

Summary of Changes Approved through December 2016

This summary lists changes made since the 2016 Annual Update of the *Common Manual*.
 Following are the latest policy changes, which were approved November 17 and December 15, 2016.
 Changes made before the 2016 Annual Update are noted in Appendix H.

Common Manual Section	Description of Change	Effective Date/Triggering Event	Policy/Batch
Chapter 2: About the FFELP			
2.3.C Common Forms	Accounts for the Department discontinuing the Public Service Deferment Request (PUB), the Parental Leave/ Working Mother Deferment Request (PLWM), and the Education Related Deferment Request (EDU) deferment forms. Also, the Department eliminated the Student in Rehabilitation Training deferment type from the Parent PLUS Borrower Deferment Request (PLUS). The Department created two new deferment request forms, Graduate Fellowship Deferment Request (GFL) and Rehabilitation Training Deferment Request (RHT), and provided guidance on the documentation that the lender must collect should a borrower request to defer loan repayment based on a deferment for which there is no longer an OMB-approved form. They also provided guidance on requirements to consider a deferment form complete. Incorporates revisions to the Deferment Eligibility Chart, Figure 11-1 to align with these changes.	For deferments, revised forms provided to borrowers on or after June 1, 2016.	1316/207
Chapter 6: School Certification			
6.11.E Exceeding Loan Limits	Incorporates mention of the <i>Reaffirmation Agreement</i> , the new OMB-approved form that a borrower uses to reaffirm any debt that exceeds Stafford annual and/or aggregate loan limits.	For reaffirmation agreements provided to borrowers after March 30, 2016.	1314/206

Common Manual Section	Description of Change	Effective Date/Triggering Event	Policy/Batch
Chapter 11: Deferment and Forbearance			
11.1.B Documentation Required for Authorized Deferment Figure 11-1 Deferment Eligibility Chart	Accounts for the Department discontinuing the Public Service Deferment Request (PUB), the Parental Leave/Working Mother Deferment Request (PLWM), and the Education Related Deferment Request (EDU) deferment forms. Also, the Department eliminated the Student in Rehabilitation Training deferment type from the Parent PLUS Borrower Deferment Request (PLUS). The Department created two new deferment request forms, Graduate Fellowship Deferment Request (GFL) and Rehabilitation Training Deferment Request (RHT), and provided guidance on the documentation that the lender must collect should a borrower request to defer loan repayment based on a deferment for which there is no longer an OMB-approved form. They also provided guidance on requirements to consider a deferment form complete. Incorporates revisions to the Deferment Eligibility Chart, Figure 11-1 to align with these changes.	For deferments, revised forms provided to borrowers on or after June 1, 2016.	1316/207
11.2.B Deferment Documentation—ACTION Program			
11.3.B Deferment Documentation—Armed Forces			
11.5.B Deferment Documentation—Graduate Fellowship			
11.7.B Deferment Documentation—Internship/Residency			
11.9.B Deferment Documentation—NOAA			
11.10.B Deferment Documentation—Parental Leave			
11.11.B Deferment Documentation—Peace Corps			
11.13.B Deferment Documentation—Public Health Service			
11.14.B Deferment Documentation—Rehabilitation Training Program			
11.15.B Deferment Documentation—Tax-Exempt Organization Volunteer			
11.16.B Deferment Documentation—Teacher Shortage Area			
11.17.B Deferment Documentation—Temporary Total Disability			
11.19.B Deferment Documentation—Working Mother			
11.20.B Documentation Required for Authorized Forbearance Figure 11-2 Forbearance Eligibility Chart 11.22 Discretionary Forbearance	Explains the Department's guidance related to the completion of OMB-approved common forbearance request forms, and incorporates the forms into the Forbearance Eligibility Chart.	For mandatory forbearance forms distributed on or after June 1, 2016, and discretionary (general) forbearance forms distributed on or after July 1, 2016.	1317/207
Chapter 13: Claim Filing, Discharge, and Forgiveness			
13.8.A Bankruptcy	Removes the cross-reference about not yet disbursed or partially disbursed loans when the lender receives a bankruptcy notice.	Retroactive to July 1, 2010.	1315/206

Deferment Forms

- SCH In-School Deferment Request
- ~~EDU Education Related Deferment Request~~
- GFL Graduate Fellowship Deferment Request
- RHT Rehabilitation Training Deferment Request
- ~~PUB Public Service Deferment Request~~
- TDIS Temporary Total Disability Deferment Request
- UNEM Unemployment Deferment Request
- ~~PLWM Parental Leave/Working Mother Deferment Request¹~~
- HRD Economic Hardship Deferment Request and Worksheets
- PLUS Parent PLUS Borrower Deferment Request
- MIL Military Service Deferment Request
Post-Active Duty Student Deferment Request

Loan Discharge/Forgiveness Forms

- Civil Legal Assistance Attorney Student Loan Repayment Program Application to Participate and Service Agreement
- Loan Discharge Application: School Closure
- Loan Discharge Application: False Certification of Ability to Benefit
- Loan Discharge Application: False Certification (Disqualifying Status)
- Loan Discharge Application: False Certification (Unauthorized Signature/Unauthorized Payment)
- Discharge Application: Total and Permanent Disability
- Loan Discharge Application: Unpaid Refund
- Loan Discharge Application: Spouses and Parents of September 11, 2001 Victims
- Teacher Loan Forgiveness Application
- Teacher Loan Forgiveness Forbearance Form

Mandatory Forbearance Forms

- SLDB Mandatory Forbearance Request: Student Loan Debt Burden
- SERV Mandatory Forbearance Request: Medical or Dental Internship/Residency Program; National Guard Duty; Department of Defense Loan Repayment Program

Default Aversion Forms

- Default Aversion Assistance Request Form

Claim Forms

- Claim Form
- Supplemental Claim Form
- Request for Reimbursement Due to Partial Discharge of a Federal Consolidation Loan
- FFELP Teacher Loan Forgiveness Request Form
- FFELP Ineligible Borrower and Identity Theft Supplemental Form
- FFELP Assignment Support Supplemental Form (TPD-Specific worksheet)

¹ Policy 1316 (Batch 207), approved December 15, 2016

- Doctor of Optometry
- Doctor of Podiatric Medicine
- Doctor of Naturopathic Medicine
- Doctor of Naturopathy

[15-16 FSA Handbook, Volume 3, Chapter 5]

For an [academic year](#) that meets the requirements of a Title IV academic year (see [Subsection 6.1.A](#)) but is shorter than 9 months in length, the school is not required to prorate the loan but may instead certify the full 9-month limit if the student is otherwise eligible. For an academic year that is 10 or 11 months in length, the school must divide the applicable 9-month loan limit by 9 and multiply that amount by the number of months in the student's academic year.

Schools must follow applicable HEAL program restrictions when certifying increased unsubsidized Stafford loans, except that the HEAL program needs test is not required for increased unsubsidized Stafford loan limits.

[15-16 FSA Handbook, Volume 3, Chapter 5]

Special Stafford Aggregate Loan Limits

Graduate and professional health profession students who are eligible for increased unsubsidized Stafford loans are eligible to borrow a combined subsidized and unsubsidized Stafford aggregate loan amount of up to \$224,000 (including all SLS and Direct Stafford loans received or any portion of an outstanding Consolidation loan that fully repaid such loans). Subsidized Stafford loans may comprise no more than \$65,500 of this amount. If a student is ineligible for subsidized Stafford loan funds, the student may borrow the \$224,000 [aggregate loan limit](#) in unsubsidized Stafford loan funds.

[DCL GEN-99-21; DCL GEN-99-7; DCL GEN-98-18; DCL GEN-97-14; DCL GEN-97-4; DCL GEN-96-14]

6.11.E Exceeding Loan Limits

A Stafford or PLUS loan amount must never exceed the maximum amount the [borrower](#) is eligible to receive or the amount the borrower requested, whichever is less. A loan disbursed in excess of the lesser of these two amounts may lose its [guarantee](#) and eligibility for [interest benefits](#) and/or [special allowance](#) payments. A PLUS loan may not exceed the [cost of attendance \(COA\)](#) minus [estimated financial assistance \(EFA\)](#), but otherwise is not limited. See [Subsections 6.11.A](#) and [6.11.B](#) for more information regarding Stafford loan limits.

[§682.204(j); §682.603(e)(1)]

A Stafford borrower is subject to the annual and aggregate loan limits that exist in the [Higher Education Act of 1965, as amended](#), at the time the borrower received an inadvertent overaward. If a Stafford borrower inadvertently exceeds the Stafford annual or [aggregate loan limit](#), the borrower will be ineligible for additional Title IV funds until one of the following occurs:

- The borrower authorizes the school to adjust the excess loan amount or reallocate funds between a subsidized Stafford loan and an unsubsidized Stafford loan for which the borrower is eligible. For more information on adjusting or reallocating loan amounts, see [Section 6.20](#).
- The borrower repays in full the excess Stafford loan amount.
[§668.35(d)(1)]
- The borrower makes arrangements satisfactory to the [holder](#) of the loan to repay the excess Stafford loan amount. These arrangements may include having the borrower sign a [Reaffirmation Agreement form](#) ~~an agreement~~ acknowledging the debt and affirming his or her intention to repay the excess amount as part of the normal repayment process. Consolidation of the loan(s) that exceeded the annual or aggregate loan limit (provided that the loan(s) is otherwise eligible for consolidation) is also considered to be a [satisfactory repayment arrangement](#).
[§668.35(d)(2); DCL GEN-13-02; DCL GEN-15-20; 16-17 FSA Handbook, Volume 4, Chapter 3, pp. 4-90 to 4-91; 15-16 FSA Handbook, Volume 3, Chapter 5 and Volume 5, Chapter 1, pp. 5-16 to 5-17]¹

¹ Policy 1314 (Batch 206), approved November 17, 2006

full (except through consolidation), the borrower will be eligible for [deferment](#) based on provisions effective for new loans he or she obtains.

[§682.210(b)(7)]

The lender should determine a borrower's deferment eligibility, based on borrower information contained in the lender's records and any information provided by the borrower, before approving a deferment for that borrower. The lender may rely on the borrower's certification, as evidenced by the borrower's signature on the deferment form or other documentation or certification provided by the borrower, that he or she meets the deferment eligibility criteria. If the lender is aware of any conflicting information related to the borrower's deferment eligibility, the lender must resolve the discrepancy before approving or denying the deferment.

[§682.210(a)(4)]

If, after approving the deferment, the lender receives information indicating that the borrower did not qualify for all or a portion of the deferment, the portion of the deferment for which the borrower did not qualify must be canceled. The lender must make any necessary interest adjustments to the borrower's account. The lender may grant an [administrative forbearance](#) to cover delinquent payments resulting from the cancellation of all or part of the deferment. See [Section 11.21](#) for information regarding the application of an administrative forbearance.

[§682.210(a)(7) and (9)]

11.1.B Documentation Required for Authorized Deferment

A lender may accept a borrower's [verbal request](#) for [deferment](#). However, the lender may not grant the deferment until it receives the required [documentation](#). The lender must document a borrower's request (except for an in-school deferment) and eligibility for a deferment and retain the documentation as required under [Subsection 3.4.A](#).

The common deferment forms are used widely for obtaining the signatures and information necessary to grant deferments (the form applicable to each deferment type is provided in the subsection entitled "Deferment Documentation" in [Sections 11.2 to 11.19](#)). However, the lender is encouraged to be flexible in accepting information that would support a borrower's deferment entitlement. The lender may use combinations of verbal requests and supporting documentation from an appropriate source (e.g., the borrower, [school](#), [guarantor](#), [third-party servicer](#), or

National Student Loan Data System [NSLDS])—provided the documentation supplies sufficient information to ensure that the borrower meets all eligibility criteria.

If a borrower submits a common deferment form, a lender generally cannot approve a borrower's request for deferment unless all applicable questions on the form are answered. If there is no authorized official's certification required for the deferment, the lender may consider the request complete if all of the following apply:

- The form is signed by the borrower.
- The borrower has provided responses to any applicable self-certifying questions that are needed to determine deferment eligibility and would not be clearly indicated in the supporting documentation.
- The borrower provides documentation that establishes the borrower's eligibility for the deferment.

If a borrower submits a common deferment form that requires an authorized official's certification, the borrower must answer all of the questions pertaining to the borrower's eligibility for the deferment since the authorized official is, by signing the form, certifying that the borrower and the program meet all conditions indicated by the borrower's responses to the applicable questions. If the borrower answers a question in a manner that demonstrates that the borrower is not eligible for the deferment, the lender must consider the authorized official's certification invalid, except in the case of temporary total disability deferment (see [Subsection 11.17.B](#) for further information).

[DCL GEN-16-02]¹

11.1.C Deferment Length

All deferments begin on the date the condition entitling the borrower to the deferment first existed, as determined by the lender, except an initial unemployment deferment that is based on a borrower's self-certification (see [Subsection 11.18.A](#)).

[§682.210(a)(5)]

An authorized deferment period ends on the earliest of the following dates:

- The date the condition establishing a borrower's eligibility for the deferment ends.

¹ Policy 1316 (Batch 207), approved December 15, 2016

Deferment Eligibility Chart

Figure 11-1

See Section H.4 for information about a statutory or regulatory waiver authorized by the HEROES Act that may impact these requirements.

Form	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	New ^{3,7} Loans 7/1/08	Pre 7/1/93 Borrower ⁹	New Borrower 7/1/93 ¹⁰
SCH	In-School: Full Time	None	•	•	•	•	•	•	•	•	•	•
	In-School: Half Time ⁸	None		•	•			•	•	•		•
	Post-Enrollment Deferment ⁷	6 Months								•		
GFL EDU	Graduate Fellowship	None	•	•	•	•	•	•	•	•	•	•
RHT	Rehabilitation Training	None	•	•	•	•	•	•	•	•	•	•
** —	Rehabilitation Training for Dependent Student for whom Parent PLUS was Borrowed	None				•	•	•				
** —	Teacher Shortage	3 Years		•								
** —	Internship/ Residency Training	2 years	•	•		•						
TDIS	Temporary Total Disability ⁴	3 Years	•	•		•	•	•				•
** PUB	Armed Forces or Public Health Services ⁵	3 Years	•	•		•						
	National Oceanic and Atmospheric Administration Corps ⁵	3 Years		•								
	Peace Corps, ACTION Program and Tax-Exempt Organization Volunteer	3 Years	•	•		•						
UNEM	Unemployment	2 years	•	•		•	•	•				•
	Unemployment	3 Years			•				•			•
** PLWM	Parental Leave ⁶	6 Months	•	•								
** —	Mother Entering/ Reentering Work Force	1 Year		•								
HRD	Economic Hardship	3 Years			•				•			•
PLUS ³	In-School: Full Time	None						•		•		
	In-School: Half Time	None						•		•		
	Post-Enrollment Deferment ⁷	6 Months								•		
	Rehabilitation Training	None				•	•	•				
MIL	Military Service ¹¹	None	•	•	•	•	•	•	•	•	•	•
	Post-Active Duty Student ¹² 13 Months ¹³	13 Months	•	•	•	•	•	•	•	•	•	•

** No OMB approved form for these deferments. Borrower must provide lender with request for the deferment, documentation certifying each of the eligibility criteria for the deferment, and any supporting documentation required by the applicable regulations.[†]

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.

[†] Policy 1316 (Batch 207), approved December 15, 2016

11.2.B Deferment Documentation—ACTION Program

If a borrower requests an ACTION Program deferment, the lender ~~must~~ ~~should forward to the borrower the following common deferment form~~ collect from the borrower all of the following:

PUB

Public Service Deferment Request

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.¹

11.2.C Length of Deferment—ACTION Program

The deferment begins on the date the condition entitling the borrower to the deferment first existed, as determined by the lender. The deferment ends no later than 3 years after the date on which it began, or the date on which the borrower's commitment is certified to end or actually ends, whichever is earlier.

[§682.210(a)(5)]

11.3 Armed Forces Deferment

An Armed Forces [deferment](#) is available to a borrower who is serving on active duty status in the U.S. Armed Forces (the Army, Navy, Air Force, Marine Corps, and Coast Guard).

[§682.210(i)]

See [Section H.4](#) for information about a statutory or regulatory waiver authorized by the [HEROES Act](#) that may impact these requirements.

11.3.A Eligibility Criteria—Armed Forces

This deferment generally applies only to an active duty member of the U.S. Armed Forces who has an outstanding balance on a [FFELP](#) loan that was made before July 1, 1993, or who had an outstanding balance on a FFELP loan made before July 1, 1993, when the borrower obtained a loan disbursed on or after July 1, 1993. The deferment is also available to a PLUS borrower if that borrower has a PLUS loan that was disbursed before August 15, 1983. Members of the National Guard or the Reserves who are serving in a full-time active duty status for a minimum of one year or in cases of a national emergency (not a 2-week active duty assignment for training status) may qualify for the Armed Forces deferment. Such [borrowers](#) are considered to be actively serving in the military. For a Stafford loan borrower who is called or ordered to active duty and who has a loan in a [grace period](#) or has a loan in an in-school status that would subsequently enter a grace period, see [Subsection 10.3.C](#) for information on military extension of the grace period.

A borrower or a borrower's representative must request the [deferment](#) and provide the [lender](#) with [documentation](#) establishing that he or she is serving a period of full-time active duty status in the U.S. Armed Forces.

Documentation may include:

- A written statement from the borrower's commanding officer or personnel officer certifying the date on which the borrower's service began and the date on which it is expected to end.
- A copy of the borrower's official military orders and a copy of the borrower's active duty military identification card.

If a lender grants an armed forces deferment based on a request from the borrower's representative, the lender must notify the borrower that the deferment has been granted and that the borrower has the option to cancel the deferment and continue to make payments on the loan. The lender may also notify the borrower's representative of the outcome of the deferment request.

[§682.210(i)(5)]

¹ Policy 1316 (Batch 207), approved December 15, 2016

11.3.B Deferment Documentation—Armed Forces

If a borrower requests an Armed Forces deferment, the lender must ~~forward to the borrower the following common deferment form~~ collect from the borrower all of the following:

PUB
Public Service Deferment Request

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.¹

11.3.C Length of Deferment—Armed Forces

The deferment begins on the date the condition entitling the borrower to the deferment first existed, as determined by the lender. The deferment ends no later than 3 years after the date on which it began, or the date on which the borrower's qualifying service is certified to end or actually ends, whichever is earlier. A borrower may be granted a maximum of 3 years of deferment for any combination of service in the U.S. Armed Forces, U.S. Commissioned Corps of Public Health, and National Oceanic and Atmospheric Administration Corps (NOAA).
[§682.210(i)]

11.4 Economic Hardship Deferment

An **economic hardship** deferment is available to a borrower who earns less than minimum wage or an amount equal to 150% of the poverty guideline applicable to the borrower's family size.

11.4.A Eligibility Criteria—Economic Hardship

This deferment is available only if the borrower had no outstanding balance on a **FFELP** loan as of the date he or she obtained a loan on or after July 1, 1993.

To qualify for this deferment, a borrower must request it and provide the lender with documentation that shows that he or she meets at least one of the following eligibility criteria:

1. The borrower has been granted an economic hardship deferment under either the **FDLP** or **Federal Perkins Loan Program** for the period of time for which the borrower has requested an economic hardship deferment for his or her FFELP loan.
2. The borrower is receiving payment or benefit under a federal or **state** public assistance program, such as Aid to Families with Dependent Children, Supplemental Security Income, Food Stamps, or state general public assistance.
[*Federal Register* dated June 29, 1994]
3. The borrower is working full time and has a monthly income that does not exceed the greater of (a) the minimum wage rate described in section 6 of the Fair Labor Standards Act of 1938 or (b) an amount equal to 150% of the poverty guideline applicable to the borrower's family size, as published annually by the Department of Health and Human Services pursuant to **42 U.S.C. §9902.2** (see Note below).

For the purpose of this deferment, *family size* is defined as the number that is determined by counting the borrower, the borrower's spouse, and the borrower's children (including unborn children who will be born during the period covered by the deferment) if the children receive more than half of their support from the borrower. A borrower's family size also includes other individuals if, at the time the borrower requests the economic hardship deferment, the other individuals meet both of the following criteria:

- Live with the borrower.
- Receive more than half of their support from the borrower and will continue to receive this support from the borrower for the year the borrower certifies family size.

Support includes money, gifts, loans, housing, food, clothes, car, medical and dental care, and payment of college costs.
[§682.210(s)(6)(ix)]

4. The borrower is or will be serving as a Peace Corps volunteer.

¹ Policy 1316 (Batch 207), approved December 15, 2016

11.4.D Simplified Deferment Processing

A lender may grant an [eligible borrower](#) an economic hardship deferment based on information that the borrower has been granted an economic hardship deferment by another FFELP loan [holder](#) or the Department (for a Direct loan) for the same time period. The borrower must request the deferment either verbally or in writing but does not have to provide a completed economic hardship deferment form or the other required documentation listed in [Subsection 11.4.B](#).

In granting the deferment in this manner, the lender may rely in good faith on the information obtained from another FFELP loan holder, the Department, or an authoritative electronic database maintained or authorized by the Department, unless the lender has information indicating that the borrower does not qualify for the economic hardship deferment. The lender must resolve any discrepant information before granting an economic hardship deferment in this manner.

If the lender grants the economic hardship deferment using this simplified process, it must notify the borrower that the deferment has been granted and that the borrower has the option to pay the interest that accrues on an unsubsidized FFELP loan or to cancel the deferment and continue to make payments on the loan.
[§682.210(s)(1)(iii) - (v)]

11.5 Graduate Fellowship Deferment

A graduate fellowship deferment covers study under an eligible graduate fellowship program.
[§682.210(b)(1)(ii) and (d)]

11.5.A Eligibility Criteria—Graduate Fellowship

To qualify for this deferment, a borrower must request it and provide the lender with a written statement from an authorized official of the fellowship program. This statement must indicate the [anticipated completion date](#) of the program and must certify the following information with respect to the borrower:

- The individual holds at least a bachelor's degree conferred by an [institution of higher education](#).

- The individual will be engaged in full-time study (which may be independent of an educational or cultural institution) in an academic or professional subject for which he or she has demonstrated an interest and ability and for which he or she has been recommended by an institution of higher education.

The fellowship program must:

- Provide sufficient financial support to the student to allow for full-time study for at least 6 months.
- Require a written statement from each applicant explaining the applicant's objectives before award of that financial support.
- Require the graduate fellow to submit periodic reports, projects, or other evidence of his or her progress.
- Accept any applicable course of study at a [foreign school](#) for completion of the fellowship program.

11.5.B Deferment Documentation—Graduate Fellowship

If a borrower requests a graduate fellowship [deferment](#), the lender ~~must~~ [should](#) forward to the borrower the following common deferment form:

~~EDU~~
~~Education Related Deferment Request~~

[GFL](#)
[Graduate Fellowship Deferment Request](#)¹

11.5.C Length of Deferment—Graduate Fellowship

The deferment begins on the date the condition entitling the borrower to the deferment first existed, as determined by the lender. The deferment ends on the date the borrower withdraws or completes the fellowship program, whichever is earlier.

[§682.210(d)]

See [Section H.4](#) for information about a statutory or regulatory waiver authorized by the [HEROES Act](#) that may impact these requirements.

¹ Policy 1316 (Batch 207), approved December 15, 2016

11.7.B Deferment Documentation—Internship/ Residency

If a borrower requests an internship/residency training deferment, the lender must collect from the borrower all of the following ~~should forward to the borrower the following common deferment form:~~

EDU

Education-Related Deferment Request

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.¹

11.7.C Length of Deferment—Internship/ Residency

The deferment begins on the date the condition entitling the borrower to the deferment first existed, as determined by the lender. The deferment ends no later than 2 years after the date on which it began, or the date on which the borrower's internship or residency is certified to end or actually ends, whichever is earlier.

[§682.210(n)]

A lender is required to grant **forbearance** to a borrower who has already received the maximum 2-year deferment but who has not yet completed his or her internship or residency program (see **Subsection 11.24.B**). The 2-year deferment limit does not include periods of in-school deferment that were previously granted (before enactment of the Omnibus Budget Reconciliation Act of 1989).

11.8 Military Service Deferment

A military service deferment is available to a borrower while the borrower is serving on active duty during a war or other military operation, or a national emergency, or while the borrower is performing qualifying National Guard duty during a war or other military operation, or a national

emergency.

[§682.210(t)(1); HEA §428(b)(1)(M)(iii); DCL GEN-06-02; DCL FP-08-01]

Payments made by or on behalf of a borrower during a period for which the borrower qualified for a military service deferment are not refunded.

[§682.210(t)(5)]

11.8.A Eligibility Criteria—Military Service

This deferment is available to Stafford, PLUS and Consolidation loan borrowers during periods in which a borrower is serving in one of the following capacities:

- On active duty during a war or other military operation, or a national emergency.
- On qualifying National Guard duty during a war or other military operation, or a national emergency. [HEA §428(b)(1)(M)(iii); §682.210(t)(1) - (4); DCL GEN-06-02; DCL GEN-08-01]

Definitions Applicable to Military Service Deferment

In the context of the military service deferment, the following definitions apply:

- *Active duty* means serving in full-time duty in the active military service of the U.S., not including training or attendance at a service school.
- *Military operation* means a contingency operation in which a member of the Armed Forces is, or may become, involved in military actions, operations, or hostilities against an enemy of the U.S. or against an opposing military force; or results in the call or order to, or retention on, active duty of members of the uniformed services under 10 U.S.C. 688, 12301(a), 12302, 12304, 12305, or 12406, 10 U.S.C. Chapter 15, or any other provision of law during a war or during a national emergency declared by the President or Congress.
- *National emergency* means a national emergency by reason of certain terrorist attacks declared by the President on September 14, 2001, or subsequent national emergencies declared by the President by reason of terrorist attacks.

¹ Policy 1316 (Batch 207), approved December 15, 2016

For a borrower whose qualifying service includes October 1, 2007, or begins on or after that date, the deferment is extended for an additional 180 days after the date the borrower is demobilized from that qualifying service. The additional 180-day deferment is available to a borrower each time a borrower is demobilized from qualifying active duty service. The additional 180-day deferment period may not be granted unless the lender receives documentation of the date the borrower was demobilized from qualifying service.

[§682.210(t)(2); DCL FP-08-01]

11.8.D Simplified Deferment Processing

A lender may grant an [eligible borrower](#) a military deferment based on information that the borrower has been granted a military deferment by another FFELP loan [holder](#) or the Department (for a Direct loan) for the same time period. The borrower, or the borrower's representative, must request the deferment either verbally or in writing but does not have to provide a completed military deferment form.

In granting the deferment in this manner, the lender may rely in good faith on the information obtained from another FFELP loan holder, the Department, or an authoritative electronic database maintained or authorized by the Department, unless the lender has information indicating that the borrower does not qualify for the military deferment. The lender must resolve any discrepant information before granting a military deferment in this manner.

If the lender grants the military [deferment](#) using this simplified process, it must notify the borrower that the deferment has been granted and that the borrower has the option to pay the interest that accrues on an unsubsidized FFELP loan or to cancel the deferment and continue to make payments on the loan.

[§682.210(s)(1)(iii) - (v)]

11.9 National Oceanic and Atmospheric Administration Corps Deferment

A National Oceanic and Atmospheric Administration Corps deferment is available to a borrower who is engaged in active duty service in the National Oceanic and Atmospheric Administration Corps (NOAA).

11.9.A Eligibility Criteria—NOAA

This deferment is available only if the borrower has an outstanding balance on a FFELP loan that was made before July 1, 1993, or the borrower had an outstanding balance on a FFELP loan made before July 1, 1993, when he or she obtained a loan disbursed on or after July 1, 1993.

To qualify for this deferment, a borrower must request it and provide the lender with a statement from an authorized official of the NOAA Corps certifying:

- That the borrower is on active duty status in the NOAA Corps.
- The date on which the borrower's service began.
- The date on which the borrower's service is expected to end.

11.9.B Deferment Documentation—NOAA

If a borrower requests a NOAA deferment, the lender ~~must~~ should forward to the borrower the following common-deferment form collect from the borrower all of the following:

PUB
Public Service Deferment Request

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.¹

¹ Policy 1316 (Batch 207), approved December 15, 2016

11.9.C Length of Deferment—NOAA

The deferment begins on the date the condition entitling the borrower to the deferment first existed, as determined by the lender. The deferment ends no later than 3 years after the date on which it began, or the date on which the borrower's qualifying service is certified to end or actually ends, whichever is earlier. A borrower may be granted a maximum of 3 years of deferment for any combination of service in the U.S. Armed Forces, U.S. Commissioned Corps of Public Health, and NOAA.

[§682.210(p)]

11.10 Parental Leave Deferment

A parental leave deferment is available to a borrower who is pregnant or caring for his or her newborn or newly adopted child.

11.10.A Eligibility Criteria—Parental Leave

This deferment is available only if the borrower has an outstanding balance on a FFELP loan that was made before July 1, 1993, or the borrower had an outstanding balance on a FFELP loan made before July 1, 1993, when he or she obtained a loan disbursed on or after July 1, 1993.

To qualify for this deferment, a borrower must request it and provide to the lender a statement certifying that:

- The borrower is pregnant or caring for his or her newborn child, or caring for a child immediately following his or her adoption of that child.
- The borrower will not be attending [school](#) during this period.
- The borrower will not be working full time (at least 30 hours of work per [week](#) that is expected to last at least 3 months) during this period.
- The borrower has been [enrolled](#) at least half time during the 6 months before the date on which the deferment should begin.

In addition to his or her own statements, the [borrower](#) must provide to the [lender](#) a statement from the doctor verifying the pregnancy, or a birth certificate or a statement from an adoption agency indicating the recent placement of a child

in the borrower's care. In addition, the statement of the borrower's in-school enrollment status must be certified by an authorized official of a [participating school](#).

[Deferment](#) eligibility is limited to the period during which the borrower is pregnant or the period immediately following the birth or adoption of a child.

Because the borrower must be [enrolled](#) at least half time at an eligible [school](#) at some time during the 6 months immediately preceding the period of the parental leave deferment, the lender, in granting the deferment, may waive all or a portion of the borrower's [grace period](#) if the waiver is authorized by the borrower in writing.

The common deferment form for this deferment provides up to a one-month grace period waiver.

11.10.B Deferment Documentation—Parental Leave

If a borrower requests a parental leave deferment, the lender ~~must should forward to the borrower the following common deferment form~~ collect from the borrower all of the following:

PLWM

Parental Leave/Working Mother Deferment Request

- [A request for the deferment.](#)
- [Documentation certifying each of the eligibility criteria for the deferment.](#)
- [Any supporting documentation required by the applicable regulations.](#)¹

11.10.C Length of Deferment—Parental Leave

The deferment begins on the date the condition entitling the borrower to the deferment first existed, as determined by the lender. The deferment ends no later than 6 months after the date on which it began. This deferment may be granted to the same borrower in periods of no more than 6 months each time the borrower qualifies. This means that the borrower may receive the deferment for the birth or care of more than one child, in increments not to exceed the 6-month maximum per occurrence.

[§682.210(o)]

¹ Policy 1316 (Batch 207), approved December 15, 2016

11.11 Peace Corps Deferment

A Peace Corps [deferment](#) is available to a borrower who is engaged in volunteer service under the Peace Corps Act.

11.11.A Eligibility Criteria—Peace Corps

This deferment is available only if the borrower has an outstanding balance on a [FFELP](#) loan that was made before July 1, 1993, or the borrower had an outstanding balance on a FFELP loan made before July 1, 1993, when he or she obtained a loan disbursed on or after July 1, 1993. The deferment is also available to a PLUS borrower if that borrower has a PLUS loan first disbursed before August 15, 1983.

To qualify for this deferment, a borrower must request it and provide the [lender](#) with a statement from an official of the Peace Corps program certifying:

- That the borrower has agreed to serve as a volunteer on a full-time basis for at least one year.
- The date on which the borrower's service began.
- The date on which the borrower's service is expected to end.

11.11.B Deferment Documentation—Peace Corps

If a borrower requests a Peace Corps deferment, the lender ~~must should forward to the borrower the following common deferment form~~ collect from the borrower all of the following:

PUB

Public Service Deferment Request

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.¹

11.11.C Length of Deferment—Peace Corps

The deferment begins on the date the condition entitling the borrower to the deferment first existed, as determined by the lender. The deferment ends no later than 3 years after the date on which it began, or the date on which the borrower's commitment is certified to end or actually ends, whichever is earlier.

[§682.210(k)]

11.12 Post-Active Duty Student Deferment

A post-active duty student [deferment](#) is available to a borrower who is a member of the National Guard or Armed Forces Reserve (including a member in a retired status), and is called or ordered to active duty service (eligible national or state duty) while enrolled at least half time in an eligible school at the time of, or within 6 months prior to, his or her activation.

[§682.210(u)(1); DCL FP-08-01]

Prior to receiving a post-active duty student deferment, a borrower may be eligible to receive a military service deferment (see [Section 11.8](#)) or mandatory forbearance (see [Subsection 11.24.C](#)), depending upon the type of military service being performed.

11.12.A Eligibility Criteria—Post-Active Duty Student

This deferment is available to a Stafford, PLUS, or Consolidation loan borrower who is called or ordered to active duty on or after October 1, 2007, or for a period of service that includes that date, and who satisfies both of the following criteria:

- Is a member of the National Guard or Armed Forces Reserve, including a member who was in a retired status when activated.
- Was enrolled on at least a half-time basis in a [program of study](#) at an eligible school at the time of, or within 6 months prior to, being called or ordered to active duty.

[§682.210(u)(1)(ii); DCL FP-08-01]

¹ Policy 1316 (Batch 207), approved December 15, 2016

active duty student deferment. The lender must resolve any discrepant information before granting a post-active duty student deferment in this manner.

If the lender grants the post-active duty student deferment using this simplified process, the lender must notify the borrower that the deferment has been granted and that the borrower has the option to pay the interest that accrues on an unsubsidized FFELP loan or to cancel the deferment and continue to make payments on the loan.

[§682.210(s)(iii) - (v); §682.210(t)(7)]

11.13 Public Health Service Deferment

A public health service [deferment](#) is available to a borrower who is serving as a full-time officer in the Commissioned Corps of Public Health of the United States Public Health Service (USPHS).

11.13.A Eligibility Criteria—Public Health Service

This deferment is available only if the borrower has an outstanding balance on a [FFELP](#) loan that was made before July 1, 1993, or the borrower had an outstanding balance on a FFELP loan made before July 1, 1993, when he or she obtained a loan disbursed on or after July 1, 1993. The deferment is also available to a PLUS borrower if that borrower has a PLUS loan first disbursed before August 15, 1983.

To qualify for this deferment, the borrower must request it and provide the [lender](#) with a statement from an authorized official of the USPHS certifying:

- That the borrower is serving as a full-time officer in the Commissioned Corps of Public Health.
- The date on which the borrower's service began.
- The date on which the borrower's service is expected to end.

11.13.B Deferment Documentation—Public Health Service

If a borrower requests a public health service deferment, the lender ~~must~~ should forward to the borrower the following common deferment form collect from the borrower all of the following:

PUB

Public Service Deferment Request

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.¹

11.13.C Length of Deferment—Public Health Service

The deferment begins on the date the condition entitling the borrower to the deferment first existed, as determined by the lender. The deferment ends no later than 3 years after the date on which it began, or the date on which the borrower's qualifying service is certified to end or actually ends, whichever is earlier. Borrowers may be granted a maximum 3 years of deferment for any combination of service in the U.S. Armed Forces, U.S. Commissioned Corps of Public Health, and National Oceanic and Atmospheric Administration Corps (NOAA).

[§682.210(j)]

11.14 Rehabilitation Training Program Deferment

A rehabilitation training program deferment covers a qualified individual's participation in a rehabilitation training program. If the [dependent student](#) for whom a [parent](#) borrower obtained one or more PLUS loans meets the conditions required for a rehabilitation training program deferment, the parent borrower may defer all of his or her PLUS loans based on the status of that one student—provided that the parent borrower's loan was made before July 1, 1993, or the parent had an outstanding balance on a FFELP loan made before July 1, 1993, when the parent obtained a loan disbursed on or after July 1, 1993.

¹ Policy 1316 (Batch 207), approved December 15, 2016

11.14.A Eligibility Criteria—Rehabilitation Training Program

To qualify for this deferment, a borrower must request it and provide the lender with written **certification** from the rehabilitation agency that:

- The borrower—or the **dependent student** in the case of a **parent PLUS loan**, where applicable—is either receiving or scheduled to receive rehabilitation training services from the agency.
- The rehabilitation training program is licensed, approved, certified, or otherwise recognized as providing rehabilitation training to qualified individuals by a **state** agency responsible for vocational rehabilitation, drug abuse treatment, mental health services, or alcohol abuse treatment programs, or by the Department of Veterans Affairs.
- The rehabilitation training program will provide the borrower or dependent student with rehabilitation services under a written plan that:
 - Is individualized to meet the borrower’s or dependent student’s needs.
 - Specifies the date on which the services to the borrower or **dependent student** are expected to end.
 - Is structured in a way that requires a substantial commitment by the borrower or dependent student to his or her rehabilitation. A substantial commitment is defined as a commitment demanding time and effort that would normally prevent an individual from engaging in full-time employment, either because of the number of hours that must be devoted to rehabilitation or because of the nature of the rehabilitation. For these purposes, full-time employment is defined as at least 30 hours of work per **week** that is expected to last at least 3 months.

11.14.B Deferment Documentation—Rehabilitation Training Program

If a borrower requests a rehabilitation training program **deferment**, the lender should forward to the borrower the following common deferment form:

EDU

~~Education-Related Deferment Request~~

RHT

Rehabilitation Training Deferment Request

If a PLUS borrower requests a rehabilitation training deferment based on the participation in a qualified training program by the dependent student for whom the **parent** borrowed a PLUS loan, the lender ~~must~~ should forward to the borrower the following common deferment form collect from the borrower all of the following:

PLUS

~~Parent PLUS Borrower Deferment Request~~

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.¹

11.14.C Length of Deferment—Rehabilitation Training Program

The deferment begins on the date the condition entitling the borrower to the deferment first existed, as determined by the lender. The deferment ends when the borrower completes the program or withdraws, whichever is earlier. [**§682.210(e) and (s)(4)**]

¹ Policy 1316 (Batch 207), approved December 15, 2016

11.15.B Deferment Documentation—Tax-Exempt Organization Volunteer

If a borrower requests a tax-exempt organization volunteer deferment, the lender ~~must~~ should forward to the borrower the following common deferment form collect from the borrower all of the following:

PUB
Public Service Deferment Request

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.¹

11.15.C Length of Deferment—Tax-Exempt Organization Volunteer

The deferment begins on the date the condition entitling the borrower to the deferment first existed, as determined by the lender. The deferment ends no later than 3 years after the date on which it began, or the date on which the borrower's commitment is certified to end or actually ends, whichever is earlier.

[§682.210(m)]

11.16 Teacher Shortage Area or Targeted Teacher Deferment

A **teacher shortage area deferment** (also called a targeted teacher deferment) is available to a borrower who is teaching full time in a public or nonprofit private elementary or secondary **school** in a teacher shortage area defined by the **Department**, as recommended by the chief **state** school officer of the state.

11.16.A Eligibility Criteria—Teacher Shortage Area

This deferment is available only if the borrower has an outstanding balance on a FFELP loan that 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.

A teacher shortage area is defined as one of the following:

- A geographic region of the state in which there is a shortage of elementary or secondary school teachers.
- A specific **grade level**—or an academic, instructional, subject matter, or discipline classification—in which there is a statewide shortage of elementary or secondary school teachers.

If the borrower continues to teach in the same area as that in which the borrower was teaching when the deferment was originally granted, the borrower may request and receive subsequent deferment extensions—even if the area does not continue to be designated a teacher shortage area.

To qualify for this **deferment**, a borrower must request it and provide a separate statement for each school year of service that includes:

- A statement from the chief administrative officer of the school at which the borrower is teaching, certifying that the borrower is employed as a full-time teacher.
- A statement certifying that the borrower is teaching in a designated **teacher shortage area**. This statement must be obtained from either the school's chief administrative officer or the chief state school officer of the state in which the borrower is teaching. If the chief state school officer provides (and has notified the Department by way of a one-time written assurance that he or she provides) an annual listing of the state's designated teacher shortage areas to the chief administrative officers of all the schools affected and the **guarantor** for that state, the borrower may obtain the **certification** from the school's chief administrative officer.

To receive a subsequent deferment, a borrower must provide a statement from the chief administrative officer of the school at which the borrower is teaching, certifying that the borrower continues to be employed as a full-time teacher in the same area for which the teacher shortage deferment was obtained for the previous year(s).

¹ Policy 1316 (Batch 207), approved December 15, 2016

11.16.B Deferment Documentation—Teacher Shortage Area

If a borrower requests a teacher shortage area deferment, the **lender** ~~must should forward to the borrower the following common deferment form~~ collect from the borrower all of the following:

EDU

Education Related Deferment Request

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.¹

11.16.C Length of Deferment—Teacher Shortage Area

The deferment begins on the date the condition entitling the borrower to the deferment first existed, as determined by the lender. The deferment ends no later than one year after the date on which it began, or the date on which the borrower's qualifying service is certified to end, whichever is earlier. Each deferment may be granted only in 12-month increments, extending from July 1 of a calendar year through June 30 of the following year. The deferment ends on the earlier of the June 30 close of a school year or the date the borrower terminates full-time teaching status in the targeted area. The borrower is permitted up to 3 years of deferment while serving in a teacher shortage area. [§682.210(q)]

11.17 Temporary Total Disability Deferment

A temporary total disability **deferment** covers a period during which a borrower is **temporarily totally disabled** or unable to secure or continue employment because the borrower is caring for a dependent or spouse who is temporarily totally disabled.

11.17.A Eligibility Criteria—Temporary Total Disability

This deferment is available only if the borrower has an outstanding balance on a FFELP loan that was made before July 1, 1993, or the borrower had an outstanding balance on a FFELP loan made before July 1, 1993, when he or she obtained a loan disbursed on or after July 1, 1993.

A borrower is considered **temporarily totally disabled** if he or she has been unable to work and earn money or attend school during a period of at least 60 consecutive days because of time needed to recover from an injury or illness. A borrower's dependent or spouse is considered temporarily totally disabled if, by reason of injury or illness, the dependent or spouse requires continuous nursing or similar services during a period of at least 90 consecutive days.

A borrower does not qualify for a disability deferment due to pregnancy unless, as a result of complications that accompany the pregnancy, the borrower, dependent, or spouse is considered temporarily totally disabled by a physician.

To obtain this deferment, a borrower must request it and provide the **lender** with a statement from a physician—who must be a doctor of medicine or osteopathy and legally authorized to practice—certifying that the borrower, dependent, or spouse is temporarily totally disabled.

For a borrower to be eligible for the deferment based on a dependent's or spouse's disability, the physician also must certify that the borrower's dependent or spouse requires continuous nursing or similar services during a period of at least 90 consecutive days. The borrower also must provide a statement certifying that he or she is unable to secure full-time employment (at least 30 hours of work per week that is expected to last at least 3 months) because the borrower is providing continuous nursing or similar services to the dependent or spouse.

If a borrower applies for a disability **deferment** based on a condition that existed before applying for the loan, the borrower is not eligible for the deferment unless the borrower obtains **documentation** from a physician certifying that the borrower's condition has substantially deteriorated since the borrower applied for the loan, so as to render the borrower temporarily totally disabled after applying for the loan. This requirement is applicable to a Consolidation loan if the condition existed before the

¹ Policy 1316 (Batch 207), approved December 15, 2016

disbursement of any of the original loans that were consolidated or before the date the borrower applied for the Consolidation loan.

11.17.B Deferment Documentation—Temporary Total Disability

If a borrower requests a temporary total disability deferment, the lender should forward to the borrower the following common deferment form:

TDIS

Temporary Total Disability Deferment Request

The physician's certification is self-contained and includes all information required for processing without the notation of certifying the borrower's prior responses to the questions on the form. Therefore, a loan holder should use the Physician's certification section in lieu of any borrower responses to the questions pertaining to the borrower's eligibility for deferment.

[\[DCL GEN-16-02\]](#)¹

11.17.C Length of Deferment—Temporary Total Disability

The deferment begins on the date the condition entitling the borrower to the deferment first existed, as determined by the lender. The deferment must end no later than 6 months after the date on which the doctor certified the form, or the date on which the doctor has certified that the condition will end, whichever is earlier. If the doctor does not specify an anticipated recovery date, or indicates *unknown* or *indefinite*, the deferment may be processed for 6 months from the date on which the doctor certified the form.

A borrower may receive a combined total of 3 years of disability deferment for both the borrower's own condition and the conditions of the borrower's dependents or spouse. [\[§682.210\(f\) and \(g\)\]](#)

11.18 Unemployment Deferment

The unemployment deferment is available to individuals who are conscientiously seeking, but unable to find, full-time employment in the United States. For purposes of this deferment, the United States includes borrowers residing in and seeking employment in any [state](#) of the Union, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the [Freely Associated States](#) (the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau). Also, a U.S. military base or U.S. embassy compound in a foreign country is considered to be part of the United States for purposes of this deferment.

11.18.A Eligibility Criteria—Unemployment

For these purposes, full-time employment is defined as at least 30 hours of work per [week](#) that is expected to last at least 3 months. A borrower who is in [school](#) or working less than 30 hours per week may be looking for full-time employment and, therefore, may be eligible for an unemployment deferment. A borrower is eligible for an unemployment deferment regardless of whether he or she has been previously employed and regardless of the circumstances under which any prior employment ended. However, a borrower is not eligible for an unemployment deferment if he or she refuses to consider positions, salaries, or responsibility levels for which he or she feels overly qualified due to education or experience. A borrower who has obtained an unemployment deferment is expected to promptly notify the lender when full-time employment is obtained.

To obtain an unemployment deferment or an extension of an existing unemployment deferment, a borrower must request the deferment or extension, and document his or her eligibility in one of the following ways:

- Provide the lender with evidence of his or her eligibility for unemployment benefits if he or she is eligible for such benefits. In this case, a borrower need not provide the lender with a common deferment form or additional information or documentation.

¹ [Policy 1316 \(Batch 207\)](#), approved December 15, 2016

deferment. The lender must resolve any discrepant information before granting an unemployment deferment in this manner.

If the lender grants the unemployment [deferment](#) using this simplified process, it must notify the borrower that the deferment has been granted and that the borrower has the option to pay the interest that accrues on an unsubsidized FFELP loan or to cancel the deferment and continue to make payments on the loan.

[§682.210(s)(1)(iii) - (v)]

11.19 Working Mother Deferment

A working mother deferment is available to a borrower who is the mother of a preschool-age child when the mother is entering or reentering the work force. A preschool-age child is defined as one who is not yet [enrolled](#) in first grade or a higher grade in elementary school.

11.19.A Eligibility Criteria—Working Mother

This deferment is available only if the borrower has an outstanding balance on a FFELP loan that was made before July 1, 1993, or the borrower had an outstanding balance on a FFELP loan made before July 1, 1993, when he or she obtained a loan disbursed on or after July 1, 1993.

To qualify for this [deferment](#), a [borrower](#) must request it and provide the [lender](#) with:

- A statement that she is the mother of a preschool-age child; that she entered or is reentering the work force no more than one year before the beginning date of the period for which the deferment is being sought; and that she is currently employed full time (at least 30 hours of work per [week](#) that is expected to last at least 3 months) in a position for which she receives wages of no more than \$1.00 per hour more than the minimum wage.
- Documentation of the child's age (such as a birth or baptismal certificate).
- Documentation of wages (such as a pay stub).

11.19.B Deferment Documentation—Working Mother

If a borrower requests a working mother deferment, the lender ~~must~~ should forward to the borrower the following common deferment form collect from the borrower all of the following:

PLWM

Parental Leave/Working Mother Deferment Request

- A request for the deferment.
- Documentation certifying each of the eligibility criteria for the deferment.
- Any supporting documentation required by the applicable regulations.¹

11.19.C Length of Deferment—Working Mother

The deferment begins on the date the condition entitling the borrower to the deferment first existed, as determined by the lender. The deferment ends no later than 12 months after the date on which it began, or the date on which the borrower no longer qualifies for the deferment (for example, when a borrower achieves a salary that would exceed the hourly minimum wage plus \$1.00), whichever is earlier.

[§682.210(r)]

¹ Policy 1316 (Batch 207), approved December 15, 2016

11.20.B Documentation Required for Authorized Forbearance

The lender must provide borrowers access to the common forbearance request forms to request a discretionary (general) or mandatory forbearance, and may no longer provide to borrowers proprietary forbearance request forms. The common forms are the General Forbearance Request (GFB), the Mandatory Forbearance Request: Student Loan Debt Burden (SLDB), and the Mandatory Forbearance Request: Medical or Dental Internship/Residency, National Guard Duty, or Department of Defense Loan Repayment Program (SERV) forms.

If a borrower submits a common forbearance request form, a lender generally cannot approve it unless the borrower responded to all applicable questions on the form. If there is no authorized official's certification required for the forbearance, the lender may consider the request complete if all of the following apply:

- The form is signed by the borrower.
- The borrower has provided responses to any self-certifying questions that are needed to determine forbearance eligibility that would not be clearly indicated in the supporting documentation.
- The borrower provides documentation that establishes the borrower's eligibility for the forbearance.

If a borrower submits a common forbearance request form that requires an authorized official's certification, the borrower must answer all of the questions pertaining to the borrower's eligibility for forbearance since the authorized official is, by signing the form, certifying that the borrower and the program meet all conditions indicated by the borrower's responses to the applicable questions. If the borrower answers a question in a manner that demonstrates that the borrower is not eligible for the forbearance, the lender must consider the authorized official's certification invalid.

[\[DCL GEN-16-02\]](#)

In cases where a forbearance agreement is required, a lender and a borrower or endorser may agree to the terms of the forbearance verbally or in writing. A lender that grants a forbearance based on a written agreement with the borrower or endorser must provide to the borrower the appropriate OMB-approved forbearance request form as noted above may use any form or format that is acceptable to the guarantor, and the lender must retain a copy of the

agreement. A lender that grants a forbearance based on a verbal agreement with the borrower or endorser must send a notice confirming the terms of the forbearance agreement to the borrower or endorser within 30 days of the date that agreement was made and record the forbearance terms in the borrower's file. In order to grant a forbearance after the date of **default** based on either a verbal or a written agreement with the borrower or endorser, the lender must also obtain a new signed agreement to repay the debt or a written or verbal affirmation of the obligation to repay the debt (see [Subsection 11.20.F](#)). For each forbearance period, regardless of whether a written agreement is required, the lender must document in the borrower's file or the loan's servicing history the forbearance beginning and ending dates and the reason for granting forbearance.

[\[HEA §428\(c\)\(3\)\(A\) and \(c\)\(10\); §682.211\(b\)\(1\); §682.211\(d\); §682.414\(a\)\(4\)\(ii\)\(G\); §685.205\(a\)\(8\); DCL GEN-16-02; DCL GEN-16-06\]](#)¹

11.20.C Forbearance Length

In certain cases, forbearances are subject to specific regulatory time frames (see [Subsection 11.20.F](#) and [Sections 11.21, 11.23, and 11.24](#)). If not otherwise regulated, a lender may grant a single discretionary forbearance for up to one year at a time if both the borrower or endorser and the lender agree. This one year includes any past and future forbearance months. For example, a forbearance that is granted for 3 months retroactively may extend only 9 months into the future.

Occasionally, a borrower's temporary **economic hardship** will continue to prevent the borrower or endorser from resuming regularly scheduled loan payments after the first forbearance expires. If additional forbearance is warranted, the lender must reach a new agreement with the borrower either verbally or in writing.

[\[§682.211\(c\)\]](#)

Federal regulations require that a single forbearance be granted for no longer than a 12-month interval. The Department has indicated that it does not interpret this provision of the regulations to prohibit a lender, in applying the 12-month maximum forbearance period, from granting forbearance for a retroactive as well as a prospective period as long as the period of each forbearance agreement does not exceed 12 months. As it relates to granting a forbearance to a borrower for a prospective period, a lender is expected to clarify the end date of the period requested by the borrower because the forbearance period must not extend beyond the date for which the borrower requests and

¹ Policy 1317 (Batch 207), approved December 15, 2016

Forbearance Eligibility Chart

Figure 11-2

TYPE	LENGTH
Discretionary¹¹	
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	
Mandatory¹²	
Medical or Dental Internship/Residency ^{2, 3}	12-month increments (or a 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}	
Student Loan Debt Burden ^{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
Administrative	
Borrower Ineligible for Deferment ⁶	Beginning date to ending date of the ineligible deferment
Delinquency before a Deferment or Forbearance ⁶	First date of overdue payment to the day before the beginning date of deferment or other forbearance type
Delinquency under Income-Based Repayment (IBR) ⁶	First date of overdue payment to the date the new calculated monthly payment amount is determined
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 bankruptcy to date of discharge determination or repurchase
Total and Permanent Disability	Date the Department includes in its notification to the lender that the borrower intends to apply for a TPD loan discharge application. Forbearance extends for not more than 120 days. Date the Department includes in its notification to the lender that it has received the borrower's TPD loan discharge application and extends until the Department approves or denies the application.

TYPE	LENGTH
Spouses and Parents of Victims of September 11, 2001 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
Repayment Alignment-PLUS/Stafford ¹⁰	Until end of in-school deferment or post-enrollment deferment on PLUS loan disbursed on or after July 1, 2008, or until end of grace on Stafford loan

Note: For detailed information about each forbearance situation, refer to the applicable subsection.

- 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.

- 10 Lender must notify borrower forbearance has been granted; notice must inform borrower of option to cancel forbearance and continue paying on the PLUS loan.

- 11 The OMB-approved General Forbearance Request form (GFB) is the only acceptable form for a written request for a discretionary forbearance. The lender may also grant discretionary forbearance on the basis of a verbal agreement.

- 12 There are three OMB-approved forbearance request forms in this category: SERV, SLDB, and TLFF. Each is addressed in the applicable subsection of this chapter.[†]

[†] Policy 1317 (Batch 207), approved December 15, 2016

11.22 Discretionary Forbearance

A lender is encouraged to grant a discretionary forbearance to assist a borrower or [endorser](#) in fulfilling the repayment obligations on the loan and to help prevent [default](#). The lender may grant forbearance based on either a written or verbal agreement with the borrower. (See [Subsection 11.20.B](#) for more information about a lender's responsibilities when a forbearance is based on a verbal agreement.) If a borrower requests a discretionary forbearance and does not wish to complete the forbearance transaction via a verbal request, the lender must forward to the borrower or otherwise provide access to the General Forbearance Request (GFB) form. Situations in which the lender may choose to grant forbearance include, but are not limited to:

- The borrower has personal problems (such as [economic hardship](#)) that are temporarily affecting the borrower's or endorser's ability to make scheduled payments.
- The borrower is unemployed but has already received the maximum unemployment [deferment](#).
- The borrower has had poor health or a prolonged illness or disability but does not meet applicable disability deferment criteria.
- The borrower is attending [school](#) or is a full-time volunteer in an organization and the school or organization does not meet the appropriate deferment criteria.
- The borrower or endorser wants to change the payment amount or payment due date on a loan that requires the lender to bring the loan current first or forgo some [due diligence](#) activities (see [Subsection 10.11.C](#) for information on changing due dates).

If the discretionary forbearance is based on a verbal agreement, the lender must send, within 30 days of that agreement, a notice to the borrower or endorser confirming the terms of the forbearance. Certain rules apply to verbal discretionary forbearance requests and affirmation of the debt received after default but prior to claim payment (see [Subsection 11.20.F](#)).

[[DCL GEN-16-06](#)]¹

¹ Policy 1317 (Batch 207), approved December 15, 2016

11.22.A Reduced-Payment Forbearance

One type of discretionary forbearance a lender may grant is a reduced-payment forbearance. Under this type of discretionary forbearance, the borrower or endorser and the lender agree to establish temporary payment terms for the duration of the forbearance that may be inconsistent with the minimum annual payment amount. This agreement may be verbal or written.

When establishing the temporary payment terms for the period of forbearance, the lender and borrower or endorser may agree to a payment amount that is greater than, equal to, or less than the amount of accruing interest.

As with other types of discretionary forbearance, a lender must obtain a signed forbearance agreement that establishes the terms of the forbearance or document the terms of any verbal agreement. If the reduced-payment forbearance agreement is verbal, the lender must document the borrower's request, the reason for the forbearance, and the terms of the forbearance agreement. The lender must also send, within 30 days of the agreement, a notice to the borrower or endorser confirming the terms of the forbearance agreement. In addition to other applicable forbearance notification requirements (see [Section 11.20](#)), the lender must provide the following information regarding the reduced-payment forbearance in its notification to the borrower or endorser:

- The required payment amount during the reduced-payment forbearance.
- The address to which payments must be sent.
- The consequences, if any, of [delinquency](#) on the payments required during the forbearance period.

If a borrower or endorser fails to fulfill his or her agreement to make payments during the reduced-payment forbearance, the lender must comply with the terms of the forbearance agreement and, if included in the terms and if applicable, perform collection activities and file a [claim](#). For more information on due diligence activities during a reduced-payment forbearance, see [Section 12.4](#).

13.8.A Bankruptcy

The **bankruptcy discharge** is intended for certain borrowers who have filed a petition for relief under the **bankruptcy code**. Bankruptcy is a judicial action to halt the normal collection of debts against the petitioner, and cause those debts to be satisfied at the direction of the court. Generally, student loans may not be discharged due to bankruptcy. However, if a borrower qualifies for the bankruptcy discharge, the loan **holder** is reimbursed for the unpaid principal and interest on the borrower's loan(s), but the borrower is not reimbursed for any payments made on the loan(s) prior to discharge.

A lender may be advised of a borrower's **bankruptcy** by the borrower, but must make its determination to file a **claim** based on the receipt of the Notice of the First Meeting of Creditors (the Notice) or other proof of filing from the borrower's attorney or the bankruptcy court (either directly from the court or from another source).

[§682.402(f)(3); §682.402(g)(1)(v)]

If a borrower **defaults** on a loan and then files a bankruptcy petition, the lender must file a **default claim** on the loan no later than the 360th day of **delinquency**. The lender must clearly note its receipt of bankruptcy **documentation** in the claim file. Before filing the default claim, the lender—as **holder** of the loan—is responsible for performing any and all bankruptcy activity required by the court and responding to all bankruptcy correspondence.

If the bankruptcy action requires the lender to file a claim with the guarantor, the lender must file a bankruptcy claim within the applicable timely filing deadlines defined in this subsection. The lender must file the claim for the balance outstanding on the date that the lender receives the bankruptcy notice, less any funds returned by the school prior to the date on which the claim is filed. ~~(If a lender holds loans that are not yet disbursed or are partially disbursed at the time the lender is notified of the borrower's bankruptcy filing, see Subsection 7.7.I for processing information related to subsequent disbursements.)~~ If, after claim filing, the lender receives funds returned from the school, the lender must credit those amounts to the borrower's loan and notify the guarantor of the revised claim amount.¹

Some guarantors have different requirements regarding the treatment of disbursements when a lender is notified of a borrower's filing for bankruptcy. These requirements are noted in **Appendix C**.

¹ Policy 1315 (Batch 206), approved November 17, 2006

Suspending Collection

If the lender is notified that a borrower has filed a petition for relief in **bankruptcy**, the lender must immediately suspend any collection efforts against the borrower that are outside the bankruptcy proceeding. If the borrower filed a Chapter 12 or 13 bankruptcy, the lender must also suspend any collection efforts against any **comaker** or **endorser**. Suspension of collection efforts against any comaker or endorser is optional if the borrower filed a Chapter 7 or 11 bankruptcy.

[§682.402(f)(2)(i)]

If the lender is notified that a comaker or endorser has filed a petition for relief in bankruptcy, the lender must immediately suspend any collection efforts against the comaker or endorser that are outside the bankruptcy proceeding. If the comaker or endorser filed a Chapter 12 or 13 bankruptcy, the lender must also suspend any collection efforts against the borrower and any other parties to the note. Suspension of collection activities against the borrower and any other parties to the note is optional if the comaker or endorser filed a Chapter 7 or 11 bankruptcy.

[§682.402(f)(2)(ii)]

Filing a Proof of Claim

A **lender** must file a proof of claim with the **bankruptcy court** no later than 30 days after it receives the Notice—unless the Notice specifically states that a proof of claim is not required. If required, the proof of claim must be filed, even if a **default claim** has already been filed on the loan and the lender has not yet received payment from the **guarantor**. If a proof of claim is required, the lender must immediately forward a copy of the bankruptcy notification, proof of claim, and all other pertinent documents sent to or received from the bankruptcy court to the guarantor. If the lender filed any required document with the bankruptcy court in an electronic format, it must include a printed copy of that document in any claim that it files. Upon claim payment, the guarantor will file a Transfer of Claim Other Than For Security form with the court to complete the transfer of the proof of claim. Once the court processes the transfer, the Notice of Transfer of Claim Other Than For Security form will be sent to the lender/**servicer** acknowledging the transfer of the proof of claim.

[§682.402(f)(4); §682.402(g)(1)(v)(A)]

- ▲ Lenders may contact individual guarantors for information on filing a proof of claim on behalf of the guarantor. Also, some guarantors may file a proof of claim on the lender's behalf. Lenders may contact individual guarantors for more information. See **Section 1.5** for contact information.