



TEMPORARY HARDSHIP FORBEARANCE FORM

edsouth wants to work with you to ensure the repayment of your student loan(s) is as easy as possible. We offer a variety of repayment plans and options, such as forbearance, which can temporarily delay the repayment of your loans. If you are unable to afford the monthly payments on your loan(s) please contact us immediately or read and complete this form and return it using the enclosed postage-paid envelope or by faxing it to (865) 539-2875.

SOCIAL SECURITY NUMBER

□□□-□□-□□□□

CUSTOMER'S NAME

ADDRESS

RETURN COMPLETED FORM TO
edsouth
P.O. BOX 31549
KNOXVILLE, TN 37930-1549
Fax (865) 539-2875

Please check here for change of

TELEPHONE NUMBER

(____) _____-

ALTERNATE PHONE TELEPHONE

(____) _____-

Due to my current financial situation, I am unable to afford the monthly payments on my student loan account(s). I authorize **edsouth** to grant the forbearance for the dates requested below (a maximum of twelve (12) months) and backdate it as needed to cover any of the delinquency on my loan(s) at the time the form is processed. I authorize **edsouth** to grant forbearance on all of my loans which fall under the guidelines for federally insured loans. I also understand that during the forbearance period, I am responsible for the interest that accrues on my account. If I do not make payments, any unpaid interest at the end of the forbearance period will be added to my principal balance (**capitalized**).

I will resume repayment of this debt within forty-five (45) days of the forbearance end date as determined by **edsouth**. The exact amount of the monthly payments calculated at the end of the forbearance will be in accordance with all applicable laws governing student loans. I understand that should my situation under which I applied for this forbearance change, I must notify **edsouth**.

The reason I am requesting a forbearance is: (If no reason is given it will be assumed that you are experiencing financial hardship.)

- I currently am unable to pay the monthly payments on my loan(s).
- I will be going back to school within a few months.
- Other (please explain) _____

I am requesting a forbearance be placed on my loan(s) from □□-□□-□□ to □□-□□-□□.

I understand and agree to the terms and conditions contained on this form.

X _____

CUSTOMER'S SIGNATURE

DATE



- In order to be approved for a Temporary Hardship Forbearance you must:
1. **Read** and understand the form.
 2. **Write** your social security number, name, and address above.
 3. **Write** the dates you wish the Forbearance to be applied above.
 4. **Provide** the reason for the forbearance request.
 5. **Sign** the form above.
 6. **Check** the box for address change if applicable.
 7. **Use** the postage-paid envelope to return the form or fax it to us.

Explanation of Capitalization of Interest:

Capitalization of interest is the addition of outstanding accrued interest to the current principal balance of a loan. We will automatically capitalize your interest at the end of your forbearance. During your forbearance period you will receive notices in March, June, September and December and again prior to the end of your forbearance. These notices will inform you of the amount of interest that has accrued. The major advantage of **capitalizing** interest is the flexibility it provides because no payment is required. However, we do recommend that you make payments towards the interest during your forbearance period if you are financially able to do so because the **capitalized** interest will result in a higher principal balance, higher monthly payments and additional interest charges over the course of repayment.

The purpose of the chart provided below is to help you estimate the amount of interest that would accrue on your loan every month so that you can estimate how much would be added to your loan's principal balance if the interest is capitalized.

For example, if you owe \$1,000 in principal at an interest rate of 8.0%, then approximately \$6.67 in interest would accrue on your loan every month. If capitalization occurs on the loan after a twelve-month forbearance period, the amount of interest that would be capitalized would be approximately \$80.00 for that twelve-month period. The chart below provides **monthly** interest accrual amounts.

PRINCIPAL	6.00%	7.00%	8.00%	9.00%	10.00%
\$ 500	\$ 2.50	\$ 2.92	\$ 3.33	\$ 3.75	\$ 4.17
\$ 1,000	\$ 5.00	\$ 5.83	\$ 6.67	\$ 7.50	\$ 8.33
\$ 2,000	\$ 10.00	\$ 11.67	\$ 13.33	\$ 15.00	\$ 16.67
\$ 3,000	\$ 15.00	\$ 17.50	\$ 20.00	\$ 22.50	\$ 25.00
\$ 4,000	\$ 20.00	\$ 23.33	\$ 26.67	\$ 30.00	\$ 33.33
\$ 5,000	\$ 25.00	\$ 29.17	\$ 33.33	\$ 37.50	\$ 41.67
\$ 6,000	\$ 30.00	\$ 35.00	\$ 40.00	\$ 45.00	\$ 50.00
\$ 7,000	\$ 35.00	\$ 40.83	\$ 46.67	\$ 52.50	\$ 58.33
\$ 8,000	\$ 40.00	\$ 46.67	\$ 53.33	\$ 60.00	\$ 66.67
\$ 9,000	\$ 45.00	\$ 52.50	\$ 60.00	\$ 67.50	\$ 75.00
\$10,000	\$ 50.00	\$ 58.33	\$ 66.67	\$ 75.00	\$ 83.33
\$15,000	\$ 75.00	\$ 87.50	\$100.00	\$112.50	\$125.00
\$20,000	\$100.00	\$116.67	\$133.33	\$150.00	\$166.67
\$25,000	\$125.00	\$145.83	\$166.67	\$187.50	\$208.33
\$30,000	\$150.00	\$175.00	\$200.00	\$225.00	\$250.00