

What are deferment and forbearance?

There are a number of circumstances in which you may need or want to postpone repayment of your Federal Family Education Loan Program (FFELP) loans. FFELP loans include the Federal Stafford, Federal PLUS, and Federal Consolidation Loans. For example, if you are currently in school, completing a medical or dental residency, temporarily unemployed or disabled, in the military, or experiencing economic hardship, you may be eligible for a deferment or a forbearance, which will enable you to postpone or temporarily reduce your loan payments.

How do I get a deferment or forbearance?

Contact your loan holder/servicer to request a deferment or forbearance.

Deferment of FFELP Loans

Deferment is a period of time during which you can postpone your loan payments. Deferments are an entitlement that your federal loan holder/servicer must approve if you meet the requirements as specified in the promissory note and provide the necessary documentation to the loan holder/servicer. Eligibility for deferments depends on the type of loan being deferred and the date on which you received your first FFELP loan (see Figure 1). If you borrowed your first FFELP loan on or after July 1, 1993, you are entitled to a deferment on those loans if you meet one of the following criteria:

- At least half-time enrollment as a student in an eligible degree or certificate program
- Full-time enrollment in an eligible graduate fellowship program
- Enrollment in an approved rehabilitation training program
- Seeking to find (and unable to find) full-time employment (up to three years)
- Economic hardship as determined by federal law (up to three years)
- Serving on active duty in the military during a war or other military operation or national emergency (including qualifying National Guard duty)

Note: Additional deferments may be available if at the time you obtained your loan, you had an outstanding balance on a FFELP loan that was borrowed prior to July 1, 1993. See Figure 1.

Interest on Federal Stafford Loans is subsidized during periods of deferment for loans that were subsidized during the in-school period.

Forbearance of FFELP Loans

Forbearance is an agreement between you and your loan holder/servicer that allows for:

- Temporary postponement of payments,
- Extension of time for making payments, or
- Temporary acceptance of payments that are smaller than required by the repayment schedule.

Situations in which you might be eligible for a forbearance on your Federal Stafford, Federal PLUS, and Federal Consolidation Loans are provided in Figure 2. Typically, borrowers who qualify for forbearance are willing to make payments, but are financially unable to do so. In addition, the loan holder/servicer is required to grant a mandatory forbearance on a Federal Family Education Loan (FFEL) if you satisfy any of the following conditions:

- You are participating in a medical or dental internship or residency program.
- Your required monthly Title IV federal student loan payments are collectively equal to or greater than 20% of your total monthly income (mandatory forbearance available in 12-month increments for up to three years).
- You are serving in a national service position for which you received a national service education award under the National and Community Service Trust Act of 1993 (AmeriCorps).
- You are eligible for partial repayment of a loan under the Student Loan Repayment Programs administered by the Department of Defense under 10 U.S.C. 2171.
- You are eligible for the Teacher Loan Forgiveness Program and meet all annual requirements.
- You perform services that would qualify you for forgiveness under the Child Provider Loan Forgiveness Program.

Interest accrues during forbearance regardless of whether the loan was subsidized or not during the in-school period. This interest can be paid as it accrues or it can be capitalized at the end of the forbearance. You must reapply for forbearance at least once each year to re-certify your eligibility.

Contact your loan holder/servicer for more information, to check your eligibility for a deferment or forbearance, to reapply for forbearance, or to obtain the appropriate forms for requesting a deferment or forbearance on a federal student loan.

To determine eligibility, find the column with your loan type and the year of your first loan in the grid below. The cells containing dots indicate the deferment for which you may be eligible. Please refer to the footnotes for additional information. Final determination of eligibility is made by your loan holder/servicer.

Figure 1.

Deferment Type	Time Limit	Stafford and SLS Loans			PLUS Loans				Consolidation Loans	
		Pre 7/1/87 Borrower	New ¹ Borrower 7/1/87 to 6/30/93	New ² Borrower 7/1/93	Loans Before 8/15/83	Pre 7/1/87 Borrower	New ¹ Borrower 7/1/87 to 6/30/93	New ² Borrower 7/1/93	Pre 7/1/93 Borrower ⁸	New Borrower 7/1/93 ⁹
In-School: Full Time	None	•	•	•	•	•	•	•	•	•
In-School: Half Time ⁷	None		•	•			•	•	•	•
Graduate Fellowship	None	•	•	•	•	•	•	•	•	•
Rehabilitation Training	None	•	•	•	•	•	•	•	•	•
Teacher Shortage	3 Years		•							
Internship/Residency Training	2 Years	•	•		•					
Temporary Total Disability ³	3 Years	•	•		•	•	•		•	
Armed Forces or Public Health Services ⁴	3 Years	•	•		•					
National Oceanic and Atmospheric Administration Corps ⁴	3 Years		•							
Peace Corps, ACTION Program and Tax-Exempt Organization Volunteer	3 Years	•	•		•					
Unemployment	2 Years	•	•		•	•	•		•	
Unemployment	3 Years			•				•		•
Parental Leave ⁵	6 Months	•	•							
Mother Entering/Reentering Work Force	1 Year		•							
Economic Hardship	3 Years			•				•		•
PLUS In-School: Full Time ⁶	None						•			
PLUS In-School: Half Time ⁶	None						•			
PLUS Rehabilitation Training ⁶	None				•	•	•			
Military Service ¹⁰	None	•	•	•	•	•	•	•	•	•
Post-Active Duty Student ¹¹	13 Months ¹²	•	•	•	•	•	•	•	•	•

1 "New Borrower" 7/1/87 to 6/30/93: A borrower whose first FFELP loan was made on or after July 1, 1987, and before July 1, 1993, or who had an outstanding balance on a loan obtained on or after July 1, 1987, and before July 1, 1993, when he or she obtained a loan on or after July 1, 1993, or who had no outstanding balance on a Federal Consolidation loan made before July 1, 1993, that repaid a loan first disbursed before July 1, 1987.

2 "New Borrower" 7/1/93: A borrower whose outstanding FFELP loans were all made on or after July 1, 1993, and when his or her first FFELP loan was made on or after July 1, 1993, had no outstanding FFELP loans that were made before July 1, 1993.

3 A deferment may be granted during periods when the borrower is temporarily totally disabled or during which the borrower is unable to secure employment because the borrower is caring for a dependent (including the borrower's spouse) who is temporarily totally disabled.

4 Borrowers are eligible for a combined maximum of 3 years of deferment for service in NOAA, PHS, and Armed Forces.

5 A parental leave deferment may be granted to a borrower in periods of no more than 6 months each time the borrower qualifies.

6 Deferment for parent borrower during which the dependent student for whom the parent obtained a PLUS loan meets the deferment eligibility requirements.

7 A borrower who received a Federal Consolidation loan before July 1, 1993, that repaid a loan made before July 1, 1987, or who had an outstanding balance on a FFELP loan obtained prior to July 1, 1987, when the Federal Consolidation loan

was obtained, is eligible for in-school deferment only if the borrower attends school full time.

8 A borrower with a Federal Consolidation loan made before July 1, 1993, or a borrower who receives a Consolidation loan on or after July 1, 1993, who has any outstanding FFELP loan(s) at the time of consolidation that was first disbursed before July 1, 1993.

9 A borrower who receives a Federal Consolidation loan made on or after July 1, 1993, who has no outstanding FFELP loans at the time of consolidation that were made on or before July 1, 1993.

10 A deferment may be granted to a borrower who is serving on active duty during a war or other military operation or national emergency (including qualifying National Guard duty). The borrower's military service must begin on or after October 1, 2007, or include that date.

11 A deferment may be granted to a borrower called to active National or State duty who is a member of the National Guard or Reserves (including retired members) and who was enrolled at least half time at an eligible school at the time of, or within 6 months prior to, being activated. The borrower's military service must begin on or after October 1, 2007, or include that date.

12 A post-active duty student deferment may be granted to a borrower for a period of no more than 13 months each time the borrower qualifies. There is no limit to how many deferments of this type a borrower may receive. If a borrower is also eligible for a military service deferment, the 13-month period must run concurrently with the 180-day post-military mobilization period.

You may qualify for a forbearance depending on your individual circumstances as shown in the chart below. Please refer to the footnotes for additional information. Final determination of eligibility is made by your loan holder/servicer.

Figure 2.

Type	Length
Discretionary	
Financial difficulties due to personal problems when the borrower is unable to make regularly scheduled payments ¹	The period established in the terms of the forbearance agreement (not to exceed 12-month increments); no maximum
Reduced-Payment Forbearance ¹	
Mandatory	
Medical or Dental Internship/Residency ^{2,3}	12-month increments (or lesser period equal to actual period during which the borrower is eligible); no maximum
Department of Defense Student Loan Repayment Programs ³	
National Service ^{2,3}	
Active Military State Duty ^{2,3,9}	
Debt Exceeds Monthly Income ^{4,5}	12-month increments; 3 years maximum
Teacher Loan Forgiveness ^{2,3}	Period while borrower maintains forgiveness eligibility; 12-month increments
Mandatory Administrative	
Local or National Emergency ⁷	Period specified by the Department or guarantor plus 30 days following the period
Military Mobilization ⁸	
Designated Disaster Area ⁷	
Repayment Accommodation	3-year maximum for variable interest rate; 5-year maximum for income-sensitive repayment
Death	Date lender receives reliable notification of death to date lender receives death certificate or other acceptable documentation, not to exceed 60 days
Teacher Loan Forgiveness ^{2,6}	The period while the lender is awaiting a completed loan forgiveness application, not to exceed 60 days
	Date lender receives a completed loan forgiveness application to date lender receives either a denial or the loan forgiveness amount from the guarantor

Eligibility Chart continued on next page

- 1 Lender must document the borrower's request, the reason for the forbearance, and the terms of the forbearance agreement.
- 2 For borrowers only.
- 3 A request and supporting documentation from the authorized official(s) indicating the beginning and ending dates, and a verbal or written agreement are required.
- 4 A request is required.
- 5 A request and supporting documentation of monthly income and monthly payments on Title IV education loan obligations, and a verbal or written agreement are required.
- 6 Lender must notify the borrower (or individual or endorser, if applicable) and document the beginning and ending dates and reason for the forbearance in borrower history record.
- 7 Notice from the Department or guarantor is required.
- 8 Documentation showing borrower is subject to a military mobilization is required.
- 9 For military service that begins on or after October 1, 2007, or includes that date.

This chart is reprinted in its entirety from the Online Integrated Common Manual, October 2009 edition, from the e-Library of www.nchelp.org, the Web site of NCHELP, the National Council of Higher Education Loan Programs, Inc. It is Figure 11-2 from pages 32 and 33, of Chapter 11: Deferment and Forbearance – October 2009. Access Group, Inc. is a member of NCHELP.



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Federal Family Education Loan Program (FFELP) Forbearance Eligibility Chart

Figure 2.

Type	Length
Administrative	
Borrower Ineligible for Deferment ⁶	Beginning date to ending date of the ineligible deferment
Delinquency before a Deferment or Certain Forbearances ⁶	First date of overdue payment to the day before the beginning date of deferment or other forbearance type
Forgiveness under Income-Based Repayment ⁶	60 days for lender to collect and process documentation to determine a borrower's eligibility
Late Notification of Out-of-School Dates ⁶	Date borrower should have entered repayment to date first or next payment was established
Bankruptcy Filing ⁶	The earlier of the first date of overdue payment or receipt of reliable information that the borrower has filed for bankruptcy to date of discharge determination or repurchase
Total and Permanent Disability ⁶	Date lender receives physician's written request for additional time to date lender receives a complete, certified loan discharge application or other form(s) approved by the Department, if the borrower submits the certification to the lender within 90 days of the date the physician certified the application, not to exceed 60 days
	For a non-disabled comaker, the earlier of the date that the lender receives the loan discharge application or the date the lender receives notice from the guarantor that one comaker is totally and permanently disabled, to the date that the lender receives notice of the final discharge determination
Spouses and Parents of September 11, 2001, Victims ⁶	60 days from date application sent to borrower if application is not received by lender, and from date guarantor receives documentation to date of determination
Repurchase of a Non-Bankruptcy Claim ⁶	The period that the loan was held by the guarantor due to a claim purchase
Death	Date after mandatory administrative forbearance due to reliable notification of death ends to date lender receives death certificate or other acceptable documentation, not to exceed 60 days
Closed School	Period of unofficial closure notice as specified by guarantor
Closed School or False Certification ⁶	60 days from date application sent to borrower if application is not received by lender, and from date guarantor receives documentation to date of determination
False Certification — Identity Theft ⁶	Date eligibility requirements sent to individual to date request and documentation returned, not to exceed 60 days; and from date guarantor receives documentation to date of determination
Delinquency after Deferment or Mandatory Forbearance ⁶	Deferment or mandatory forbearance end date to establishment of next payment due date
Documentation Collection and Processing ⁶	Date borrower requests deferment, forbearance, change in repayment plan, or loan consolidation to date supporting documentation is processed by lender, not to exceed 60 days
Unpaid Refund Discharge	60 days from date application sent to borrower if application is not received by lender, and from date guarantor receives documentation to date of determination
	The period during guarantor review and ending on the date lender receives the guarantor's determination for a borrower who requests a review of a denial determination
Unpaid Refund ⁶	End date of initial 60-day mandatory administrative forbearance to receipt of completed discharge request, and during period of determination of discharge eligibility
New Out-of-School Dates after Conversion ⁶	Original repayment start date to adjusted start date
Loan Sale or Transfer ⁶	First date of delinquency to date loan is sold or transferred, if the loan is less than 60 days delinquent
Ineligible Summer Bridge Extension ⁶	Day after expiration of borrower's last in-school deferment to the 30th day after fall classes begin
Cure ⁶	Date of earliest unexcused violation to date lender receives a full payment or new signed repayment agreement
Natural Disasters, Local or National Emergency, Military Mobilization ⁶	From date borrower affected, not to exceed 3 months for each occurrence
Repayment Alignment-SLS/Stafford ⁴	First payment due date to last day of the longest applicable Stafford loan grace period

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