MANDATORY FORBEARANCE REQUEST

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

- MEDICAL OR DENTAL INTERNSHIP/RESIDENCY PROGRAM
- NATIONAL GUARD DUTY
- DEPARTMENT OF DEFENSE LOAN REPAYMENT PROGRAM

SERV

OMB No. 1845-0018
Form Approved
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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: FORBEARANCE REQUEST

Before completing this form, carefully read the entire form, including the instructions and other information in Sections 5, 6, and 7.

■ **I request that** my loan holder grant the forbearance checked below on my loan(s) for up to 12 months and for a period of time that coincides with the time period shown in the authorized official's certification unless an earlier date is indicated here |____|____|-|____|____|-|____|____|____|____|. I have provided all required documentation as described in Section 7.

Check one:

☐ I am engaged in a medical or dental **Internship/Residency Program** and I am not eligible for, or have exhausted my eligibility for, deferment based on serving in a medical or dental internship or residency program.

☐ I am 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. I qualify for a post-active duty student deferment, but I do not qualify for a military service deferment or other deferment while engaged in active military state duty.

☐ I am performing the type of service that qualifies me for a partial repayment of my loan(s) under the **Department of Defense Student Loan Repayment Program** administered under 10 U.S.C. 2171.

■ **If this forbearance request is approved, I want to** (check one):

☐ Temporarily stop making payments; or

☐ Make smaller payments of $_____ per month.

SECTION 3: BORROWER UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATION

■ **I understand that:**

(1) My loan holder will not grant this forbearance request unless all applicable sections of this form are completed and all required documentation is provided.

(2) At the end of the forbearance, I may apply for another period of forbearance of up to 12 months if I continue to meet the eligibility requirements.

(3) If I am past due on payments not covered by the forbearance requested above, my loan holder may grant an additional forbearance on my loan(s) to resolve all payments due when my request is processed, and all unpaid interest may be capitalized, (see defined in Section 6) as permitted by law.

(4) I am responsible for, and have the option to pay, the interest that accrues on my loan(s) and may make payments during the forbearance period to reduce the total amount I owe on my student loan(s). Any unpaid accrued interest which I do not pay may be capitalized by my loan holder as permitted by law.

☐ I wish to make interest payments on my loan(s) during my forbearance.

■ **I certify that: (1)** The information that I have provided above is true and correct. **(2)** I will provide additional documentation to my loan holder, as required, to support my forbearance request. **(3)** I will notify my loan holder immediately when the condition that qualified me for the forbearance ends. **(4)** I have read, understand, and meet the eligibility requirements of the forbearance for which I have applied as described in Section 7. **(5)** I agree to repay my loan(s) according to the terms of my promissory note(s), regardless of whether the forbearance is granted.

■ **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: AUTHORIZED OFFICIAL'S CERTIFICATION – *Must be completed by an Authorized Official as defined in Section 6.*

Note: As an alternative to completing this section, you may attach separate documentation from the authorized official that includes all information requested below or, for the National Guard forbearance, a copy the borrower's orders.

I certify, to the best of my knowledge and belief, that the borrower named above is/was engaged in the program or service indicated in Section 2, and that the borrower and the borrower's program meet all the eligibility requirements specified in Section 7.

The borrower's program/service begins/began on |____|____|-|____|____|-|____|____|____|____| and is expected to end/ended on |____|____|-|____|____|-|____|____|____|____|.

Name of Institution/Organization _____

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, 2012 = 01-31-2012. An authorized official must either complete Section 4 or attach the organization's own certification listing the required information. 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 forbearance on loans that are held by different loan holders, you must submit a separate forbearance request to each loan holder.

Note to Comakers: *If you are requesting forbearance on a loan that was made jointly to you and your spouse as comakers (joint borrowers), both you and the other comaker must individually meet the requirements for a forbearance and each of you must complete a separate forbearance request.*

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

SECTION 6: DEFINITIONS

- An **authorized official** is an internship/residency program official (for medical and dental internships and residencies); or an authorized official from the Department of Defense (the Loan Repayment Program); or commanding or personnel officer (for National Guard State Duty).
- **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 forbearance 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 forbearance, and capitalizing interest quarterly and at the end of the forbearance. 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 cost will depend on your interest rate, length of the forbearance, and frequency of capitalization. Paying interest during the period of forbearance 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 Forbearance	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 forbearance	$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 forbearance	$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 forbearance.

- A **comaker** is one of two individuals who are joint borrowers on a Direct or Federal Consolidation Loan or a Federal PLUS Loan. Both comakers are equally responsible for repaying the full amount of the loan.
- The **Federal Family Education Loan (FFEL) Program** includes Federal Stafford Loans, Federal PLUS Loans, Federal Consolidation Loans, and Federal Supplemental Loans for Students (SLS).
- A **forbearance** is a period during which you are allowed to temporarily postpone making payments, allowed an extension of time for making payments, or temporarily allowed to make smaller payments than scheduled.
  - A forbearance can be mandatory, meaning that your loan holder must grant the forbearance if you qualify for the forbearance and supply all supporting documentation.
  - A forbearance can also be discretionary, meaning that your loan holder may grant the forbearance, but is not required to do so.
- 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.
- **Title IV loans** are loans under the Direct Loan, FFEL, and Perkins Loan Programs.
- **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 AND DOCUMENTATION REQUIREMENTS

MEDICAL OR DENTAL INTERNSHIP/RESIDENCY

- To qualify for forbearance on your loan(s):
  - You must be accepted into a medical or dental internship/residency program which:
    - Is a supervised training program;
    - Leads to a degree or certificate awarded by an institution of higher education, a hospital or a health care facility, or is required before you may be certified for professional practice or service; and
    - Requires that you hold a bachelor's degree before acceptance into the program.
  - You must not be eligible for, or must have exhausted all eligibility for, deferment based on serving in a medical or dental internship or residency program. You must also provide certification or documentation from an authorized official from the program showing the beginning and ending dates of your medical or dental internship/residency program.

NATIONAL GUARD STATE DUTY

- To qualify for forbearance on your loan(s):
  - You must be a member of the National Guard and engaged in one of the following:
    - Active State duty under which a governor activated you based on state statute or policy, and the activities of the National Guard are paid for with state funds; or
    - Full-time National Guard duty under which a governor was authorized, with the approval of the President or the U.S. Secretary of Defense, to order you to state active duty, and the activities of the National Guard are paid for with federal funds.
  - You do not qualify for a military service deferment or other deferment; and
  - You must have been activated no more than 6 months after the last date on which you were enrolled in school at least half time.

You must provide either a certification of your service by a commanding or personnel officer in Section 4 of this form, a separate statement, or a copy of your orders.

LOAN REPAYMENT PROGRAM (Department of Defense)

- To qualify for forbearance on your loan(s), you must be performing the type of service that would qualify you for partial repayment of your loan(s) under the Department of Defense Loan Repayment Program authorized under 10 U.S.C. 2171.

You must provide certification or documentation from an authorized official from the program showing the beginning and ending dates for which you are eligible.

If you need payment relief and do not meet the criteria for the forbearance requested, contact your loan holder for information about repayment options, deferments, and other types of forbearance.

SECTION 8: WHERE TO SEND THE COMPLETED FORBEARANCE REQUEST

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

Alaska Commission on Postsecondary Education
PO Box 110505, Juneau, Alaska 99811-0505

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

(800) 441-2962 or in Juneau 465-2962
TTY (907) 465-3143 Fax (907 465-5316

SECTION 9: 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.* and §451 *et seq.* of the Higher Education Act of 1965, as amended (20 U.S.C. 1071 *et seq.* and 20 U.S.C. 1087a *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 Federal Family Education Loan (FFEL) Program or the William D. Ford Federal Direct Loan (Direct 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 FFEL and/or Direct Loan Programs, 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) becomes delinquent or defaults. 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 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 it displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to average 0.25 hours (15 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 682.211 or 685.205. 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 1845-0018. **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).