondary school or educational service agency serving students from low-income families. Must meet additional eligibility requirements.</td>
<td>Up to $5,000 (up to $17,500 for elementary/secondary special education teachers and secondary math and science teachers) of the total loan amount outstanding after completion of the fifth year of teaching. Under the Direct and FFEL Consolidation Loan programs, only the portion of the consolidation loan used to repay eligible Direct Loans or FFEL Loans qualifies for loan forgiveness.</td>
<td>For Direct and FFEL Stafford Loan borrowers with no outstanding balance on a Direct or FFEL Loan on Oct. 1, 1998, or on the date they received a loan on, or after that date. PLUS Loans are not eligible. At least one of the five consecutive years of teaching in an elementary/secondary school must occur after the 1997-98 academic year. Teaching at an educational service agency may count toward the required five consecutive years only if the consecutive five-year period includes teaching service at an educational service agency performed after the 2007-2008 academic year. To find out whether your school or educational service agency where you teach is considered to serve low-income students, go to <a href="http://www.studentaid.gov">www.studentaid.gov</a>, click on “How to Repay Your Loans,” Or call 1-800-4-FED-AID (1-800-433-3243).</td>
</tr>
<tr>
<td>Bankruptcy (in rare cases)</td>
<td>100 percent</td>
<td>Cancellation is possible only if the bankruptcy court rules that repayment poses an undue hardship to the borrower.</td>
</tr>
<tr>
<td>Closed school (for borrowers who could not complete their program because the school closed while they were enrolled)</td>
<td>100 percent</td>
<td>For loans received on or after Jan. 1, 1986.</td>
</tr>
<tr>
<td>False loan certification (school falsely certified a borrower's eligibility to receive a loan)</td>
<td>100 percent</td>
<td>For loans received on or after Jan. 1, 1986.</td>
</tr>
<tr>
<td>False certification by reason of identity theft (loan was made as a result of the crime of identity theft, as determined by a court)</td>
<td>100 percent</td>
<td>Effective July 1, 2006</td>
</tr>
<tr>
<td>School does not make required return of loan funds to the lender</td>
<td>Up to the amount that the school was required to return.</td>
<td>For loans received on or after Jan. 1, 1986.</td>
</tr>
<tr>
<td>Loan forgiveness for public service employees</td>
<td>100 percent of the remaining outstanding balance on an eligible Direct Loan.</td>
<td>For a borrower not in default and who makes 120 monthly payments on the loan while the borrower is employed in a public service job after Oct. 1, 2007.</td>
</tr>
<tr>
<td>Loan Forgiveness under Income-based Repayment Schedule</td>
<td>Remaining balance of loans after 20- or 25-year repayment schedule</td>
<td>Amount forgiven is considered taxable income in the year in which it is forgiven.</td>
</tr>
</tbody>
</table>

†Total and permanent disability is defined as the condition of an individual who is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death; has lasted for a continuous period of not less than 60 months; can be expected to last for a continuous period of not less than 60 months; or has been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected disability. For more information on qualifying for this discharge, contact your loan holder.
## Perkins Loan Cancellation and Discharge Summary Chart

<table>
<thead>
<tr>
<th>Cancellation Conditions</th>
<th>Amount Forgiven</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bankruptcy (in rare cases -cancellation is possible only if the bankruptcy court rules that repayment would cause undue hardship) [a]</td>
<td>100 percent</td>
</tr>
<tr>
<td>Closed school (before student could complete program of study)-applies to loans received on or after Jan. 1, 1986 [a]</td>
<td>100 percent</td>
</tr>
<tr>
<td>Borrower's total and permanent disability [b] or death [a]</td>
<td>100 percent</td>
</tr>
<tr>
<td>Full-time teacher in a designated elementary or secondary school serving students from low-income families [a] [c]</td>
<td>Up to 100 percent</td>
</tr>
<tr>
<td>Full-time special education teacher (includes teaching children with disabilities in a public or other nonprofit elementary or secondary school) [a] [c]</td>
<td>Up to 100 percent</td>
</tr>
<tr>
<td>Full-time qualified professional provider of early intervention services for the disabled [a]</td>
<td>Up to 100 percent</td>
</tr>
<tr>
<td>Full-time teacher of math, science, foreign languages, bilingual education, or other fields designated as teacher shortage areas [a]</td>
<td>Up to 100 percent</td>
</tr>
<tr>
<td>Full-time employee of a public or nonprofit child- or family-services agency providing services to high-risk children and their families from low-income communities [a]</td>
<td>Up to 100 percent</td>
</tr>
<tr>
<td>Full-time nurse or medical technician [a]</td>
<td>Up to 100 percent</td>
</tr>
<tr>
<td>Full-time law enforcement or corrections officer [a]</td>
<td>Up to 100 percent</td>
</tr>
<tr>
<td>Full-time staff member in the education component of a Head Start Program [a]</td>
<td>Up to 100 percent</td>
</tr>
<tr>
<td>VISTA or Peace Corps volunteer [a]</td>
<td>Up to 70 percent</td>
</tr>
<tr>
<td>Service in the U.S. Armed Forces [a]</td>
<td>Up to 50 percent in areas of hostilities or imminent danger</td>
</tr>
<tr>
<td>Full-time teacher in a designated educational service agency serving students from low-income families [d]</td>
<td>Up to 100 percent</td>
</tr>
<tr>
<td>Full-time special education teacher (includes teaching children with disabilities in educational service agency) [d]</td>
<td>Up to 100 percent</td>
</tr>
<tr>
<td>Full-time staff member in a prekindergarten or child care program that is licensed or regulated by a State [d]</td>
<td>Up to 100 percent</td>
</tr>
<tr>
<td>Full-time fire fighter [d]</td>
<td>Up to 100 percent</td>
</tr>
<tr>
<td>Full-time faculty member at a Tribal College or University [d]</td>
<td>Up to 100 percent</td>
</tr>
<tr>
<td>Full-time speech pathologist with a master's degree working in a Title I-eligible elementary or secondary school [d]</td>
<td>Up to 100 percent</td>
</tr>
<tr>
<td>Librarian with a master's degree working in a Title I-eligible elementary or secondary school or in a public library serving title-eligible schools [d]</td>
<td>Up to 100 percent</td>
</tr>
<tr>
<td>Full-time attorney employed in a public or community defender organization [d]</td>
<td>Up to 100 percent</td>
</tr>
<tr>
<td>Service in the U.S. Armed Forces [d]</td>
<td>Up to 100 percent in areas of hostilities or imminent danger</td>
</tr>
</tbody>
</table>

[a] As of Oct. 7, 1998, all Perkins Loan borrowers are eligible for all cancellation benefits regardless of when the loan was made or the terms of the borrower's promissory note. However, this benefit is not retroactive to services performed before Oct. 7, 1998.

[b] Total and permanent disability is defined as the condition of an individual who is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death; has lasted for a continuous period of not less than 60 months; can be expected to last for a continuous period of not less than 60 months; or has been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected disability. For more information on qualifying for this discharge, contact your loan holder.

[c] Detailed information on teaching service cancellation/deferment options can be found at [www.FederalStudentAid.ed.gov](http://www.FederalStudentAid.ed.gov). At the site, click on "Students, Parents and Counselors."

[d] As of Oct. 7, 1998, all Perkins Loan borrowers are eligible for all cancellation benefits regardless of when the loan was made or the terms of the borrower's promissory note. Service must include Aug. 14, 2008.
IN-SCHOOL DEFERMENT REQUEST

SCH

William D. Ford Federal Direct Loan (Direct Loan) Program / Federal Family Education Loan (FFEL) Program / Federal Perkins Loan (Perkins Loan) Program

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

SECTION 1: BORROWER INFORMATION

Please enter or correct the following information.

☐ Check this box if any of your information has changed.

SSN

Name ____________________________

Address ____________________________

City ____________________________ State _______ Zip Code _________

Telephone - Primary ____________________________

Telephone - Alternate ____________________________

Email (Optional) ____________________________

SECTION 2: BORROWER DETERMINATION OF DEFERMENT ELIGIBILITY

Carefully read the entire form before completing it.

You are always eligible for this deferment if you are enrolled full time at an eligible school.

You are eligible for this deferment when you are enrolled at least half time, but less than full time, at an eligible school, only if you are:

• A Direct Loan borrower;

• A Perkins Loan borrower; or

• A FFEL Program borrower who did not have an outstanding balance on a FFEL Program loan that was first disbursed before July 1, 1987 when you obtained a loan on or after July 1, 1987.

Federal PLUS Loans that were first disbursed on or after July 1, 2008 are eligible for this deferment regardless of prior borrowing in the FFEL Program.

SECTION 3: BORROWER REQUESTS, UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATION

I request:

• To defer repayment of my loans for the period during which I meet the eligibility criteria outlined in Section 2 and as certified by the authorized official in Section 4.

• ☐ If indicated, to make interest payments on my loans during my deferment.

• ☐ If I am eligible and if indicated, to defer repayment of the PLUS Loan for the 6-month period after the I am no longer enrolled on at least a half-time basis, graduates, or withdraws.
I understand that:

- I am not required to make payments of loan principal or interest during my deferment.
- My deferment will begin, as certified by the authorized official, on the date I became eligible for the deferment.
- My deferment will end, as certified by the authorized official, on the date I no longer qualify for the deferment.
- If I am a Perkins Loan borrower, I will receive a 6-month post-deferment grace period beginning on the date I no longer qualify for the deferment.
- If I am a graduate or professional student borrower of a Direct or Federal PLUS Loan, I will also receive a deferment on my Direct or Federal PLUS Loan(s) first disbursed on or after July 1, 2008 during the 6-month period after I cease to be enrolled on at least a half-time basis.
- If I am a parent borrower of a Direct or Federal PLUS Loan first disbursed on or after July 1, 2008, and I request it above, another deferment will begin on the date after I cease to be enrolled on at least a half-time basis and will end 6 months after that date.
- Interest may capitalize on my loans during or at the expiration of my deferment or forbearance, but interest never capitalizes on Perkins Loans.

I certify that:

- The information I have provided on this form is true and correct.
- I will provide additional documentation to my loan holder, as required, to support my deferment eligibility.
- I will notify my loan holder immediately when my eligibility for the deferment ends.
- I have read, understand, and meet the eligibility requirements in Section 2.

I authorize the entity to which I submit this request and its agents to contact me regarding my request or my loans at any cellular telephone number that I provide now or in the future using automated telephone dialing equipment or artificial or prerecorded voice or text messages.

Borrower’s Signature ___________________________ Date ________________

SECTION 4: AUTHORIZED OFFICIAL’S CERTIFICATION

Note: As an alternative to completing this section, you may attach separate documentation from an authorized official that includes all of the information requested below or have your school report your enrollment to the National Student Loan Data System (NSLDS) at nslds.fap.ed.gov.

- The student is/was enrolled at the school below:
  - [ ] Full time
  - [ ] At least half time, but less than full time

- The student’s enrollment status begins/began on:
  ____________________________________________

- The student’s enrollment status ends/ended on:
  ____________________________________________

- The student is expected to complete his/her program requirements on:
  ____________________________________________

I certify, to the best of my knowledge and belief, that the information that I have provided in this section is accurate.

Name of School ___________________________ OPEID __________________
Address ___________________________ City ___________________________
State ___________________________ Zip Code __________________________
Official’s Name/Title ___________________________ Telephone __________________________

Official’s Signature ___________________________ Date ________________
SECTION 5: INSTRUCTIONS FOR COMPLETING THE DEFERMENT REQUEST

Type or print using dark ink. Enter dates as month-day-year (mm-dd-yyyy). Example: March 14, 2015 = 03-14-2015. Include your name and account number on any documentation that you are required to submit with this form. If you want to apply for a deferment on loans that are held by different loan holders, you must submit a separate deferment request to each loan holder. Return the completed form and any required documentation to the address shown in Section 7.

SECTION 6: DEFINITIONS

An authorized official who may complete Section 4 is an official of the school you are/were enrolled.

Capitalization is the addition of unpaid interest to the principal balance of your loan. Capitalization causes more interest to accrue over the life of your loan and may cause your monthly payment amount to increase. Interest never capitalizes on Perkins Loans. Table 1 (below) provides an example of the monthly payments and the total amount repaid for a $30,000 unsubsidized loan. The example loan has a 6% interest rate and the example deferment or forbearance lasts for 12 months and begins when the loan entered repayment. The example compares the effects of paying the interest as it accrues or allowing it to capitalize.

A deferment is a period during which you are entitled to postpone repayment of your loans. Interest is not generally charged to you during a deferment on your subsidized loans. Interest is always charged to you during a deferment on your unsubsidized loans. On loans made under the Perkins Loan Program, all deferments are followed by a post deferment grace period of 6 months, during which time you are not required to make payments.

An eligible school is a school that has been approved by the Department to participate in the Department’s Federal Student Aid programs, even if the school does not participate in those programs.


### Table 1. Capitalization Chart

<table>
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<tr>
<th>Treatment of Interest with Deferral/Forbearance</th>
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SECTION 7: WHERE TO SEND THE COMPLETED DEFERMENT REQUEST

Return the completed form and any documentation to: If no address is shown, return to your loan holder.

If you need help completing this form, call: If no phone number is shown, call your loan holder.
SECTION 8: IMPORTANT NOTICES

Privacy Act Notice. The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authorities for collecting the requested information from and about you are §421 et seq., §451 et seq., or §461 of the Higher Education Act of 1965, as amended (20 U.S.C. 1071 et seq., 20 U.S.C. 1087a et seq., or 20 U.S.C. 1087aa et seq.) and the authorities for collecting and using your Social Security Number (SSN) are §§428B(f) and 486(a)(4) of the HEA (20 U.S.C. 1078–2(f) and 1091(a)(4)) and 31 U.S.C. 7701(b), Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program, Federal Family Education Loan (FFEL) Program, or Federal Perkins Loan (Perkins Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the Direct Loan, FFEL, or Federal Perkins Loan Programs, to permit the servicing of your loans, and, if it becomes necessary, to locate you and to collect and report on your loans if your loans become delinquent or default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed, on a case-by-case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices. The routine uses of this information include, but are not limited to, its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, businesses and personal associates, to consumer reporting agencies, to financial and educational institutions, and to guaranty agencies in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loans, to enforce the terms of the loans, to investigate possible fraud and to verify compliance with federal student financial aid program regulations, or to locate you if you become delinquent in your loan payments or if you default. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to state agencies. To provide financial aid history information, disclosures may be made to educational institutions.

To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions to efficiently submit student enrollment statuses, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. Before making any such disclosure, we will require the contractor to maintain Privacy Act safeguards. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

Paperwork Reduction Notice. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0011. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain a benefit in accordance with 34 CFR 674.34, 674.35, 674.36, 674.37, 682.210, or 685.204. If you have comments or concerns regarding the status of your individual submission of this form, please contact your loan holder directly (see Section 7).
GRADUATE FELLOWSHIP DEFERMENT REQUEST

William D. Ford Federal Direct Loan (Direct Loan) Program / Federal Family Education Loan (FFEL) Program / Federal Perkins Loan (Perkins Loan) Program

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

SECTION 1: BORROWER INFORMATION

Please enter or correct the following information.

☐ Check this box if any of your information has changed.

SSN __________________________
Name __________________________
Address __________________________
City __________________________ State ______ Zip Code __________
Telephone - Primary __________________________
Telephone - Alternate __________________________
Email (Optional) __________________________

SECTION 2: BORROWER DETERMINATION OF DEFERMENT ELIGIBILITY

Carefully read the entire form before completing it. Complete Section 2 in its entirety.

1. Do you have a bachelor's degree?
   ☐ Yes - Continue to Item 2.
   ☐ No - You are not eligible for this deferment.

2. Have you been accepted or recommended by an institution of higher education for acceptance into a graduate fellowship program on a full-time basis?
   ☐ Yes - Continue to Item 3.
   ☐ No - You are not eligible for this deferment.

3. Does your graduate fellowship program provide sufficient financial support to allow for full-time study for a period of at least 6 months?
   ☐ Yes - Continue to Item 4.
   ☐ No - You are not eligible for this deferment.

4. Does your graduate fellowship program require, before the awarding of financial support, a written statement from you that explains your objectives?
   ☐ Yes - Continue to Item 5.
   ☐ No - You are not eligible for this deferment.

5. Does your graduate fellowship program require you to submit periodic reports, projects, or other evidence of your progress?
   ☐ Yes - Continue to Item 6.
   ☐ No - You are not eligible for this deferment.

6. Are you studying at a foreign university?
   ☐ Yes - Continue to Item 7.
   ☐ No - Complete Section 3 and then have an authorized official complete Section 4.

7. Will your graduate fellowship program accept the course of study from the foreign university towards completion of the fellowship program?
   ☐ Yes - Complete Section 3 and then have an authorized official complete Section 4.
   ☐ No - You are not eligible for this deferment.

SECTION 3: BORROWER REQUESTS, UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATION

I request:

- To defer repayment of my loans for the period during which I meet the eligibility criteria outlined in Section 2 and as certified by an authorized official in Section 4.
- ☐ If indicated, to make interest payments on my loans during my deferment.
SECTION 3: BORROWER REQUESTS, UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATION (CONTINUED)

I understand that:

- I am not required to make payments of loan principal or interest during my deferment.
- My deferment will begin on the date I became eligible, as certified by the authorized official.
- My deferment will end on the earlier of the certified deferment end date or when I am no longer eligible for the deferment for another reason.
- If I am a Perkins Loan borrower, I will receive a 6-month post-deferment grace period beginning on the date I no longer qualify for the deferment.
- Interest may capitalize on my loans during or at the expiration of my deferment or forbearance, but interest never capitalizes on Perkins Loans.

I certify that:

- The information I have provided on this form is true and correct.
- I will provide additional documentation to my loan holder, as required, to support my deferment eligibility.
- I will notify my loan holder immediately when my eligibility for the deferment ends.
- I have read, understand, and meet the eligibility requirements in Section 2.

I authorize the entity to which I submit this request and its agents to contact me regarding my request or my loans at any cellular telephone number that I provide now or in the future using automated telephone dialing equipment or artificial or prerecorded voice or text messages.

Borrower’s Signature ____________________________ Date ____________________________

SECTION 4: AUTHORIZED OFFICIAL’S CERTIFICATION

Do not complete this section unless the borrower has completed Section 2 in its entirety. Note: Instead of having an authorized official complete this section, you may attach separate documentation from an authorized official that includes all of the information requested below and a certification that you and the program meet all conditions indicated by your responses in Section 2.

- The program begins/began on: ____________________________
- The program is expected to end/ended on: ________________

I certify, to the best of my knowledge and belief:
- The borrower and the program meet all conditions indicated by the borrower’s responses in Section 2, and
- The information that I have provided in this section is accurate.

Name of Institution ________________________________ OPEID (if applicable) ________________________________
Address __________________________________________ City ____________________________ State _________ Zip Code _____
Official’s Name/Title ____________________________ Telephone ____________________________

Official’s Signature ____________________________ Date ____________________________

SECTION 5: INSTRUCTIONS FOR COMPLETING THE DEFERMENT REQUEST

Type or print using dark ink. Enter dates as month-day-year (mm-dd-yyyy). Example: March 14, 2015 = 03-14-2015. Include your name and account number on any documentation that you are required to submit with this form. If you want to apply for a deferment on loans that are held by different loan holders, you must submit a separate deferment request to each loan holder. Return the completed form and any required documentation to the address shown in Section 7.
SECTION 6: DEFINITIONS

An authorized official who may complete Section 4 is an official of the Graduate Fellowship Program.

Capitalization is the addition of unpaid interest to the principal balance of your loan. Capitalization causes more interest to accrue over the life of your loan and may cause your monthly payment amount to increase. Interest never capitalizes on Perkins Loans. Table 1 (below) provides an example of the monthly payments and the total amount repaid for a $30,000 unsubsidized loan. The example loan has a 6% interest rate and the example deferment or forbearance lasts for 12 months and begins when the loan entered repayment. The example compares the effects of paying the interest as it accrues or allowing it to capitalize.

A deferment is a period during which you are entitled to postpone repayment of your loans. Interest is not generally charged to you during a deferment on your subsidized loans. Interest is always charged to you during a deferment on your unsubsidized loans. On loans made under the Perkins Loan Program, all deferments are followed by a post-deferment grace period of 6 months, during which time you are not required to make payments.


The Federal Perkins Loan (Perkins Loan) Program includes Federal Perkins Loans, National Direct Student Loans (NDSL), and National Defense Student Loans (Defense Loans).

The holder of your Direct Loans is the Department. The holder of your FFEL Program loans may be a lender, guaranty agency, secondary market, or the Department. The holder of your Perkins Loans is an Institution of Higher Education or the Department. Your loan holder may use a servicer to handle billing and other communications related to your loans. References to "your loan holder" on this form mean either your loan holder or your servicer.

A subsidized loan is a Direct Subsidized Loan, a Direct Subsidized Consolidation Loan, a Federal Subsidized Stafford Loan, portions of some Federal Consolidation Loans, Federal Perkins Loans, NDSL, and Defense Loans.

An unsubsidized loan is a Direct Unsubsidized Loan, a Direct Unsubsidized Consolidation Loan, a Direct PLUS Loan, a Federal Unsubsidized Stafford Loan, a Federal PLUS Loan, a Federal SLS, and portions of some Federal Consolidation Loans.


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The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the Direct Loan, FFEL, or Federal Perkins Loan Programs, to permit the servicing of your loans, and, if it becomes necessary, to locate you and to collect and report on your loans if your loans become delinquent or default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed, on a case-by-case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices. The routine uses of this information include, but are not limited to, its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to consumer reporting agencies, to financial and educational institutions, and to guaranty agencies in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loans, to enforce the terms of the loans, to investigate possible fraud and to verify compliance with federal student financial aid program regulations, or to locate you if you become delinquent in your loan payments or if you default. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to state agencies. To provide financial aid history information, disclosures may be made to educational institutions.

To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions to efficiently submit student enrollment statuses, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies.

In the event of litigation, we may send records to the Department of Justice, a court, a judicial body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. Before making any such disclosure, we will require the contractor to maintain Privacy Act safeguards. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

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SECTION 1: BORROWER INFORMATION

Please enter or correct the following information.

☐ Check this box if any of your information has changed.

SSN

Name

Address

City State Zip Code

Telephone - Primary

Telephone - Alternate

Email (Optional)

SECTION 2: BORROWER DETERMINATION OF DEFERMENT ELIGIBILITY

Carefully read the entire form before completing it. Complete Section 2 in its entirety. Maximum cumulative eligibility is 36 months per loan program. The federal student loan programs include the Direct Loan, FFEL, and Perkins Loan programs. For FFEL Program borrowers only, you are only eligible if all of your FFEL Program loans were first disbursed one or after July 1, 1993, or if you had no balance on a FFEL Program loan that was disbursed before July 1, 1993 when you received a loan on or after July 1, 1993. Instead of deferment, consider a repayment plan that determines your monthly payment amount based on your income. Visit StudentAid.gov/IDR for more information.

1. Have you been granted an Economic Hardship Deferment on a loan made under another federal student loan program for the same period of time for which you are applying for this deferment?
   For example, check "yes" if you are requesting deferment on your Direct Loans because you are on the deferment on your FFEL Program loans.
   ☐ Yes - Attach documentation of the deferment. Skip to Section 3.
   ☐ No - Continue to Item 2.

2. Have you received or are you receiving payments under a federal or state public assistance program that supports the period of time for which you are applying for this deferment?
   Qualifying programs include: Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), Supplemental Nutrition Assistance Program (SNAP), state general public assistance, or other means-tested benefits.
   ☐ Yes - Attach documentation of the payments. Skip to Section 3.
   ☐ No - Continue to Item 3.

3. Are you serving as a Peace Corps volunteer?
   ☐ Yes - Attach documentation certifying your period of service. Skip to Section 3.
   ☐ No - Continue to Item 4.

4. Do you work full time (see Section 5)?
   ☐ Yes - Continue to Item 5.
   ☐ No - You are not eligible for this deferment.

5. What is your monthly income?
   You must attach documentation of your monthly income. Monthly income is either (you choose):
   - Your gross income from all sources or
   - One-twelfth of the Adjusted Gross Income from your most recent federal income tax return.

6. What is your family size (see section 5)? ______

7. Is the amount you reported in Item 5 less than 150% of the poverty guideline for your family size and state of residence (see Table 2 in Section 5)?
   ☐ Yes - Continue to Section 3.
   ☐ No - You are not eligible for this deferment.
SECTION 3: BORROWER REQUESTS, UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATION

I request:

- To defer repayment of my loans for the period during which I have an economic hardship, as described in Section 2.
- That my deferment begin on: ____________________
  - [ ] If indicated, to make interest payments on my loans during my deferment.

I understand that:

- I am not required to make payments of loan principal or interest during my deferment.
- My deferment will begin on the later of the date I became eligible or the date that I requested.
- My deferment will end on the earlier of the date that I exhaust my maximum eligibility, the certified deferment end date, or when I am no longer eligible for the deferment for another reason.
- If I am a Perkins Loan borrower, I will receive a 6-month post-deferment grace period beginning on the date I no longer qualify for the deferment.
- Unless I am an Economic Hardship deferment after 1 year, I may reapply, subject to the cumulative maximum.
- Interest may capitalize on my loans during or at the expiration of my deferment for forbearance, but interest never capitalizes on Perkins Loans.

I certify that:

- The information I have provided on this form is true and correct.
- I will provide additional documentation to my loan holder, as required, to support my deferment eligibility.
- I will notify my loan holder immediately when my eligibility for the deferment ends.
- I have read, understand, and meet the eligibility requirements in Section 2.

I authorize the entity to which I submit this request and its agents to contact me regarding my request or my loans at any cellular telephone number that I provide now or in the future using automated telephone dialing equipment or artificial or prerecorded voice or text messages.

Borrower’s Signature ____________________ Date ________________

SECTION 4: INSTRUCTIONS FOR COMPLETING THE DEFERMENT REQUEST

Type or print using dark ink. Enter dates as month-day-year (mm-dd-yyyy). Example: March 14, 2015 = 03-14-2015. Include your name and account number on any documentation that you are required to submit with this form. If you want to apply for a deferment on loans that are held by different loan holders, you must submit a separate deferment request to each loan holder. Return the completed form and any required documentation to the address shown in Section 6.

SECTION 5: DEFINITIONS

**Capitalization** is the addition of unpaid interest to the principal balance of your loan. Capitalization causes more interest to accrue over the life of your loan and may cause your monthly payment amount to increase. Interest never capitalizes on Perkins Loans. Table 1 (below) provides an example of the monthly payments and the total amount repaid for a $30,000 unsubsidized loan.

The example loan has a 6% interest rate and the example deferment or forbearance lasts for 12 months and begins when the loan entered repayment. The example compares the effects of paying the interest as it accrues or allowing it to capitalize.
SECTION 5: DEFINITIONS (CONTINUED)

A deferment is a period during which you are entitled to postpone repayment of your loans. Interest is not generally charged to you during a deferment on your subsidized loans. Interest is always charged to you during a deferment on your unsubsidized loans. On loans made under the Perkins Loan Program, all deferments are followed by a post-deferment grace period of 6 months, during which time you are not required to make payments.

Family size includes (1) you, (2) your spouse, (3) your children if they receive more than half of their support from you, including unborn children who will be born during the deferment period, and (4) other people, if, at the time you request this deferment, they live with you, receive more than half their support from you, and will continue to receive this support from you for the deferment period. Support includes money, gifts, loans, housing, food, clothes, car, medical and dental care, and payment of college costs.


The Federal Perkins Loan (Perkins Loan) Program includes Federal Perkins Loans, National Direct Student Loans (NDSL), and National Defense Student Loans (Defense Loans).

Full-time employment means working at least 30 hours per week in a position expected to last at least 3 consecutive months.

The holder of your Direct Loans is the Department. The holder of your FFEL Program loans may be a lender, guaranty agency, secondary market, or the Department. The holder of your Perkins Loans is an institution of higher education or the Department. Your loan holder may use a servicer to handle billing and other communications related to your loans. References to "your loan holder" on this form mean either your loan holder or your servicer.

A subsidized loan is a Direct Subsidized Loan, a Direct Subsidized Consolidation Loan, a Federal Subsidized Stafford Loan, portions of some Federal Consolidation Loans, Federal Perkins Loans, NDSL, and Defense Loans.

An unsubsidized loan is a Direct Unsubsidized Loan, a Direct Unsubsidized Consolidation Loan, a Federal PLUS Loan, a Federal Unsubsidized Stafford Loan, and Federal SLS, and portions of some Federal Consolidation Loans.


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<td>$31,841</td>
<td>$354</td>
<td>120</td>
<td>$42,420</td>
</tr>
</tbody>
</table>

Table 2. 150% of the Poverty Guidelines for 2016 (Monthly)

<table>
<thead>
<tr>
<th>Family Size</th>
<th>Alaska</th>
<th>Hawaii</th>
<th>All Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$1,855.00</td>
<td>$1,708.75</td>
<td>$1,485.00</td>
</tr>
<tr>
<td>2</td>
<td>$2,502.50</td>
<td>$2,303.75</td>
<td>$2,002.50</td>
</tr>
<tr>
<td>3</td>
<td>$3,150.00</td>
<td>$2,898.75</td>
<td>$2,520.00</td>
</tr>
<tr>
<td>4</td>
<td>$3,797.50</td>
<td>$3,493.75</td>
<td>$3,037.50</td>
</tr>
<tr>
<td>5</td>
<td>$4,445.00</td>
<td>$4,088.75</td>
<td>$3,555.00</td>
</tr>
<tr>
<td>6</td>
<td>$5,092.50</td>
<td>$4,683.75</td>
<td>$4,072.50</td>
</tr>
<tr>
<td>7</td>
<td>$5,740.00</td>
<td>$5,278.75</td>
<td>$4,591.25</td>
</tr>
<tr>
<td>8</td>
<td>$6,390.00</td>
<td>$5,876.25</td>
<td>$5,111.25</td>
</tr>
<tr>
<td>Each add'l person, add</td>
<td>$650.00</td>
<td>$597.50</td>
<td>$520.00</td>
</tr>
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If you do not live in the United States, use the poverty guideline amount in the column labeled "All Others".
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SECTION 7: IMPORTANT NOTICES

Privacy Act Notice. The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authorities for collecting the requested information from and about you are §421 et seq., §451 et seq., or §461 of the Higher Education Act of 1965, as amended (20 U.S.C. 1071 et seq., 20 U.S.C. 1087a et seq., or 20 U.S.C. 1087aa et seq.) and the authorities for collecting and using your Social Security Number (SSN) are §5428B(f) and 464(a)(4) of the HEA (20 U.S.C. 1078-2(f) and 1091(a)(4)) and 31 U.S.C. 7701(b).

Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program, Federal Family Education Loan (FFEL) Program, or Federal Perkins Loan (Perkins Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the Direct Loan, FFEL, or Federal Perkins Loan Programs, to permit the servicing of your loans, and, if it becomes necessary, to locate you and to collect and report on your loans if your loans become delinquent or default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed, on a case-by-case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices. The routine uses of this information include, but are not limited to, its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to consumer reporting agencies, to financial and educational institutions, and to guaranty agencies in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loans, to enforce the terms of the loans, to investigate possible fraud and to verify compliance with federal student financial aid program regulations, or to locate you if you become delinquent in your loan payments or if you default. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to state agencies. To provide financial aid history information, disclosures may be made to educational institutions.

To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions to efficiently submit student enrollment statuses, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. Before making any such disclosure, we will require the contractor to maintain Privacy Act safeguards. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

Paperwork Reduction Notice. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0011. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain a benefit in accordance with 34 CFR 674.34, 674.35, 674.36, 674.37, 682.210, or 685.204. If you have comments or concerns regarding the status of your individual submission of this form, please contact your loan holder directly (see Section 6).
UNEMPLOYMENT DEFERMENT REQUEST

SECTION 1: BORROWER INFORMATION

Please enter or correct the following information.

☐ Check this box if any of your information has changed.

SSN ____________________________

Name ____________________________________________

Address ____________________________________________

City __________________________ State _____ Zip Code ______

Telephone - Primary __________________________

Telephone - Alternate __________________________

Email (Optional) __________________________

SECTION 2: BORROWER DETERMINATION OF DEFERMENT ELIGIBILITY

Carefully read the entire form before completing it. Complete Section 2 in its entirety. For most borrowers, maximum eligibility is 36 months. For FFEL Program borrowers who have an outstanding balance on a FFEL Program loan first disbursed before July 1, 1993 or who had an outstanding balance on a loan first disbursed before July 1, 1993 when receiving a FFEL Program loan on or after July 1, 1993, maximum eligibility is 24 months.

1. Are you receiving unemployment benefits?
   If you answer yes, you must attach documentation of your eligibility for these benefits which:
   - Includes your name, address, and Social Security Number and
   - Shows that you are eligible to receive the benefits for the period of time for which you are requesting a deferment.
   ☐ Yes - Skip to Section 3.
   ☐ No - Continue to Item 2.

2. Are you diligently seeking but unable to find full-time employment (see Section 5) in the United States?
   ☐ Yes - Continue to Item 3.
   ☐ No - You are not eligible for this deferment.

3. Have you rejected offers of full-time employment in the United States in any field or at any salary or responsibility level because you were overqualified?
   ☐ Yes - You are not eligible for this deferment unless you are a Perkins Loan borrower. If you are a Perkins Loan borrower, continue to Item 4.
   ☐ No - Continue to Item 4.

4. Is this an extension of a previously granted Unemployment Deferment?
   ☐ Yes - Continue to Item 5.
   ☐ No - Skip to Item 6.

5. Have you made at least six diligent efforts to find full-time employment in the most recent 6 months?
   ☐ Yes - Continue to Item 6.
   ☐ No - You are not eligible for this deferment unless you are a Perkins Loan borrower. If you are a Perkins Loan borrower, continue to Item 6.

6. Is there a public or private employment agency within 50 miles of your current address?
   School placement offices, temporary employment agencies, and Web sites that allow users to search for applications for employment do not qualify.
   ☐ Yes - Continue to Item 7.
   ☐ No - Skip to Section 3.

7. Have you registered with the public or private employment agency?
   ☐ Yes - Continue to Section 3.
   ☐ No - You are not eligible for this deferment unless you are a Perkins Loan borrower. If you are a Perkins Loan borrower, continue to Section 3.
SECTION 3: BORROWER REQUESTS, UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATION

I request:

- To defer repayment of my loans for the period during which I meet the eligibility criteria in Section 2.
- That my deferment begin on the date I became unemployed or began working less than full time unless I provide a later date: __________________________
- __________ If indicated, to make interest payments during deferment.

I understand that:

- I am not required to make payments of loan principal or interest during my deferment.
- My deferment will begin on the later of the date I became eligible for the deferment or the date I requested.
- If I am a Direct Loan or FFEL Program borrower, my deferment will end on the earlier of the date I exhaust my maximum eligibility for the deferment, 6 months from the date my deferment begins, or on the date I am no longer eligible for the deferment for another reason.
- If I am a Perkins Loan borrower, my deferment will end on the earlier of the date I exhaust my maximum eligibility for the deferment, 12 months from the date my deferment begins, or on the date I am no longer eligible for the deferment for another reason.
- If I am a Perkins Loan borrower, I will receive a 6-month post-deferment grace period beginning on the date I no longer qualify for the deferment.
- Interest may capitalize on my loan during or at the expiration of my deferment or forbearance, but interest never capitalizes on a Perkins Loan.
- Instead of deferment, I may be eligible for a repayment plan that determines my monthly payment amount based on my income and that I can visit StudentAid.gov/IDR for more information.

I certify that:

- I became unemployed or began working less than full time on: __________________________
- The information I have provided on this form is true and correct.
- I will provide additional documentation to my loan holder, as required, to support my deferment eligibility.
- I will notify my loan holder immediately when my eligibility for the deferment ends.
- I have read, understand, and meet the eligibility requirements in Section 2.

I authorize the entity to which I submit this request and its agents to contact me regarding my request or my loans at any cellular telephone number that I provide now or in the future using automated telephone dialing equipment or artificial or prerecorded voice or text messages.

Borrower's Signature ___________________________________________ Date __________________________

SECTION 4: INSTRUCTIONS FOR COMPLETING THE DEFERMENT REQUEST

Type or print using dark ink. Enter dates as month-day-year (mm-dd-yyyy). Example: March 14, 2015 = 03-14-2015. Include your name and account number on any documentation that you are required to submit with this form. If you want to apply for a deferment on loans that are held by different loan holders, you must submit a separate deferment request to each loan holder. Return the completed form and any required documentation to the address shown in Section 6.
SECTION 5: DEFINITIONS

**Capitalization** is the addition of unpaid interest to the principal balance of your loan. Capitalization causes more interest to accrue over the life of your loan and may cause your monthly payment amount to increase. Interest never capitalizes on Perkins Loans. Table 1 (below) provides an example of the monthly payments and the total amount repaid for a $30,000 unsubsidized loan. The example loan has a 6% interest rate and the example deferment or forbearance lasts for 12 months and begins when the loan enters repayment. The example compares the effects of paying the interest as it accrues versus allowing it to capitalize.

A **deferment** is a period during which you are entitled to postpone repayment of your loans. Interest is not generally charged to you during a deferment on your subsidized loans. Interest is always charged to you during a deferment on your unsubsidized loans. On loans made under the Perkins Loan Program, all deferments are followed by a post-deferment grace period of 6 months, during which time you are not required to make payments.


The **Federal Perkins Loan (Perkins Loan) Program** includes Federal Perkins Loans, National Direct Student Loans (NDSL), and National Defense Student Loans (Defense Loans).

**Full-time employment** is defined as working at least 30 hours per week in a position expected to last at least 3 consecutive months.

The **holder** of your Direct Loans is the Department. The holder of your FFEL Program loans may be a lender, guaranty agency, secondary market, or the Department. The holder of your Perkins Loans is an institution of higher education or the Department. Your loan holder may use a servicer to handle billing and other communications related to your loans. References to “your loan holder” on this form mean either your loan holder or your servicer.

A **subsidized loan** is a Direct Subsidized Loan, a Direct Subsidized Consolidation Loan, a Direct Stafford Loan, portions of some Federal Consolidation Loans, Federal Perkins Loans, NDSL, and Defense Loans.

An **unsubsidized loan** is a Direct Unsubsidized Loan, a Direct Unsubsidized Consolidation Loan, a Direct PLUS Loan, a Federal Unsubsidized Stafford Loan, a Federal PLUS Loan, a Federal SLS, and portions of some Federal Consolidation Loans.

The **United States**, for the purpose of this deferment, includes any state of the Union, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Federally Associated States (the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau), and U.S. military bases and embassy compounds in foreign countries.

The **William D. Ford Federal Direct Loan (Direct Loan) Program** includes Federal Direct Stafford/Ford (Direct Subsidized) Loans, Federal Direct Unsubsidized Stafford/Ford (Direct Unsubsidized) Loans, Federal Direct PLUS (Direct PLUS) Loans, and Federal Direct Consolidation (Direct Consolidation) Loans.

<table>
<thead>
<tr>
<th>Table 1. Capitalization Chart</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Treatment of Interest with</strong></td>
</tr>
<tr>
<td><strong>Deferment/Forbearance</strong></td>
</tr>
<tr>
<td><strong>Loan Amt.</strong></td>
</tr>
<tr>
<td><strong>Capitalized Interest</strong></td>
</tr>
<tr>
<td><strong>Outstanding Principal</strong></td>
</tr>
<tr>
<td><strong>Monthly Payment</strong></td>
</tr>
<tr>
<td><strong>Number of Payments</strong></td>
</tr>
<tr>
<td><strong>Total Repaid</strong></td>
</tr>
<tr>
<td>-------------------------------</td>
</tr>
<tr>
<td>Interest is paid</td>
</tr>
<tr>
<td>$30,000</td>
</tr>
<tr>
<td>$0</td>
</tr>
<tr>
<td>$30,000</td>
</tr>
<tr>
<td>$333</td>
</tr>
<tr>
<td>120</td>
</tr>
<tr>
<td>$41,767</td>
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<tr>
<td>Interest is capitalized at the end</td>
</tr>
<tr>
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</tr>
<tr>
<td>$1,800</td>
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<tr>
<td>$31,800</td>
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<td>$353</td>
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<tr>
<td>$42,365</td>
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<tr>
<td>Interest is capitalized quarterly and at the end</td>
</tr>
<tr>
<td>$30,000</td>
</tr>
<tr>
<td>$1,841</td>
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<tr>
<td>$31,841</td>
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<tr>
<td>$354</td>
</tr>
<tr>
<td>120</td>
</tr>
<tr>
<td>$42,420</td>
</tr>
</tbody>
</table>

SECTION 6: WHERE TO SEND THE COMPLETED DEFERMENT REQUEST

Return the completed form and any documentation to:
(If no address is shown, return to your loan holder.)

If you need help completing this form, call:
(If no phone number is shown, call your loan holder.)
SECTION 7: IMPORTANT NOTICES

Privacy Act Notice. The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authorities for collecting the requested information from and about you are §421 et seq., §451 et seq., or §461 of the Higher Education Act of 1965, as amended (20 U.S.C. 1071 et seq., 20 U.S.C. 1087a et seq., or 20 U.S.C. 1087aa et seq.) and the authorities for collecting and using your Social Security Number (SSN) are §5428B(f) and 484(a)(4) of the HEA (20 U.S.C. 1078-2(f) and 1091(a)(4)) and 31 U.S.C. 7701(b). Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program, Federal Family Education Loan (FFEL) Program, or Federal Perkins Loan (Perkins Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the Direct Loan, FFEL, or Federal Perkins Loan Programs, to permit the servicing of your loans, and, if it becomes necessary, to locate you and to collect and report on your loans if your loans become delinquent or default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed, on a case-by-case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices. The routine uses of this information include, but are not limited to, its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to consumer reporting agencies, to financial and educational institutions, and to guaranty agencies in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loans, to enforce the terms of the loans, to investigate possible fraud and to verify compliance with federal student financial aid program regulations, or to locate you if you become delinquent in your loan payments or if you default. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to state agencies. To provide financial aid history information, disclosures may be made to educational institutions.

To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions to efficiently submit student enrollment statuses, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies.

In the event of litigation, we may send records to the Department of Justice, a court, an adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. Before making any such disclosure, we will require the contractor to maintain Privacy Act safeguards. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

Paperwork Reduction Notice. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0011. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain a benefit in accordance with 34 CFR 674.35, 674.36, 674.37, 682.210, or 685.204. If you have comments concerning the status of your individual submission of this form, please contact your loan holder directly (see Section 6).
SECTION 1: BORROWER IDENTIFICATION

Please enter or correct the following information.

☐ Check this box if any of your information has changed.

SSN __________________________
Name __________________________
Address __________________________
City, State, Zip Code __________________________
Telephone – Primary __________________________
Telephone – Alternate __________________________
E-mail (optional) __________________________

SECTION 2: DEFERMENT REQUEST

Before completing this form, carefully read the entire form, including the instructions and other information in Sections 5, 6, and 7. For the Military Service Deferment, a representative may complete and sign this form on your behalf if you are unable to do so. Check the appropriate box(es) for the deferment(s) you are requesting. For the Post-Active Duty Student Deferment, enter the required information in the space provided.

Note: If you are a member of the National Guard (including a member in retired status) during a time when a governor activated National Guard personnel for active state duty for a period of more than 30 consecutive days and qualify for a Post-Active Duty Student Deferment, but not the Military Service Deferment, you may request forbearance for your period of active duty service.

If you have loans that you obtained before going on active duty military service, you may be eligible to limit the interest rate on your loans to 6% during the period of your active duty military service under the Servicemembers Civil Relief Act (SCRA). To request a limited interest rate, submit a written request to your loan holder and provide a copy of your military orders.

(A) ☐ Military Service Deferment. I request that my loan holder defer repayment of my eligible loan(s) beginning on the date I began performing the military service that qualifies me for the deferment and ending 180 days following completion of my qualifying military service.

(B) ☐ Post-Active Duty Student Deferment. I request that my loan holder defer repayment of my eligible loan(s) following the completion of my qualifying active duty service and any applicable grace period. My deferment will end the earlier of:

(a) The date I resume enrollment at an eligible school on at least a half-time basis; or

(b) 13 months following the completion date of my active duty service and any applicable grace period.

If I am also granted a Military Service Deferment, the 180-day period described in Item A above will run at the same time as my Post-Active Duty Student Deferment period. Therefore, I will receive no more than 13 months of deferment following the completion of my qualifying military service.

Enter the name of the school where you were enrolled on at least a half-time basis when you were called to active duty or within 6 months before the date you were called to active duty, and the date you were last enrolled at least half time at the school:

Name of School __________________________

Date Last Enrolled At Least Half Time __________________________
Borrower Name: ___________________________ Borrower SSN: __ ___ - ___ ___ - ___ ___

SECTION 3: BORROWER CERTIFICATIONS AND AUTHORIZATION

I certify that: (1) The information I have provided on this form is true and correct. (2) I will provide additional documentation to my loan holder, as required, to support my deferment status. (3) I will notify my loan holder immediately when the condition(s) that qualified me for the deferment ends. (4) I have read, understand, and meet the eligibility requirements and terms and conditions of the deferment(s) for which I have applied, as explained in Sections 2, 6, and 7.

I authorize the loan holder to which I submit this request [and its agents or contractors] to contact me regarding my request or my loan(s), including repayment of my loan(s), at the number that I provide on this form or any future number that I provide for my cellular telephone or other wireless device using automated telephone dialing equipment or artificial or prerecorded voice or text messages.

Borrower’s Signature ___________________________ Date ______________
(or Representative’s for Military Service Deferments only)
Representative’s Name [if applicable] ___________________________ Relationship to Borrower _____________
Representative’s Address ___________________________ Telephone ___________________________

SECTION 4: AUTHORIZED OFFICIAL’S CERTIFICATION

Note: As an alternative to completing this section, the borrower or representative may submit a written statement from the borrower’s commanding or personnel officer or a copy of the borrower’s military orders. The statement or copy must include all information needed to establish the borrower’s eligibility for the requested deferment(s), including the period of the qualifying service. If the borrower is/was serving in an area of hostilities in which service qualifies for special pay under 37 USC 310, the statement or copy must identify the hostile fire/imminent danger pay area in which the borrower is/was on active duty.

I certify, to the best of my knowledge and belief, that:

- The borrower’s service meets the eligibility requirements for the deferment(s) indicated in Section 2 and as described in Sections 6 and 7, as applicable.
- The borrower’s service begins/began on _____________ (mm-dd-yyyy)
- The borrower’s service ends/ended on _____________ (mm-dd-yyyy)
- If the borrower is requesting a Military Service Deferment (see Section 2, Item A) –
  
  (1) The borrower is (check one):
  
  □ A Reserve/retired member called to active duty under 10 USC 12301(a), 12301(g), 12302, 12304, 12306, or 688.
  □ On full-time National Guard duty as defined in 10 USC 101(d)(5) under a call to active duty service authorized by the President or the Secretary of Defense.
  □ Reassigned to another duty station other than where the member is normally assigned.

  Note: If none of the above conditions apply, do not complete this form.

  (2) The reassignment/call to active duty/full-time National Guard duty is in connection with the following contingency operation, national emergency, or war: □ Operation Enduring Freedom □ Operation New Dawn
  □ National emergency, war, or other contingency operation (identify) ________________

  Note: If the borrower’s service is not in connection with a contingency operation, national emergency, or war, as defined in Section 6, do not complete this form.

  (3) □ If applicable, by checking this box I further certify that the borrower is/was serving in an area of hostilities in which service qualifies for special pay under 37 USC 310.

Name of Military Branch or National Guard Component ______________________________________________________________________
Address ___________________________________________ City, State, Zip Code ___________________________
Name/Title of Authorized Official ___________________________ Telephone ___________________________

Authorized Official’s Signature ___________________________ Date ______________
SECTION 5: INSTRUCTIONS FOR COMPLETING THE FORM

Type or print using dark ink. Enter dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: January 31, 2013 = 01-31-2013. An authorized official must complete Section 4, or a copy of your military orders or a written statement from your commanding or personnel officer must be attached. Include your name and social security number on any documentation that you are required to submit with this form. If you need help completing this form, contact your loan holder. If you are applying for a deferment(s) on loans that are held by different loan holders, you must submit a separate deferment request to each loan holder.

Return the completed form and any required documentation to the address shown in Section 8.

SECTION 6: DEFINITIONS

- **Active duty** means full-time duty in the active military service of the United States as defined in 10 USC 101(d)(1), but does not include training or attendance at a service school.

- **Serving on active duty during a war or other military operation or national emergency** means service by an individual who is (1) a Reserve of an Armed Force ordered to active duty under 10 USC 12301(a), 12301(g), 12302, 12304, or 12306; (2) a retired member of an Armed Force ordered to active duty under 10 USC 688 for service in connection with a war or other military operation or national emergency, regardless of the location at which the active duty service is performed; or (3) any other member of an Armed Force on active duty in connection with the emergency or subsequent actions or conditions who has been assigned to a duty station at a location other than the location where the member is normally assigned.

- **Military operation** means a contingency operation as defined in 10 USC 101(a)(13). A contingency operation is a military operation that (1) is designated by the Secretary of Defense as an operation in which members of the Armed Forces are or may become involved in military actions, operations, or hostilities against an enemy of the United States or against an opposing military force; or (2) results in the call or order to, or retention on, active duty of members of the uniformed services under 10 USC 688, 12301(a), 12302, 12304, 12305, or 12406; 10 USC Chapter 15; or any other provision of law during a war or during a national emergency declared by the President or Congress.

- **National emergency** means the national emergency by reason of certain terrorist attacks declared by the President on September 14, 2001, or subsequent national emergencies declared by the President by reason of terrorist attacks.

- **Qualifying National Guard duty during a war or other operation or national emergency** means training or other duty, other than inactive, performed by a member of the National Guard on full-time National Guard duty, as defined in 10 USC 101(d)(5), under a call to active service authorized by the President or the Secretary of Defense. The training or other duty must be performed for more than 30 consecutive days under 32 USC 502(t) in connection with a war, other military operation, or national emergency as declared by the President and supported by federal funds.

- **For the Post-Active Duty Student Deferment only**--
  - For a Reserve or retired member of an Armed Force, **active duty** means full-time duty in the active military service of the United States as defined in 10 USC 101(d)(1) for at least 30 consecutive days of service, but does not include training or attendance at a service school.
  - For a member of the National Guard, **active duty** means (1) active state duty under which a governor activates National Guard personnel based on state law or policy and the activities of the National Guard are paid for with state funds; and (2) full-time National Guard duty under which a governor is authorized, with the approval of the President or the Secretary of Defense, to order a member to state active duty and the activities of the National Guard are paid for with federal funds. Active duty for this deferment does not include (1) active duty for training or attendance at a service school, or (2) employment in a full-time, permanent position in the National Guard unless you are reassigned to active state duty or full-time National Guard duty as described in (1) and (2) of the preceding sentence.
  - **An authorized certifying official** may complete Section 4 is your commanding or personnel officer.
**Capitalization** is the addition of unpaid interest to the principal balance of your loan. The principal balance of a loan increases when payments are postponed during periods of deferral or forbearance and unpaid interest is capitalized. As a result, more interest may accrue over the life of the loan, the monthly payment amount may be higher, or more payments may be required. The chart below provides estimates, for a $15,000 unsubsidized loan balance at a 6.88% interest rate, of the monthly payments due following a 12-month deferment that started when the loan entered repayment. It compares the effects of paying the interest as it accrues, capitalizing the interest at the end of the deferment, and capitalizing interest quarterly and at the end of the deferment. Please note that the U.S. Department of Education (the Department) and many other holders do not capitalize interest on a quarterly basis. The actual loan interest charges will depend on your interest rate, length of the deferment, and frequency of capitalization. Paying interest during the period of deferment lowers the monthly payment by about $12 and saves about $426 over the lifetime of the loan, as depicted in the chart below.

<table>
<thead>
<tr>
<th>Treatment of Interest Accrued During Deferment</th>
<th>Loan Amount</th>
<th>Capitalized Interest for 12 Months</th>
<th>Principal to Be Repaid</th>
<th>Monthly Payment</th>
<th>Number of Payments</th>
<th>Total Amount Repaid</th>
<th>Total Interest Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest is paid</td>
<td>$15,000.00</td>
<td>$0.00</td>
<td>$15,000.00</td>
<td>$172.62</td>
<td>120</td>
<td>$21,736.55</td>
<td>$6,750.66</td>
</tr>
<tr>
<td>Interest is capitalized at the end of deferment</td>
<td>$15,000.00</td>
<td>$1,022.09</td>
<td>$16,022.09</td>
<td>$184.38</td>
<td>120</td>
<td>$22,125.94</td>
<td>$7,119.64</td>
</tr>
<tr>
<td>Interest is capitalized quarterly during deferment and at the end of deferment</td>
<td>$15,000.00</td>
<td>$1,048.51</td>
<td>$16,048.51</td>
<td>$184.69</td>
<td>120</td>
<td>$22,162.41</td>
<td>$7,156.10</td>
</tr>
</tbody>
</table>

*Total amount repaid includes $1,022.09 of interest paid during the 12-month period of deferment.

- **A deferment** is a period during which you are entitled to postpone repayment of the principal balance of your loan(s). Interest does not accrue during a deferment on Perkins Loan Program loans, a Direct Subsidized Loan, a subsidized Direct Consolidation Loan, a subsidized Federal Stafford Loan, or, in some cases, the subsidized portion of a Federal Consolidation Loan (see Note). Interest does accrue during a deferment on a Direct Unsubsidized Loan, a Direct PLUS Loan, an unsubsidized Direct Consolidation Loan, an unsubsidized Federal Stafford Loan, a Federal PLUS Loan, or a Federal SLS Loan unless you qualify for the no interest accrual benefit for active duty service members (see Section 7).

**Note:** Interest does not accrue on a Federal Consolidation Loan during a deferment only if: (1) the application for the Federal Consolidation Loan was received by your loan holder on or after January 1, 1993, but before August 10, 1993; (2) the application was received by your loan holder on or after August 10, 1993, and the Federal Consolidation Loan includes only Federal Stafford Loans that were eligible for federal interest subsidy; or (3) the application was received by your loan holder on or after November 13, 1997, in which case interest does not accrue on the portion of the Federal Consolidation Loan that paid a subsidized Direct Loan and/or FFEL Program loan(s).


- **The Federal Perkins Loan (Perkins Loan) Program** includes Federal Perkins Loans, National Direct Student Loans (NDSL), and National Defense Student Loans (Defense Loans).

- **A forbearance** is a period during which you are permitted to temporarily postpone making payments, allowed an extension of time for making payments, or temporarily allowed to make smaller payments than scheduled.

- The holder of your Direct Loan Program loan(s) is the Department. The holder of your FFEL Program loan(s) may be a lender, guaranty agency, secondary market, or the Department. The holder of your Perkins Loan Program loan(s) may be a school or the Department.

- **The William D. Ford Federal Direct Loan (Direct Loan) Program** includes Federal Direct Stafford/Ford (Direct Subsidized) Loans, Federal Direct Unsubsidized Stafford/Ford (Direct Unsubsidized) Loans, Federal Direct PLUS (Direct PLUS) Loans, and Federal Direct Consolidation (Direct Consolidation) Loans.
SECTION 7: ELIGIBILITY REQUIREMENTS AND TERMS/CONDITIONS

- **Military Service Deferment eligibility requirements:** You may defer repayment of your loan(s) while you are (1) serving on active duty during a war or other military operation or national emergency, or (2) performing qualifying National Guard duty during a war or other military operation or national emergency, and for an additional 180 days following the completion of your qualifying military service. You must provide your loan holder with a copy of your military orders or a written statement from your commanding or personnel officer, or you must have your commanding or personnel officer certify in Section 4 on this form.

- **Post-Active Duty Student Deferment eligibility requirements:** You may defer repayment of your loan(s) after your active duty military service and any applicable grace period until the earlier of (a) the date you resume enrollment at an eligible school on at least a half-time basis, or (b) 13 months following the completion of your active duty military service and any applicable grace period, if (1) you are a member of the National Guard or other reserve component of the Armed Forces or a retired member, and your service includes a period on or after October 1, 2007; (2) you were enrolled at least half time at an eligible school when you were called to active duty or within 6 months before the date you were called to active duty; (3) you provide your loan holder with the name of the school you attended and your last date of attendance; and (4) you provide your loan holder with a copy of your military orders or a written statement from your commanding or personnel officer, or your commanding or personnel officer certifies in Section 4 on this form. You are not required to make payments of loan principal during your deferment. Interest will not accrue on your Perkins Loan Program loan(s) or on your subsidized Direct Loan or FFEL Program loan(s) during your deferment. However, interest will accrue on your unsubsidized Direct Loan and FFEL Program loans, unless you qualify for the Direct Loan Program's no interest accrual benefit for active duty service members as explained below.

- You may pay the interest that accrues on your unsubsidized Direct Loan and FFEL Program loans during your deferment. Your loan holder may capitalize interest that you do not pay during the deferment period on your unsubsidized Direct Loan and FFEL Program loans.

- If your deferment does not cover all your past due payments, your loan holder may grant a forbearance on your loan(s) for all payments due before the begin date of your deferment. If the period for which you are eligible for a deferment has ended, your loan holder may grant a forbearance on your loan(s) for all payments due when your deferment request is processed. Interest that accrues during this forbearance may be capitalized. Unpaid interest that accrues on a Perkins Loan Program loan during a forbearance period is not capitalized.

- Your loan holder may grant a forbearance on your Direct Loan and/or FFEL Program loan(s) for up to 60 days, if necessary, for the collection and processing of documentation related to your deferment request. Interest that accrues during this forbearance period will not be capitalized.

- If you are a Direct Loan borrower, no interest will be charged on your Direct Loan Program loan(s) that was first disbursed on or after October 1, 2008, or on the portion of a Direct Consolidation Loan that repaid a Direct Loan and/or FFEL Program loan(s) that was first disbursed on or after October 1, 2008, for a period not to exceed 60 months while you:
  - Qualify for a Military Service Deferment (see Section 2, Item A) as described in Sections 6 and 7, and
  - Serve in an area of hostilities in which service qualifies for special pay under 37 USC § 310, as certified by an authorized official in Section 4, or documented in a written statement from your commanding or personnel officer or in a copy of your military orders.

SECTION 8: WHERE TO SEND THE COMPLETED DEFERMENT REQUEST

Return the completed form and any required documentation to:
(if no address is shown, return to your loan holder.)

If you need help completing this form, call:
(If no telephone number is shown, call your loan holder.)
SECTION 9: IMPORTANT NOTICES

Privacy Act Notice. The Privacy Act of 1974 (5 USC 552a) requires that the following notice be provided to you:

The authority for collecting the requested information from and about you is §421 et seq., §451 et seq., and/or §461 et seq. of the Higher Education Act (HEA) of 1965, as amended (20 USC 1071 et seq., 20 USC 1087a et seq., and/or 20 USC 1087aa et seq.), and the authorities for collecting and using your Social Security Number (SSN) are §484(a)(4) of the HEA (20 USC 1091(a)(4)) and 31 USC 7701(b). Participating in the Federal Family Education Loan (FFEL) Program, William D. Ford Federal Direct Loan (Direct Loan) Program, and Federal Perkins Loan (Perkins) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the FFEL Program, Direct Loan Program, and/or Perkins Program, to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect and report on your loan(s) if your loan(s) become delinquent or in default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed, on a case-by-case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices. The routine uses of this information include, but are not limited to, its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to consumer reporting agencies, to financial and educational institutions, and to guaranty agencies in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loan(s), to enforce the terms of the loan(s), to investigate possible fraud and to verify compliance with federal student financial aid program regulations, or to locate you if you become delinquent in your loan payments or if you default. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to state agencies. To provide financial aid history information, disclosures may be made to educational institutions. To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions to

efficiently submit student enrollment status, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 USC Chapter 71. Disclosures may be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. Before making any such disclosure, we will require the contractor to maintain Privacy Act safeguards. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

Paperwork Reduction Notice. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to average 0.5 hours (30 minutes) per response, including the time for reviewing instructions, searching existing data resources, gathering and maintaining the data needed, and completing and reviewing the information collection. Individuals are obligated to respond to this collection to obtain a benefit in accordance with 34 CFR 674.34, 682.210, or 685.204. Send comments regarding the burden estimate(s) or any other aspect of this collection of information, including suggestions for reducing this burden to the U.S. Department of Education, 400 Maryland Avenue, SW, Washington, DC 20210-4537 or e-mail ICDOcketMgr@ed.gov and reference OMB Control Number 1345-0000. Note: Please do not return the completed form to this address.

If you have questions regarding the status of your individual submission of this form, contact your loan holder (see Section 8).
REHABILITATION TRAINING DEFERMENT REQUEST

SECTION 1: BORROWER INFORMATION

Please enter or correct the following information.

☐ Check this box if any of your information has changed.

SSN: __________________
Name: __________________
Address: __________________
City: __________________ State: _____ Zip Code: ______
Telephone - Primary: __________________
Telephone - Alternate: __________________
Email (Optional): __________________

SECTION 2: BORROWER DETERMINATION OF DEFERMENT ELIGIBILITY

Carefully read the entire form before completing it. Complete Section 2 in its entirety.

1. Is your program licensed, approved, certified, or recognized as providing rehabilitation training to disabled individuals by the Department of Veterans Affairs or a state agency responsible for vocational rehabilitation, drug abuse treatment, mental health treatment, or alcohol abuse treatment?
   ☐ Yes - Continue to Item 2.
   ☐ No - You are not eligible for this deferment.

2. Does your training program provide services under a written, individualized plan that specifies the date the services are expected to end?
   ☐ Yes - Continue to Item 3.
   ☐ No - You are not eligible for this deferment.

3. Does your program require a substantial commitment by you to your rehabilitation?
   Substantial commitment means a commitment of time and effort that would normally prevent a person from being employed 30 or more hours per week in a position expected to last at least 3 months.
   ☐ Yes - Continue to Item 4.
   ☐ No - You are not eligible for this deferment.

4. Are you receiving or scheduled to receive vocational, drug abuse, mental health, or alcohol abuse rehabilitation services in your program?
   ☐ Yes - Complete Section 3 and then have an authorized official complete Section 4.
   ☐ No - You are not eligible for this deferment.

SECTION 3: BORROWER REQUESTS, UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATION

I request:

☐ To defer repayment of my loans for the period during which I meet the eligibility criteria outlined in Section 2 and as certified by an authorized official in Section 4.
☐ If indicated, to make interest payments on my loans during my deferment.
SECTION 3: BORROWER REQUESTS, UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATION (CONTINUED)

I understand that:

- I am not required to make payments of loan principal or interest during my deferment.
- My deferment will begin on the date I became eligible, as certified by the authorized official.
- My deferment will end on the earlier of the certified deferment end date or when I am no longer eligible for the deferment for another reason.
- If I am a Perkins Loan borrower, I will receive a 6-month post-deferment grace period beginning on the date I no longer qualify for the deferment.
- Interest may capitalize on my loans during or at the expiration of my deferment or forbearance, but interest never capitalizes on Perkins Loans.

I certify, to the best of my knowledge and belief, that:

- The information I have provided on this form is true and correct.
- I will provide additional documentation to my loan holder, as required, to support my deferment eligibility.
- I will notify my loan holder immediately when my eligibility for the deferment ends.
- I have read, understand, and meet the eligibility requirements in Section 2.

I authorize the entity to which I submit this request and its agents to contact me regarding my request or my loans at any cellular telephone number that I provide now or in the future using automated telephone dialing equipment or artificial or prerecorded voice or text messages.

Borrower's Signature ______________________________ Date __________________

SECTION 4: AUTHORIZED OFFICIAL'S CERTIFICATION

Do not complete this section unless the borrower has completed Section 2 in its entirety. Note: Instead of having an authorized official complete this section, you may attach separate documentation from an authorized official that includes all of the information requested below and a certification that you and the program meet all conditions indicated by your responses in Section 2.

- The program begins/began on: ______________________________
- The program is expected to end/ended on: ______________________________

I certify, to the best of my knowledge and belief, that:

- The borrower and the program meet all conditions indicated by the borrower's responses in Section 2.
- The information that I have provided in this section is accurate.

Name of Institution ______________________________ OPEID (if applicable) ______________________________
Address ______________________________ City ______________________________ State ______ Zip Code ______
Official's Name/Title ______________________________ Telephone ______________________________

Official's Signature ______________________________ Date __________________

SECTION 5: INSTRUCTIONS FOR COMPLETING THE DEFERMENT REQUEST

Type or print using dark ink. Enter dates as month-day-year (mm-dd-yyyy). Example: March 14, 2015 = 03-14-2015. Include your name and account number on any documentation that you are required to submit with this form. If you want to apply for a deferment on loans that are held by different loan holders, you must submit a separate deferment request to each loan holder. Return the completed form and any required documentation to the address shown in Section 7.
SECTION 6: DEFINITIONS

An authorized official who may complete Section 4 is an official of the Rehabilitation Training Program.

Capitalization is the addition of unpaid interest to the principal balance of your loan. Capitalization causes more interest to accrue over the life of your loan and may cause your monthly payment amount to increase. Interest never capitalizes on Perkins Loans. Table 1 (below) provides an example of the monthly payments and the total amount repaid for a $30,000 unsubsidized loan. The example loan has a 6% interest rate and the example deferment or forbearance lasts for 12 months and begins when the loan entered repayment. The example compares the effects of paying the interest as it accrues or allowing it to capitalize.

A deferment is a period during which you are entitled to postpone repayment of your loans. Interest is not generally charged to you during a deferment on your subsidized loans. Interest is always charged to you during a deferment on your unsubsidized loans. On loans made under the Perkins Loan Program, all deferments are followed by a post-deferment grace period of 6 months, during which time you are not required to make payments.


The Federal Perkins Loan (Perkins Loan) Program includes Federal Perkins Loans, National Direct Student Loans (NDSL), and National Defense Student Loans (Defense Loans).

The holder of your Direct Loans is the Department. The holder of your FFEL Program loans may be a lender, guaranty agency, secondary market, or the Department. The holder of your Perkins Loans is an institution of higher education or the Department. Your loan holder may use a servicer to handle billing and other communications related to your loans. References to "your loan holder" on this form mean either your loan holder or your servicer.

A subsidized loan is a Direct Subsidized Loan, a Direct Subsidized Consolidation Loan, a Federal Subsidized Stafford Loan, portions of some Federal Consolidation Loans, Federal Perkins Loans, NDSL, and Defense Loans.

An unsubsidized loan is a Direct Unsubsidized Loan, a Direct Unsubsidized Consolidation Loan, a Direct PLUS Loan, a Federal Unsubsidized Stafford Loan, a Federal PLUS Loan, a Federal SLS, and portions of some Federal Consolidation Loans.


Table 1. Capitalization Chart

<table>
<thead>
<tr>
<th>Treatment of Interest with Deferment/Forbearance</th>
<th>Loan Amt.</th>
<th>Capitalized Interest</th>
<th>Outstanding Principal</th>
<th>Monthly Payment</th>
<th>Number of Payments</th>
<th>Total Repaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest is paid</td>
<td>$30,000</td>
<td>$0</td>
<td>$30,000</td>
<td>$333</td>
<td>120</td>
<td>$41,767</td>
</tr>
<tr>
<td>Interest is capitalized at the end</td>
<td>$30,000</td>
<td>$1,800</td>
<td>$31,800</td>
<td>$353</td>
<td>120</td>
<td>$42,365</td>
</tr>
<tr>
<td>Interest is capitalized quarterly and at the end</td>
<td>$30,000</td>
<td>$1,841</td>
<td>$31,841</td>
<td>$354</td>
<td>120</td>
<td>$42,420</td>
</tr>
</tbody>
</table>

SECTION 7: WHERE TO SEND THE COMPLETED DEFERMENT REQUEST

Return the completed form and any documentation to:
(If no address is shown, return to your loan holder.)

If you need help completing this form, call:
(If no phone number is shown, call your loan holder.)
SECTION 8: IMPORTANT NOTICES

Privacy Act Notice. The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authorities for collecting the requested information from and about you are §421 et seq., §451 et seq., or §461 of the Higher Education Act of 1965, as amended (20 U.S.C. 1071 et seq., 20 U.S.C. 1087a et seq., or 20 U.S.C. 1087aa et seq.) and the authorities for collecting and using your Social Security Number (SSN) are §§428B(f) and 484(a)(4) of the HEA (20 U.S.C. 1078-2(f) and 1091(a)(4)) and 31 U.S.C. 7701(b). Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program, Federal Family Education Loan (FFEL) Program, or Federal Perkins Loan (Perkins Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the Direct Loan, FFEL, or Federal Perkins Loan Programs, to permit the servicing of your loans, and, if it becomes necessary, to locate you and to collect and report on your loans if your loans become delinquent or default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed, on a case-by-case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices. The routine uses of this information include, but are not limited to, its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to consumer reporting agencies, to financial and educational institutions, and to guaranty agencies in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loans, to enforce the terms of the loans, to investigate possible fraud and to verify compliance with federal student financial aid program regulations, or to locate you if you become delinquent in your loan payments or if you default. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to state agencies. To provide financial aid history information, disclosures may be made to educational institutions.

To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions to efficiently submit student enrollment statuses, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. Before making any such disclosure, we will require the contractor to maintain Privacy Act safeguards. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

Paperwork Reduction Notice. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0011. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain a benefit in accordance with 34 CFR 674.34, 674.36, 674.37, 682.210, or 685.204. If you have comments or concerns regarding the status of your individual submission of this form, please contact your loan holder directly (see Section 7).
# Loan Factor Table

The Interest Conversion Factor Table is useful in determining Monthly payments of your Direct/FFELP Stafford, Direct/FFELP Grad PLUS, PERKINS, HPSL/LDS and TUFTS LOANS.

## Interest Conversion Factor Table

120-month payout of principal & interest

<table>
<thead>
<tr>
<th>Interest Rate</th>
<th>Payment/Month per $1,000</th>
<th>Interest Rate</th>
<th>Payment/Month per $1,000</th>
<th>Interest Rate</th>
<th>Payment/Month per $1,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.0</td>
<td>10.607</td>
<td>8.0</td>
<td>12.133</td>
<td>11.5</td>
<td>14.117</td>
</tr>
<tr>
<td>5.5</td>
<td>10.853</td>
<td>8.5</td>
<td>12.400</td>
<td>12.0</td>
<td>14.347</td>
</tr>
<tr>
<td>6.0</td>
<td>11.102</td>
<td>9.0</td>
<td>12.668</td>
<td>12.5</td>
<td>14.638</td>
</tr>
<tr>
<td>6.5</td>
<td>11.335</td>
<td>11.5</td>
<td>14.117</td>
<td>13.0</td>
<td>14.931</td>
</tr>
<tr>
<td>7.0</td>
<td>11.611</td>
<td>12.0</td>
<td>14.347</td>
<td>13.5</td>
<td>15.227</td>
</tr>
<tr>
<td>7.5</td>
<td>11.870</td>
<td>12.5</td>
<td>14.638</td>
<td>14.0</td>
<td>15.527</td>
</tr>
</tbody>
</table>

To calculate monthly loan repayment amounts for a loan with a 10 year repayment period, use the following system: For a loan principal of $10,500 at 9% interest, move the decimal point in the loan amount 3 places to the left to adjust for thousands. Thus, $10,500 becomes 10.5, find 9.0 in the Payment/Monthly column, multiply 10.5 x 12.688, the resulting number is the amount to be paid for 120 months.

## Accrued Interest Table

The purpose of this chart is to help you estimate the amount of interest that would accrue on your loan every month to determine how much would be added to your loan’s principal at the appropriate scheduled time.

### Approximate Monthly Accrued Interest If Interest Rate Is:

<table>
<thead>
<tr>
<th>Principal</th>
<th>6.0%</th>
<th>7.0%</th>
<th>8.0%</th>
<th>9.0%</th>
<th>10.0%</th>
<th>11.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 500</td>
<td>$2.50</td>
<td>$2.92</td>
<td>$3.33</td>
<td>$3.75</td>
<td>$4.17</td>
<td>$4.58</td>
</tr>
<tr>
<td>1,000</td>
<td>5.00</td>
<td>5.83</td>
<td>6.67</td>
<td>7.50</td>
<td>8.33</td>
<td>9.17</td>
</tr>
<tr>
<td>1,500</td>
<td>7.50</td>
<td>8.75</td>
<td>10.00</td>
<td>11.25</td>
<td>12.50</td>
<td>13.75</td>
</tr>
<tr>
<td>2,000</td>
<td>10.00</td>
<td>11.67</td>
<td>13.33</td>
<td>15.00</td>
<td>16.67</td>
<td>18.33</td>
</tr>
<tr>
<td>2,500</td>
<td>12.50</td>
<td>14.58</td>
<td>16.67</td>
<td>18.75</td>
<td>20.83</td>
<td>22.92</td>
</tr>
<tr>
<td>5,000</td>
<td>25.00</td>
<td>29.17</td>
<td>33.33</td>
<td>37.50</td>
<td>41.67</td>
<td>45.83</td>
</tr>
<tr>
<td>7,000</td>
<td>37.50</td>
<td>43.75</td>
<td>50.00</td>
<td>56.25</td>
<td>62.50</td>
<td>68.75</td>
</tr>
</tbody>
</table>

The advantage of capitalizing interest is that you would not be required to make interest payments during any in-school, grace or deferment period. The disadvantage would be that you would pay more in interest charges over the life of your loan because your interest charges will be added to your principal balance. Your monthly repayment amount will be higher if you choose to capitalize.

For example, if you owe $500 in principal at an interest rate of 6.0 percent, then approximately $2.50 in interest would accrue on your loan every month. If you and your lender agree to capitalization on a quarterly basis (every three months), approximately $7.50 would be added to your $500 principal balance. As a result, at the end of one quarter you would owe, and interest would accrue on, $507.50 in principal.

Or, if you owe $4,000 in principal at an interest rate of 11.0 percent, then approximately $36.37 in interest would accrue on your loan every month. If you and your lender had agreed to capitalize interest on a quarterly basis (every three months), approximately $110.01 would be added to your $4,000 principal balance. As a result, at the end of one quarter, you would owe, and interest would accrue on $4,110.01 in principal.

Contact your lender if you have questions or need more information.