



ECONOMIC HARDSHIP DEFERMENT REQUEST

OMB No. 1845-0011
Form Approved
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William D. Ford Federal Direct Loan (Direct Loan) Program / Federal Family Education Loan (FFEL) Program

Direct Loan Program borrowers: All borrowers are eligible.

FFEL Program borrowers: Use this form only if all of your FFEL Program loans were first disbursed on or after July 1, 1993, or if you had no balance on a FFEL Program loan first disbursed before July 1, 1993 when you obtained a loan on or after July 1, 1993.

HRD

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 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 Address (Optional)

SECTION 2: DEFERMENT REQUEST

Before completing this form, carefully read the entire form, including the instructions and other information in Sections 4, 5, and 6.

I meet the eligibility requirements stated in Section 6 for the Economic Hardship Deferment checked below and request that my loan holder defer repayment of my loan(s) beginning --. (You must provide this date regardless of which condition you check below.)

To qualify, I must meet one of the conditions listed below and must provide the required documentation, as described in Section 6, for only that condition.

Check one:

(1) I have been granted an Economic Hardship Deferment on loans made under another federal student loan program for the same period of time for which I am requesting this deferment. If this deferment request is for:

- Direct Loan Program Loans, I have been granted the deferment under the FFEL or Federal Perkins Loan Program. I have attached documentation of the deferment.
- FFEL Program Loans, I have been granted the deferment under the Direct Loan or Federal Perkins Loan Program. I have attached documentation of the deferment.

(2) I am receiving or received payments under a federal or state public assistance program that support the period of time for which I am requesting this deferment. These assistance programs include, but are not limited to, Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), Food Stamps/Supplemental Nutritional Assistance Program (SNAP), or state general public assistance. I have attached documentation of these payments.

(3) I am serving as a Peace Corps volunteer. I have attached documentation certifying my period of service in the Peace Corps.

(4) I work full time (as defined in Section 5) and my monthly income does not exceed the larger of:

(A) Federal Minimum Wage Rate (monthly amount, based on \$7.25 an hour): \$1,256.67; or

(B) 150% of the poverty guideline for my family size and state: This amount is listed in Section 6.

My monthly income (as defined in Section 5) is \$ _____. I have attached documentation of this income.

My family size (as defined in Section 5) is _____.

SECTION 3: BORROWER UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATION

I understand that:

(1) I am not required to make payments of loan principal during my deferment. Interest will not accrue on my subsidized loan(s) during my deferment. However, interest will accrue on my unsubsidized loan(s).

(2) I may pay the interest that accrues on my unsubsidized loan(s) during my deferment. I may choose to make interest payments by checking the box below. My loan holder may capitalize interest that I do not pay during the deferment period on my unsubsidized loan(s).

I wish to make interest payments on my unsubsidized loan(s) during my deferment.

(3) My deferment will begin on the date the deferment condition began.

(4) My deferment will end on the earlier of the date that the condition that establishes my deferment eligibility ends or the certified deferment end date.

(5) My maximum cumulative eligibility for an Economic Hardship Deferment on my Direct Loans is 36 months. My maximum cumulative eligibility for an Economic Hardship Deferment on my FFEL Program Loans is a 36 months. Except for a deferment based on condition (3), as described in Section 2, I must reapply every 12 months if I continue to meet the requirements for an Economic Hardship Deferment.

(6) If my deferment does not cover all my past due payments, my loan holder may grant a forbearance on my loan(s) for all payments due before the begin date of my deferment. If the period for which I am eligible for a deferment has ended, my loan holder may grant a forbearance on my loan(s) for all payments due when my deferment request is processed. Interest that accrues during this forbearance may be capitalized.

(7) My loan holder may grant a forbearance on my loan(s) for up to 60 days, if necessary, for the collection and processing of documentation related to my deferment request. Interest that accrues during this forbearance will not be capitalized.

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 that qualified me for the deferment ends. (4) I have read, understand, and meet the eligibility requirements of the deferment for which I have applied, as explained in Section 6.

I authorize the entity to which I submit this request (i.e., the school, the lender, the guaranty agency, the U.S. Department of Education, and their respective agents and 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 _____

SECTION 4: 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, 2012 = 01-31-2012. Include your name and account 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 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 5: DEFINITIONS

■ **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 deferment 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 6.8% 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 not capitalize interest on a quarterly basis. The actual loan interest cost 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.

Treatment of Interest Accrued During Deferment	Loan Amount	Capitalized Interest for 12 Months	Principal to Be Repaid	Monthly Payment	Number of Payments	Total Amount Repaid	Total Interest Paid
Interest is paid	\$15,000.00	\$0.00	\$15,000.00	\$172.62	120	\$21,736.55*	\$6,730.66
Interest is capitalized at the end of deferment	\$15,000.00	\$1,022.09	\$16,022.09	\$184.38	120	\$22,125.94	\$7,119.64
Interest is capitalized quarterly during deferment and at the end of deferment	\$15,000.00	\$1,048.51	\$16,048.51	\$184.69	120	\$22,162.41	\$7,156.10

*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 a Direct Subsidized Loan, a Direct Subsidized 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, a Direct Unsubsidized Consolidation Loan, an unsubsidized Federal Stafford Loan, a Federal PLUS Loan, or a Federal SLS Loan. **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 or FFEL Program loan(s).

■ **Family size** is determined by counting (1) yourself, (2) your spouse, (3) your children, including unborn children who will be born during the period covered by the deferment, if they receive more than half of their support from you, 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 year that you certify your family size. Support includes money, gifts, loans, housing, food, clothes, car, medical and dental care, and payment of college costs.

■ The **Federal Family Education Loan (FFEL) Program** includes Federal Stafford Loans, Federal PLUS Loans, Federal Consolidation Loans, and Federal Supplemental Loans for Students (SLS).

■ 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.

■ **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 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.

■ **Monthly income** is either: (1) The amount of your monthly income from employment and other sources before taxes and other deductions; or (2) One-twelfth of the "adjusted gross income" on your most recently filed Federal Income Tax Return.

You may choose either of these income amounts for the purpose of reporting your monthly income on this deferment request.

■ 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 6: ELIGIBILITY REQUIREMENTS

■ You may defer repayment of your loan(s) during the period that you meet one of the Economic Hardship Deferment conditions described in Section 2.

- **For Direct Loan Program borrowers:** All borrowers are eligible.
- **For FFEL Program borrowers:** Only if all of your FFEL Program loans were first disbursed *on or after* July 1, 1993, or if you had no balance on a FFEL Program loan that was first disbursed *before* July 1, 1993 when you obtained a loan *on or after* July 1, 1993.

■ For **Condition (1)**, you must provide your loan holder with documentation of the deferment, which includes and end dates, that has been granted under the FFEL, Direct, or the Federal Perkins Loan Program (for example, correspondence from your loan holder showing that you have been granted a deferment).

■ For **Condition (2)**, you must provide your loan holder with documentation confirming that you are receiving or received payments under a federal or state public assistance program that support the period for which you are requesting this deferment.

■ For **Condition (3)**, you must provide your loan holder with documentation which certifies the beginning and expected ending dates of your service in the Peace Corps and which is signed and dated by an authorized Peace Corps official.

■ For **Condition (4)**, you must:

- Provide your loan holder with documentation of your monthly income as defined in Section 5. If you are reporting monthly income from employment and other sources, you must provide documentation such as pay stubs that support the period of this deferment request. If you are reporting one-twelfth of your adjusted gross income, you must provide a copy of your most recently filed Federal Income Tax Return.
- Use the applicable amount based on your family size and state as shown in the chart below. If you are not currently residing in the United States, you will use the amount for the 48 contiguous states and the District of Columbia. The chart below is derived from the HHS Poverty Guidelines, which are updated annually in the Federal Register and online at <http://aspe.hhs.gov/poverty>.

Borrower's Family Size (See definition in Section 5)	These are monthly figures that represent 150% of the Poverty Line for 2012		
	48 Contiguous States and District of Columbia	Alaska	Hawaii
1	\$1,396.25	\$1,746.25	\$1,607.50
2	\$1,891.25	\$2,365.00	\$2,176.25
3	\$2,386.25	\$2,983.75	\$2,745.00
4	\$2,881.25	\$3,602.50	\$3,313.75
For each additional person, add:	\$495.00	\$618.75	\$568.75