

DEFINITIONS:

- * A **forbearance** is the temporary reduction or delay of payments. During a period of forbearance, interest charges continue to accrue.
- * **Capitalization** is a process through which a lender adds unpaid interest to the principal balance of a loan. This increases the principal balance of the loan resulting in increased interest charges over the life of the loan.
- * **Title IV loans include** the following: Subsidized Federal Stafford Loan [formerly Guaranteed Student Loans (GSL)]; unsubsidized Federal Stafford Loans; Federal Supplemental Loans for Students (SLS); Federal PLUS (Parent) Loans; Federal Consolidation Loans; William D. Ford Federal Direct Loans and Federal Perkins Loans.
- * A **co-maker** is one of the two individuals who are joint borrowers on a PLUS or Consolidation loan and are equally responsible for repaying the loan.
- * **Total monthly gross income** is the amount of income you receive from employment (either full-time or part-time) and from other sources, prior to any deductions.

ELIGIBILITY CRITERIA:

◆ EXCESS DEBT BURDEN (NOTE: It is not necessary to complete Section 2.)

- To qualify, the monthly payments due on my Title IV loans must be equal to or greater than 20 percent of my total monthly gross income.
- I must provide my lender with: (1) documentation of total monthly gross income from all sources (e.g. copies of recent pay stubs), and (2) documentation of the most recent monthly payments due on my education loans (e.g. copies of statements or repayment schedules).

◆ INTERNSHIP/RESIDENCY PROGRAM

- To qualify: (1) I must be accepted into a Medical or Dental Internship/Residency Program which (a) is a supervised training program, (b) leads to a degree of certificate awarded by an institution of higher education, hospital or health care facility OR is required before I may be certified for professional practice or service; and (c) requires that I hold a Bachelor's Degree before acceptance into the program. (2) I must have used all eligible internship/residency deferments.
- I must provide my lender with (1) documentation or certification from an authorized official from the program showing the beginning and ending dates of my internship/residency program, and (2) if I am not in a program that leads to a degree or certificate, I must also provide my lender with a separate statement from the appropriate state licensing agency certifying that my internship/residency, or a portion thereof, is required before I may be certified for professional practice or service.

◆ LOAN FORGIVENESS DEMONSTRATION PROGRAM

- To qualify, the program must be funded, I must have applied to the Secretary and have been accepted for participating in the Federal Stafford Loan Forgiveness Program, and I must be performing one of the following types of service: (1) Full-time teacher in an elementary or secondary school, in an approved teacher shortage area, (2) Full-time nurse in an approved hospital or health care center, (3) Volunteer under the Peace Corps Act or under the Domestic Volunteer Act of 1973, or (4) Full-time employee for a tax-exempt organization as defined in section 501 (c)(3) of the Internal Revenue Code of 1986.
- I must provide my lender with documentation or certification from an authorized official from the program showing the beginning and ending dates that I am expected to perform the service.

◆ STUDENT LOAN REPAYMENT PROGRAM

- To qualify, I must be performing the type of service that would qualify me for partial repayment of my loan(s) under the Student Loan Repayment Programs administered by the Department of Defense under 10 U.S.C. 2171.
- I must provide my lender with certification from an authorized official from the program showing the beginning and ending dates for which I am considered to be eligible.

Authorized Officials: (None required for Excess Debt Burden Forbearance)

- Internship/Residency Program Official (For all Internships and Residencies)
- Authorized Official from the Loan Forgiveness Demonstration Program
- Authorized Official from the Department of Defense (For Student Loan Repayment Program)



In order to apply for a **forbearance**, you **must**:

1. **Write** your social security number in the appropriate boxes on the front of the form.
2. **Place** an "X" in the box to indicate the forbearance type for which you are applying.
3. **Write** the dates for which you wish the forbearance to be applied (up to 12 months).
4. **Sign** your name in Section 1.
5. **Make sure** official signs Section 2 and/or **attach** the necessary certification/information.
6. **Check** the box for change of address if applicable.
7. **Use** the postage-paid envelope to return the form.

If you are experiencing financial difficulties and do not meet the criteria for any of the forbearances on this form, contact *edsouth* at 1-800-edsouth for information about repayment options, deferments, and other types of forbearances.