



ECONOMIC HARDSHIP DEFERMENT REQUEST

William D. Ford Federal Direct Loan Program

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form or on any accompanying documents will be subject to penalties which may include fines, imprisonment or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

OMB No. 1845-0011
Form Approved
Exp. Date 11/30/2008

HRD

SECTION 1: BORROWER IDENTIFICATION

Last Name		First Name		Middle Initial	Social Security Number
Street Address					Area Code/Telephone Number (Home) ()
City					Area Code/Telephone Number (Other) ()
State		Zip Code		E-mail Address (optional)	

SECTION 2: DEFERMENT REQUEST

Before completing this form, carefully read the entire form, including the instructions and other information in Sections 4, 5, 6, and 7.

I request that the U.S. Department of Education (ED) defer repayment of my loan(s) during the period that I meet one of the conditions checked below, beginning on the following date: []-[]-[]-[]-[]-[]. Except for deferment based on Condition (3), I must reapply every 12 months if I continue to meet the requirements for a deferment. My maximum eligibility for an economic hardship deferment is 36 months.

To qualify, I must meet ONE of the conditions listed below and MUST PROVIDE THE REQUIRED DOCUMENTATION, as described in Section 6, for only that condition.

Check one:

- (1) I have been granted an economic hardship deferment under the Federal Family Education Loan (FFEL) Program or the Federal Perkins Loan Program for the same period of time for which I am requesting this deferment. I HAVE ATTACHED DOCUMENTATION OF THE DEFERMENT (see Section 6).
- (2) I am receiving or received payments under a federal or state public assistance program, such as Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), Food Stamps, or state general public assistance. I HAVE ATTACHED DOCUMENTATION OF THESE PAYMENTS (see Section 6).
- (3) I am serving as a Peace Corps volunteer. I HAVE ATTACHED DOCUMENTATION OF MY PERIOD OF SERVICE IN THE PEACE CORPS (see Section 6).
- (4) I work full-time (as defined in Section 5) and:
- My monthly income does not exceed the larger of (A) the Federal Minimum Wage Rate or (B) 150% of the Poverty Line income for my family size and state. I HAVE ATTACHED DOCUMENTATION OF MY MONTHLY INCOME (see Section 6).
- My monthly income (as defined in Section 5) is \$ _____. My family size (as defined in Section 5) is _____.
- (A) Federal Minimum Wage Rate (monthly amount, based on \$7.25 an hour): **\$1,256.67**
- (B) 150% of the Poverty Line income for my family size and state: This amount is listed in Section 6.

- (5) I do not work full-time (as defined in Section 5) and:
- My monthly income does not exceed the larger of (A) two times the Federal Minimum Wage Rate, or (B) two times 150% of the Poverty Line income for my family size and state, as listed in Section 6.
 - In addition, after subtracting from my monthly income the total amount of my monthly payments on all of my federal education loans that are in repayment, the amount remaining does not exceed the larger of (A) the Federal Minimum Wage Rate or (B) 150% of the Poverty Line income for my family size and state, as listed in Section 6. For any of my federal education loans that have a repayment period of more than 10 years, my payments will be adjusted to show what I would repay each month over a 10-year repayment period. I HAVE ATTACHED DOCUMENTATION OF MY MONTHLY INCOME AND MY FEDERAL EDUCATION LOAN DEBT (see Section 6).
- My monthly income (as defined in Section 5) is \$ _____. My family size (as defined in Section 5) is _____.
- For all of my federal education loans now in repayment (including loans for which I am requesting this deferment), I owe the following amounts:
- For all of my loans that have a repayment period of 10 years or less, the total amount that I pay each month is \$ _____.
 - For all of my loans that have a repayment period of more than 10 years, the total amount I owed when the loans entered repayment is \$ _____ (the Direct Loan Servicing Center will estimate the monthly amount that I would repay over a 10-year repayment period).

- (6) I work full-time (as defined in Section 5) and:
- The total amount of my monthly payments on all of my federal education loans that are in repayment is equal to or larger than 20% of my monthly income (as defined in Section 5). For any of my federal education loans that have a repayment period of more than 10 years, my payments will be adjusted to show what I would repay each month over a 10-year repayment period.
 - In addition, after subtracting from my monthly income the total amount of my monthly payments on my federal education loans, the amount remaining is less than 220% of the larger of (A) the Federal Minimum Wage rate, or (B) 150% of the Poverty Line income for my family size and state, as listed in Section 6. I HAVE ATTACHED DOCUMENTATION OF MY MONTHLY INCOME AND MY FEDERAL EDUCATION LOAN DEBT (see Section 6).
- My monthly income (as defined in Section 5) is \$ _____. My family size (as defined in Section 5) is _____.
- For all of my federal education loans now in repayment (including loans for which I am requesting this deferment), I owe the following amounts:
- For all of my loans that have a repayment period of 10 years or less, the total amount that I pay each month is \$ _____.
 - For all of my loans that have a repayment period of more than 10 years, the total amount I owed when the loans entered repayment is \$ _____ (the Direct Loan Servicing Center will estimate the monthly amount that I would repay over a 10-year repayment period).

NOTE: Worksheets are available to help you determine whether you meet conditions (5) or (6). You may obtain the worksheets by contacting ED's Direct Loan Servicing Center, or by downloading the worksheets from the Direct Loan Servicing Center's web site (see Section 4). Completion of the worksheets is optional. The Direct Loan Servicing Center will determine whether you qualify based on the income and education debt information that you provide above.

SECTION 3: BORROWER CERTIFICATION

I certify that the information I provided in Sections 1 and 2 above is true and correct, and that I have read, understand, and meet the eligibility requirements and terms and conditions of the deferment for which I have applied, as explained in Sections 6 and 7.

BORROWER'S SIGNATURE _____ DATE _____

SECTION 4: INSTRUCTIONS

Type or print using dark ink. Report dates as month-day-year. For example, show "January 31, 2009" as "01-31-2009". Include your name and social security number (SSN) on all attached documentation. **REMEMBER TO SIGN AND DATE THE FORM AND ATTACH THE REQUIRED DOCUMENTATION.** Send the completed form and any required documentation to:

Nelnet
Attn: Enrollment Processing
P.O. Box 82565 Lincoln, NE 68501-2565
Toll-free fax: 1.866.545.9196
 If you need help completing this form, call:
1.888.486.4722

Nelnet website:
www.nelnet.com

SECTION 5: DEFINITIONS

- If unpaid interest is **capitalized**, this means that it is added to the principal balance of your loan(s). This will increase the principal amount and the total cost of your loan(s).
- A **deferment** allows you to temporarily postpone making payments on your loan(s). No interest is charged during a deferment on Direct Subsidized Loans and Direct Subsidized Consolidation Loans. Interest is charged during a deferment on all other Direct Loans.
- **Family size** is determined by counting (1) yourself, (2) your spouse, (3) your children, if they receive more than half of their support from you, and (4) other persons if, at the time you request an economic hardship deferment, they live with you and receive more than half their support from you, and will continue to receive this support from you. Support includes money, gifts, loans, housing, food, clothes, car, medical and dental care, and payment of college costs.
- **Eligible federal education loans** that may be included in determining the total amount you owe for deferment conditions (5) and (6) in Section 2 are listed below. You may include defaulted loans only if you have made satisfactory repayment arrangements with the holder of those loans.
 - All William D. Ford Federal Direct Loan Program loans (see definition)
 - All Federal Family Education Loan Program loans (see definition)
 - All Federal Perkins Loan Program loans (see definition)
 - Health Education Assistance Loans (HEAL)
 - Health Professions Student Loans (HPSL)
 - Loans for Disadvantaged Students (LDS)
 - Primary Care Loans (PCL)
 - Nursing Student Loans (NSL)
- The **Federal Family Education Loan (FFEL) Program** includes Federal Stafford Loans (subsidized and unsubsidized), Federal Supplemental Loans for Students (SLS), Federal PLUS Loans, Federal Consolidation Loans, Guaranteed Student Loans (GSL), Federal Insured Student Loans (FISL), and Auxiliary Loans to Assist Students (ALAS).
- The **Federal Perkins Loan (Perkins Loan) Program** includes Federal Perkins Loans, National Direct Student Loans (NDSL), and National Defense Student Loans (NDSL).
- A **forbearance** allows you to temporarily postpone making payments on your loan(s), gives you an extension of time for making payments, or lets you temporarily make smaller payments than previously scheduled. Interest is charged during a forbearance on all types of Direct Loans.
- **Full-time employment** is defined as working at least 30 hours per week in a position expected to last at least three consecutive months.
- **Monthly income** is either: (1) the amount of your monthly income from employment and other sources before taxes and other deductions, OR (2) one-twelfth of the amount of your income reported as "adjusted gross income" on your most recently filed Federal Income Tax Return. You may choose either of these income amounts for the purpose of reporting your monthly income on this deferment request.
- The **William D. Ford Federal Direct Loan (Direct Loan) Program** includes Federal Direct Stafford/Ford (Direct Subsidized) Loans, Federal Direct Unsubsidized Stafford/Ford (Direct Unsubsidized) Loans, Federal Direct PLUS (Direct PLUS) Loans, and Federal Direct Consolidation (Direct Consolidation) Loans. These loans are known collectively as "Direct Loans."
- The **repayment period** (for deferment conditions (5) and (6) in Section 2) refers to the total number of years that your current repayment plan allows for you to repay your loan, including the years that your loan has already been in repayment. For any loan that your current repayment plan requires you to repay in a total of 10 years or less, your actual monthly payment amount will be used in determining whether you are eligible for a deferment. For any loan that your current repayment plan allows you a total of more than 10 years to repay, your payment amount will be adjusted to show the estimated monthly amount that you would owe if you were required to repay the loan in fixed installments within a 10-year repayment period.

SECTION 6: ELIGIBILITY REQUIREMENTS

- You may defer repayment of your loan(s) during the period that you meet one of the economic hardship conditions described in Section 2.
- Except for a deferment based on **CONDITION (3)**, you must reapply every 12 months if you continue to meet the requirements for an economic hardship deferment. **You may receive an economic hardship deferment for a maximum of 36 months.**
- For **CONDITION (1)**, you must provide the Direct Loan Servicing Center with documentation of the deferment that has been granted under the FFEL Program or the Federal Perkins Loan Program (for example, correspondence from your loan holder showing that you have been granted a deferment).
- For **CONDITION (2)**, you must provide the Direct Loan Servicing Center with documentation confirming that you are receiving or received payments under a federal or state public assistance program.
- For **CONDITION (3)**, you must provide the Direct Loan Servicing Center with documentation that certifies the beginning and expected ending dates of your service in the Peace Corps and which is signed and dated by an authorized Peace Corps official.
- For **CONDITIONS (4), (5) OR (6)**, you must provide the Direct Loan Servicing Center with documentation of your monthly income (as defined in Section 5). If you are reporting monthly income from employment and other sources, you must provide documentation such as pay stubs. If you are reporting one-twelfth of your adjusted gross income, you must provide a copy of your most recently filed Federal Income Tax Return.
- For **CONDITIONS (5) OR (6)**, you must provide the Direct Loan Servicing Center with documentation of the total amount owed for all federal education loans that are now in repayment, such as disclosure statements or current repayment schedules. For each loan, this documentation must include the length of the repayment period, your current monthly payment amount, and the amount you owed when the loan entered repayment. If your total federal education loan debt includes defaulted loans, you must provide documentation that you have made repayment arrangements satisfactory to the holder(s) of the defaulted loans.
- If you are requesting a deferment based on **CONDITIONS (4), (5), OR (6)**, you must use the Poverty Line income amount for your family size and state as shown in the chart below. If you are not currently residing in the United States, use the Poverty Line amount for the 48 contiguous states.

Borrower's Family Size (see definition in Section 5)	These are monthly figures that represent 150% of the Poverty Line		
	48 Contiguous States and District of Columbia	Alaska	Hawaii
1	\$1,353.75	\$1,691.25	\$1,557.50
2	1,821.25	2,276.25	2,095.00
3	2,288.75	2,861.25	2,632.50
4	2,756.25	3,446.25	3,170.00
For each additional person, add:	467.50	585.00	537.50

SECTION 7: TERMS AND CONDITIONS

- (1) You are not required to make payments of loan principal during your deferment. No interest will be charged on your subsidized loan(s) during your deferment. However, interest will be charged on your unsubsidized loan(s). For any unsubsidized loan(s), you will receive a quarterly interest statement, and you may pay the interest at any time. If you do not pay the interest that accrues on your unsubsidized loan(s), it will be capitalized at the end of your deferment period.
- (2) Your deferment will begin on the date the condition that qualifies you for the deferment began.
- (3) Your deferment will end on the earlier of (a) the date that the condition that qualified you for the deferment ends, or (b) the deferment end date provided to you by the Direct Loan Servicing Center.
- (4) If your deferment does not cover all your past due payments, ED may grant you a forbearance for all payments that were due before the begin date of your deferment. If the period for which you are eligible for a deferment has ended, ED may grant you a forbearance for all payments that are due at the time your deferment request is processed.
- (5) ED may grant you a forbearance on your loan(s) for up to 60 days, if necessary, for the collection and processing of documentation related to your deferment request. ED will not capitalize interest that accrues during this forbearance.
- (6) You must provide additional documentation to the Direct Loan Servicing Center, as required, to support your eligibility for this deferment.
- (7) You must notify the Direct Loan Servicing Center immediately if the condition that qualifies you for this deferment ends.

SECTION 8: IMPORTANT NOTICES

Privacy Act Notice

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you: The authority for collecting the requested information from and about you is §451 et seq. of the Higher Education Act (HEA) of 1965, as amended (20 U.S.C. 1087a et seq.) and the authorities for collecting and using your Social Security Number (SSN) are §484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) and 31 U.S.C. 7701(b). Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate. The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the Direct Loan Program, to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect and report on your loan(s) if your loan(s) become delinquent or in default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed, on a case by case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices. The routine uses of this information include, but are not limited to, its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to consumer reporting agencies, to financial and educational institutions, and to guaranty agencies in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loan(s), to enforce the terms of the loan(s), to investigate possible fraud and to verify compliance with federal student financial aid program regulations, or to locate you if you become delinquent in your loan payments or if you default. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to state agencies. To provide financial aid history information, disclosures may be made to educational institutions. To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions efficiently to submit student enrollment status, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. Before making any such disclosure, we will require the contractor to maintain Privacy Act safeguards. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

Paperwork Reduction Notice.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0011. The time required to complete this information collection is estimated to average 0.16 hours (10 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection.

If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, DC 20202-4700. **Do not send the completed form to this address.**

If you have questions about the status of *your individual submission of this form*, contact the Direct Loan Servicing Center (see Section 4).