(UN)POPULAR ECONOMICS RESOURCE GUIDE

After attending (Un)Popular Economics, we want to make sure you've got all the tools and information you need to take the next steps to start reducing how much you pay every month and get on a path towards a debt-free future!

In this packet you will find:

1. Education Department factsheet.
2. Wall Street factsheet.
3. Descriptions of the income-driven repayment plans.
4. What loans are eligible for income-driven repayment plans.
5. What you'd pay (based off of your income and family size) in income-driven repayment plans.
6. Description of Public Service Loan Forgiveness.
7. Application for income-driven repayment.
8. Application for Public Service Loan Forgiveness.
9. Sample Letter for Private Student Loan Modification.
10. Sample Letter for Cosigner Release.

If you have any other questions or want to learn more, you can visit these websites:

ForgiveMyStudentDebt
www.ForgiveMyStudentDebt.org
This website contains all the information you'd need in order to learn more about Public Service Loan Forgiveness and includes tips from other student loan borrowers.

Consumer Financial Protection Bureau
www.cfpb.gov
Having issues with your student loan servicer or lender? You can visit the Consumer Financial Protection Bureau to file complaints about the issues you're dealing with.

Education Department
www.ed.gov
The Education Department's website contains helpful frequently asked questions, more information on different federal programs that can benefit you, and how to get in touch with your servicer or file a complaint.

Federal Student Aid
https://www.studentloans.gov
This the Education Department's database for your student loans. If you login, you'll be to see all of your federal loans, who your servicer is, and more. You can also apply for income-driven repayment plans through this website.

DEBT-FREE FUTURE

The Student Debt Crisis and the U.S. Department of Education: How a Government Agency Shirks Oversight Responsibility and Operates Like a Big Bank

One in five American households holds education debt,[i] posing an increasingly large threat to our economic recovery. As politicians at the federal, state and local levels consider possible solutions to this growing crisis, one government agency finds itself at the center of the student loan debate. The U.S. Department of Education lends borrowers more than $100 billion in student loans annually but continues to fall down on the job when it comes to administering those loans and helping borrowers actually get out of debt. Below are some surprising facts about the agency's role as a major player in the student loan business.

1. The Department of Education currently holds enough assets to be one of the country's 10 largest banks, yet it lacks the capacity and infrastructure necessary to manage them effectively.[ii] With a total of $757.4 billion in receivables (loans, fees and interest) through its student loan business, only six banks report having more assets than the Department of Education at the end of 2013.[iii] The agency's own Inspector General, Kathleen Tighe, has recently called for strong oversight of the Department of Education given its sizable portfolio. In testimony before a House Committee on Education and the Workforce subcommittee, she said: "Through its Federal Student Aid office (FSA), the Department disburses approximately $140 billion in student aid annually and manages an outstanding loan portfolio of $1 trillion. This makes it one of the largest financial institutions in the country. As such, effective oversight and monitoring of its operations are critical."[iv]

2. In 2013, the agency made a profit of $41.3 billion off of federal student loans – higher than all but two companies in the world, Exxon Mobil and Apple – and enough to provide the maximum Pell Grant award to seven million students**.**[v] According to the U.S. Student Debt Relief organization, "Profit from student loan payment interest is supposed to cover administration costs and provide grant money to those who qualify. This is not the case anymore."[vi]

3. The Department of Education currently has a portfolio of $1.1 trillion in student loans, making up the bulk of the reported $1.2 trillion of *all* student debt in the United States.[vii] The Consumer Financial Protection Bureau (CFPB) reported that in 2011 alone, the Department of Education provided $117 billion in federal student loans.[viii] In other words, the agency owns nearly all of the student debt in this country but outsources the management and administration of it to private banks whose performance and operations it barely monitors. In 2013 alone, the agency received 33,916 complaints about those banks from borrowers.[ix]

4. More than 40 million people are in debt to the Department of Education as of 2013.[x] This number is growing every year, as 71 percent of the 2012 graduating college students took out student loans to cover the cost of their education.[xi] Improving college affordability and helping borrowers reduce their debt are conspicuously absent from the department's mission – and its website, which makes almost no mention of potential solutions for borrowers who are struggling. Yet the agency still claims to promote access to higher education, despite functioning essentially as a big bank, condemning borrowers to a lifetime of debt in order to achieve that education.

5. In 2012, the default rate on federal student loans was the highest recorded rate in 20 years.[xii] One in every seven student debtors holding federal student loans went into default within three years of graduation. Overall, there are more than seven million student debtors in default on their student loans, some of whom took out what they thought were "good" federal loans, only to have those loans outsourced to banks looking for profits.

6. Of the 40 million borrowers who hold federal student debt, 8.3 percent were at least 90 days behind on their payments in 2013.[xiii] According to the Federal Reserve Bank of New York, borrowers are more likely to be delinquent on their student loans than any other type of consumer debt. In the face of these record default and delinquency rates, the department continues to lend money at a record pace, with minimal investment in programs to make college more affordable and debt more manageable.[xiv]

7. Only 1.6 million federal student debtors are enrolled in the agency's income-driven repayment program,[xv] despite 33 million – a full quarter of our country's workforce – being eligible for such programs. These repayment plans were designed to prevent defaults and delinquencies by negotiating flexible repayment options based on a borrower's financial situation. And yet the department has only informed 3.5 million borrowers directly about their eligibility to enroll. By not communicating with borrowers about this loan assistance program, the department appears to be prioritizing its profits at the expense of borrowers.[xvi]

8. The Department of Education erroneously categorized tens of thousands of loans as in default for over a year longer than they actually were – all because of backlogs and problems with their own debt management system. [xvii] The Government Accountability Office (GAO) found that these borrowers were then unable to have the default removed from their credit report, impacting their ability to secure housing and employment.[xviii] The agency's Inspector General indicated that the problems arose from the department's "apparent lack of oversight and monitoring of this system."[xix]

9. The Department of Education itself has found that many of its contractors are not compliant with the customer service and reporting standards stipulated in their contracts, yet has refused to hold those banks accountable or impose any consequences.[xx] In a 2013 letter to Senator Elizabeth Warren (D-Mass.), the agency admitted to finding that one of its largest private contractors, Sallie Mae, faced accounting errors, incorrect billing statements and an unpaid debt of $22.3 million to the Department of Education. Senator Warren went so far to say that the agency was risking becoming a "lapdog" to financial companies with its continued failure to address these issues.[xxi]

10. While the Department of Education may have a lax oversight record, the agency has aggressive practices in place to collect on default and or delinquent loans by garnishing tax refunds and Social Security payments. As *The New York Times* reported in February 2014, "One thing the federal student loan program does not lack is ways to collect the money. Bankruptcy will usually not cancel student loans, and the government has the power to seize income tax refunds and garnish wages as needed. Some parents who guaranteed student loans that have defaulted find the money taken out of their Social Security checks."[xxii]

As our nation's stack of unpaid student loan bills continues to grow, there is no federal agency with greater authority to rein in this crisis than the U.S. Department of Education. Instead, the department remains complicit in the for-profit student loan business, continuing to operate like a corporate bank and shirk its oversight and enforcement responsibilities at the expense of tens of millions of borrowers.

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Wall Street: The Real University President

The Student Labor Action Project (SLAP) believes that higher education is a public good for all, yet Wall Street continues to eye higher education investments as a new way to increase their bottom line. By charging interest on student loans and promoting for-profit colleges, Wall Street has reaped billions in profit while borrowers struggle, students are set up for failure, and taxpayers and working families foot the bill. Corporate executives have become increasingly present on university governing boards, allowing trustees to profit from these shifts while accelerating the privatization of college campuses. Below are some shocking ways that Wall Street has corporatized higher education across the country.

1. **Wall Street profits $45 billion on average per year through higher education spending.**[i] The three core components Wall Street uses to create profits off higher education are student loans, for-profit colleges and the institutional debt of colleges and universities. In 2012, Wall Street made $34 billion on interest charged on student loans, more than $500 million from for-profit colleges, and $10.5 billion in interest paid by colleges on their institutions' debt. As recently as 2011, one in every 10 dollars spent on higher education was absorbed by Wall Street through these and other profit-driven schemes.

2. **Working families paid $34 billion in interest on student loans in 2012.**[ii] As Pell Grants and other need-based financial aid programs shrink to their smallest size since their formation, state spending per student has also reached an all-time low, forcing students to take out student loans to finance their education. Throughout the 2000s, interest rates for private loans increased rapidly, reaching 13 percent in 2006, despite much lower interest rates for the banks borrowing from the federal government.[iii] Following the 2013 federal student loan interest rate compromise, interest rates are now fixed to the 10-year Treasury note,[iv] meaning that the amount paid on interest will increase over time as interest rates rise.

3. **In 2013, the Wall Street-traded student loan giant Sallie Mae generated more than $1 billion in profits.**[v] While under investigation by three federal government entities[vi] and facing probes from multiple state attorneys general,[vii] Sallie Mae continued to be the most profitable private student lender, whose shareholders include large Wall Street hedge funds and private equity firms. While it is likely that the corporation will face federal discipline in the coming months, it continues to profit from taxpayer dollars through its lucrative debt servicing contract with the Department of Education and its management of state 529 savings plans.[viii]

4. **The Department of Education paid private debt collectors $1 billion in 2013 while tens of thousands of borrowers were incorrectly left in default status by those collectors.**[ix] The Department of Education actually grants a larger commission to collection agencies that "perform" best, meaning they effectively squeeze the most money out of struggling borrowers.[x] Although many of the debt-collecting agencies are privately held companies, several are owned by publicly traded corporations. For example, Pioneer Credit Recovery Inc. is owned by Sallie Mae[xi], and NCO Debt Recovery is owned by the private investment arm of JP Morgan Chase.[xii] In 2013, the Department of Education paid Pioneer Credit Recovery over $144 million – on top of the $104.5 million it paid Sallie Mae to service federal student loans.[xiii]

5. **Eighty-six percent of the revenue that funds publicly traded for-profit schools comes from federal student aid programs.**[xiv] The Senate Committee on Health, Education, Labor, and Pensions conducted a federal investigation between 2008 and 2010 that found that **federal taxpayers invested $32 billion in for-profit colleges**.[xv] Although for-profit colleges only enroll 10 to 13 percent of all students attending college in the United States, they receive 25 percent of all federal financial aid dollars.[xvi] In fact, Pell Grants to for-profit college students increased by 581 percent from 2002 to 2012.[xvii] So while the $32 billion only reflects funding from the Pell Grant, taxpayers also fund for-profit universities through the G.I. Bill, as well as other federal and state grants and loans because military tuition assistance through the G.I. Bill is not counted as "federal

student aid." Twenty for-profit colleges received over $500 million in veterans' benefits from the Department of Defense in 2010, accounting for one-third of the benefits from the G.I. Bill.[xviii]

6. **In 2011, 75 percent of students at for-profit colleges were enrolled at institutions owned by publicly traded companies or private equity firms.**[xix] Recently, for-profit colleges have been bankrolled by Wall Street to better capitalize on higher education funding. The priorities of these institutions are clear when reviewing their spending habits: 17.2 percent of revenue went to instruction while they claimed 19.4 percent for profits.[xx] And big banks have taken over individual for-profit higher education institutions. In 2006, the Education Management Corporation (EDMC) was taken over by Goldman Sachs, which shifted priorities – and resources – from instruction to marketing and recruitment. Enrolling over 150,000 students, EDMC alone received $486 million in Pell Grant funding and made $501 million in profits in 2011.[xxi]

7. **Credit card companies paid colleges and universities $270 million from 2009 to 2012.**[xxii] Universities and colleges have signed contracts with financial institutions to issue and promote specific bank credit cards, regardless of the other, better financial options available for students on campus. These contracts grant banks access to over one million students every year, leading them to take on even more debt.

8. **More than 850 colleges and universities are paid by banks to promote debit cards, prepaid cards and other banking products to students on campus while details of these agreements are not disclosed.**[xxiii] According to a report by the Government Accountability Office, 852 colleges and universities – which account for 40 percent of country's college enrollment – have financial agreements to provide debit or prepaid card services to their students, the details of which are often not made public to students. As Consumer Financial Protection Bureau Director Richard Cordray stated, "Students and their families should know if their school, whether well-intentioned or not, is being compensated to encourage students to use a specific account or card product. When financial institutions secretly give kickbacks to schools, they are engaging in risky practices."[xxiv]

9. **One in four private colleges had board of trustee members with a financial conflict of interest in 2010.**[xxv] *The Chronicle of Higher Education* found that one in four trustees at private colleges and universities had a business relationship with the higher education institution on whose board they served. These connections vary in scale from multimillion-dollar contracts to a few thousand dollars' worth of business, involving insurance agencies, banks, law firms and construction companies. Aside from mandatory tax documents, the details of these relationships are rarely disclosed. The number of institutions that allow business relationships with trustees has risen from 46 percent in 2008 to 58 percent in 2010.[xxvi]

10. **The billionaire Koch brothers have invested millions to effectively "buy off" university economics departments to promote the Wall Street agenda.**[xxvii] In return for the Charles G. Koch Charitable Foundation's pledge of $1.5 million to the Florida State University economics department, foundation staff and representatives were given the power to approve any department hires for a new program promoting "political economy and free enterprise."[xxviii] Similar agreements have been negotiated at George Mason University, West Virginia University and Clemson University. Banks have also found a way to influence curriculum: a grant from BB&T funds a course on ethics and economics at Florida State University in which Ayn Rand's *Atlas Shrugged* is required reading.[xxix]

The data above paints a troubling picture about the priorities of higher education in the United States. Students cannot afford to leave decision-making power in the hands of the reckless 1%, who continue to target higher education as their next business conquest. The crisis is real: we must stop Wall Street from raking in billions of dollars on the backs of students.

Citations

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[xviii] http://chronicle.com/article/Senators-Mull-Changes-to-90-10/126564/
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Summary of Existing IDR Options in the U.S.*

	Available?	Eligibility	Monthly Payment Cap	Discharge After
Income-Based Repayment (Classic IBR)	**Now** since 2009	All borrowers with federal student loans (Direct or FFEL), new or old, with a partial financial hardship (PFH).[a]	**15%** of discretionary income[b]	**25** Years
Income-Based Repayment (2014 IBR)	**Now** since July 1, 2014	Borrowers who take out their first loan on or after July 1, 2014[c] and have a PFH.	**10%** of discretionary income	**20** Years
Pay As You Earn (PAYE)	**Now** since 2012	Direct Loan borrowers who took out their first loan after September 30, 2007 and at least one after September 30, 2011, and have a PFH.	**10%** of discretionary income	**20** Years
Income-Contingent Repayment (ICR)	**Now** since 1994	Borrowers with Direct Loans, new or old; no PFH requirement.	The lesser of: 20% of discretionary income and 12- yr repayment amount x income percentage factor	**25** Years

* *These plans are only available for federal student loans that are not in default. Parent PLUS loans are not covered. For more information about these repayment plans, see U.S. Department of Education, "Repayment Plans," http://1.usa.gov/1eBS1i8.*

a *Borrowers have a "partial financial hardship" (PFH) if their calculated payment based on income and family size is less than what they would pay under the 10-year standard repayment plan.*

b *For Classic IBR, 2014 IBR, and PAYE, discretionary income is defined as the amount of adjusted gross income (AGI) above 150% of the poverty level for the borrower's household size. For ICR, discretionary income is defined as the amount of AGI above 100% of the poverty level for the borrower's household size.*

c *Borrowers can also become eligible for this plan if they had loans before July 1, 2014 but paid them off before borrowing again on or after July 1, 2014. Note that no new FFEL Program loans have been made since June 30, 2010, so only Direct Loans will be eligible for repayment under 2014 IBR.*

Is your loan eligible for Income-Based Repayment, Pay As You Earn, or Income-Contingent Repayment? Look below and find out!

Loan Type	Income-Based Repayment	Pay As You Earn	Income-Contingent Repayment
Direct Subsidized Loans	Eligible	Eligible	Eligible
Direct Unsubsidized Loans	Eligible	Eligible	Eligible
Direct PLUS Loans made to graduate or professional students	Eligible	Eligible	Eligible
Direct PLUS Loans made to parents	Not eligible	Not eligible	Eligible if consolidated*
Direct *Consolidation* Loans that did not repay any PLUS loans made to parents	Eligible	Eligible	Eligible
Direct Consolidation Loans that repaid PLUS loans made to parents	Not eligible	Not eligible	Eligible
Subsidized Federal Stafford Loans (from the FFEL Program)	Eligible	Eligible if consolidated*	Eligible if consolidated*
Unsubsidized Federal Stafford Loans (from the FFEL Program)	Eligible	Eligible if consolidated*	Eligible if consolidated*
FFEL PLUS Loans made to graduate or professional students	Eligible	Eligible if consolidated*	Eligible if consolidated*
FFEL PLUS Loans made to parents	Not eligible	Not eligible	Eligible if consolidated*
FFEL Consolidation Loans that did not repay any PLUS loans made to parents	Eligible	Eligible if consolidated*	Eligible if consolidated*
FFEL Consolidation Loans that repaid PLUS loans made to parents	Not eligible	Not eligible	Eligible if consolidated*
Federal Perkins Loans	Eligible if consolidated*	Eligible if consolidated*	Eligible if consolidated*

*If a loan type is listed as "eligible if consolidated," this means that if you consolidate that loan type into a *Direct Consolidation Loan*, you can then repay the consolidation loan under the income-driven plan. For example, only Direct Loans may be repaid under the Pay As You Earn and ICR plans. However, if you consolidate a FFEL Program Loan or *Federal Perkins Loan* into a Direct Consolidation Loan, you may then be able to repay the Direct Consolidation Loan under the Pay As You Earn or ICR Plan (depending on the type of loan that you consolidate). Note that consolidation is not the right choice for all borrowers or all loan types. In particular, you may lose certain loan benefits if you consolidate a Federal Perkins Loan.

DEBT-FREE FUTURE

What would you pay in Income-Based Repayment or Pay As You Earn? Look below and find out!

Income-Based Repayment							
Income	**Family Size**						
	1	**2**	**3**	**4**	**5**	**6**	**7**
$10,000	$0	$0	$0	$0	$0	$0	$0
$15,000	$0	$0	$0	$0	$0	$0	$0
$20,000	$29	$0	$0	$0	$0	$0	$0
$25,000	$92	$14	$0	$0	$0	$0	$0
$30,000	$154	$76	$0	$0	$0	$0	$0
$35,000	$217	$139	$61	$0	$0	$0	$0
$40,000	$279	$201	$123	$45	$0	$0	$0
$45,000	$342	$264	$186	$108	$30	$0	$0
$50,000	$404	$326	$248	$170	$92	$14	$0
$55,000	$467	$389	$311	$233	$155	$77	$0
$60,000	$529	$451	$373	$295	$217	$139	$61
$65,000	$592	$514	$436	$358	$280	$202	$124
$70,000	$654	$576	$498	$420	$342	$264	$186

Pay As You Earn/New Income-Based Repayment							
Income	**Family Size**						
	1	**2**	**3**	**4**	**5**	**6**	**7**
$10,000	$0	$0	$0	$0	$0	$0	$0
$15,000	$0	$0	$0	$0	$0	$0	$0
$20,000	$20	$0	$0	$0	$0	$0	$0
$25,000	$61	$9	$0	$0	$0	$0	$0
$30,000	$103	$51	$0	$0	$0	$0	$0
$35,000	$145	$93	$41	$0	$0	$0	$0
$40,000	$186	$134	$82	$30	$0	$0	$0
$45,000	$228	$176	$124	$72	$20	$0	$0
$50,000	$270	$218	$166	$114	$62	$10	$0
$55,000	$311	$259	$207	$155	$103	$51	$0
$60,000	$353	$301	$249	$197	$145	$93	$41
$65,000	$395	$343	$291	$239	$187	$135	$83
$70,000	$436	$384	$332	$280	$228	$176	$124

Notes:
Updated with 2015 Poverty Guidelines, provided by Health and Human Services Department.

Tables assume maximum payment under PFH formula. If standard 10-year payment is less than amount shown, that is the maximum for income-driven repayment.

DEBT-FREE FUTURE

Public Service Loan Forgiveness

What does it do? Who is eligible?

If you work in the public service, a little-known government program called "**Public Service Loan Forgiveness**" could allow you to have all of your direct federal student loans forgiven, tax-free. Public Service Loan Forgiveness (PSLF) isn't a payment plan, like Income-Based Repayment or Pay As You Earn; it's a separate program that incentivizes a career in the public service.

To qualify for the program, you need to make 10 years of qualifying on-time payments (120 in total) toward your federal student debt. You must be working in the public service at least 30 hours a week (you can combine multiple part-time jobs to meet this requirement) beginning after October 1, 2007. After you make your 120th on-time payment, the U.S. Department of Education forgives your remaining federal student loan debt.

Do You Work Full-Time in the Public Service?

Eligibility depends on whether or not you work for a qualifying public service employer. To put it another way, *it doesn't matter what you do, just who employs you.* Qualifying public service employers include:

- Government organizations
- Emergency services
- Public health
- Public education
- Legal services
- 501(c)(3) nonprofit organizations

Do You Work Enough Hours to Qualify?

In order to qualify for Public Service Loan Forgiveness, you have to work at least 30 hours a week at least eight months of the year, or what your employer defines as full-time. You are able to combine hours from multiple employers that qualify as public service employers.

Any time spent participating in religious instruction, worship services, or any form of proselytizing does not count toward your 30 hours a week.

Does Your Loan Qualify?

One of the biggest barriers to enrollment in Public Service Loan Forgiveness is not having the right type of loan. Only Direct Loans are eligible for Public Service Loan Forgiveness.

There are different types of federal student loans, but as long as the word "Direct" appears in the name of the loan you should be good:

- Federal Direct Stafford/Ford Loans (Direct Subsidized Loans)
- Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans)
- Federal Direct PLUS Loans (Direct PLUS Loans)—for parents* and graduate or professional students
- Federal Direct Consolidation Loans (Direct Consolidation Loans)

Does Your Repayment Plan Qualify?

It's important that you pay back your student loans in an eligible repayment plan. Here are the repayment plans that are eligible for Public Service Loan Forgiveness:

- Standard 10-year repayment plan
- Income-Based repayment plan
- Pay As You Earn repayment plan
- Income-Contingent repayment plan

Do Your Payments Qualify?

In order to have your loans forgiven, you have to make 120 "qualifying" on-time payments. All that means is that once you receive your bill (which will say how much you owe and when you have to pay it by), you pay that amount by the due date or up to 15 days after.

These payments do not need to be consecutive. If you were to make 100 qualifying payments and then missed a month, you wouldn't need to start over; the next on-time payment would be counted as 101. It's important to note that if you pay your student loan early, it doesn't count toward the 120 payments.

The good news is that this works retroactively, too! Any payments you've made on time, in a qualifying repayment plan, while working in the public service after October 1, 2007, will be counted toward your 120 total.

IBR/PAYE/ICR

Income-Based (IBR) / Pay As You Earn / Income-Contingent (ICR) Repayment Plan Request

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

OMB No. 1845-0102
Form Approved
Exp. Date 11-30-2015

Use this form to **(1)** request an available repayment plan based on your income, **(2)** provide the required information for the annual reevaluation of your payment amount under one of these plans, or **(3)** request that your loan holder recalculate your monthly payment amount.

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

SECTION 1: BORROWER IDENTIFICATION

Please enter or correct the following information.

☐ **Check this box if any of your information has changed.**

SSN ☐☐☐ - ☐☐ - ☐☐☐☐

Name ____________________

Address ____________________

City, State, Zip Code ____________________

Telephone – Primary ( ) ____________________

Telephone – Alternate ( ) ____________________

E-mail Address (Optional) ____________________

SECTION 2: REPAYMENT PLAN REQUEST

Before completing this form, carefully read the entire form, particularly Sections 7, 8, and 9. Type or print using dark ink. If you need help completing this form, contact your loan holder(s). Return the completed form and any required documentation to the address shown in Section 10. You may be able to complete your request online by visiting studentloans.gov. Information about repayment plans and calculators are available at studentaid.gov.

Other repayment plans, such as extended or graduated, may be available and may offer a lower monthly payment amount. In addition, payment under the IBR, Pay As You Earn, or ICR plans may result in your paying more interest over time and may result in federal income tax liability on any loan amount that is forgiven under these plans.

1. Please select the reason that you are completing this request by checking box a, b, or c, below.
   a. ☐ I am requesting a repayment plan based on my income – Check the plan(s) you are requesting below and then continue to item 2.

	Direct Loan Program Loans*	FFEL Program Loans*
IBR	☐	☐
Pay As You Earn	☐	Not Available
ICR	☐	Not Available
I request that my loan holder determine which of the above plans I am eligible for, and place me on the plan with the lowest monthly payment amount.	☐ Only IBR will be considered for FFEL Program loans	

* Not all loan types under the FFEL and Direct Loan Programs are eligible for these plans (see Section 8).

For Direct Loan borrowers, your request will apply to all of your loans that are eligible for the plan you choose. For FFEL borrowers, you can exclude eligible loans if you request IBR prior to July 1, 2013. If you are a FFEL borrower and request IBR on or after July 1, 2013, you must repay all loans eligible for IBR under that plan. For all borrowers, you will need to choose a different repayment plan for loans that are not eligible for a repayment plan based on income or they will be placed on the standard repayment plan.

   b. ☐ I am submitting annual documentation for the recalculation of my monthly payment amount under my current repayment plan – Continue to item 2.
   c. ☐ I am requesting that my loan holder recalculate my current monthly payment amount because my circumstances have changed – Continue to item 2.

2. ☐ Check this box if you owe eligible loans to more than one loan holder. **You must submit a separate request to each holder of the loans you want to repay under the IBR, Pay As You Earn, or ICR plan.**

You must promptly submit to your loan holder(s) this completed form and acceptable documentation of your Adjusted Gross Income (see Section 4), or, if applicable, alternative documentation of your current income (see Section 5).

SECTION 3: SPOUSAL INFORMATION

Complete this section if any of the following apply to you:

- You file a joint federal income tax return with your spouse and your spouse has eligible loans. Enter information about your spouse, below.
- You have a joint Direct or FFEL Consolidation Loan that you obtained with your spouse. Enter information about the co-borrower of the loan.
- You and your spouse have Direct Loans and both of you want to repay those loans under the ICR Plan. Enter information about your spouse, below.

3. Spouse's SSN ☐☐☐ - ☐☐ - ☐☐☐☐

4. Spouse's Name ____________________

5. Spouse's Date of Birth ☐☐ - ☐☐ - ☐☐☐☐

6. ☐ My spouse and I wish to repay our Direct Loans jointly under the ICR Plan.

> If you file a joint federal income tax return with your spouse, your loan holder(s) will base your eligibility determination and monthly payment amount on your and your spouse's combined income regardless of whether your spouse has eligible federal student loans. However, if your spouse does not have eligible student loans, you do not need to complete this section.

If you complete this section, your spouse is also required to sign this form. By signing, your spouse is authorizing the loan holder(s) to access information about his or her federal student loans in the National Student Loan Data System (NSLDS). In addition, if the Department is not your loan holder and your FFEL loan holder(s) does not service at least one of your spouse's loans, your loan holder(s) will need detailed information about all of your spouse's loans to accurately evaluate your eligibility and payment amount. Your spouse should log into NSLDS at nslds.ed.gov to give your loan holder(s) access to his or her loan information. To obtain the organization code needed for authorization on NSLDS or for other options to provide the loan details needed on your spouse's loans, contact your loan holder(s).

SECTION 4: FAMILY SIZE AND FEDERAL TAX INFORMATION

7. [|] Enter your family size (as defined in Section 8).

Note: If you do not enter your family size, your loan holder(s) will assume a family size of one. For purposes of these repayment plans, your family size may be different from the number of exemptions you claim on your federal tax return. By signing this form, you are certifying that the family size you enter above is correct.

8. Did you file a federal income tax return for either of the two most recently completed tax years?

☐ Yes – Continue to Item 9.

☐ No – Skip to Section 5.

9. Is your current income or your spouse's current income (if you completed Section 3 or file a joint federal income tax return) significantly different than the income used to determine the Adjusted Gross Income* (AGI) reported to the IRS on your most recently filed federal income tax return?

☐ Yes – Continue to Section 5.

☐ No – Provide your most recently filed federal income tax return or IRS tax return transcript. Skip to Section 6.

*You can find your Adjusted Gross Income on your most recently filed IRS Form 1040, 1040A, or 1040EZ.

SECTION 5: ALTERNATIVE DOCUMENTATION OF INCOME

To be completed if (1) you did not file a federal income tax return for the two most recently completed tax years, (2) your AGI from your most recently filed federal income tax return does not reasonably reflect your current income (due to circumstances such as the loss of or change in employment), or (3) your loan holder(s) informed you that alternative documentation of income is required.

10. Do you have taxable income? Check "No" if (1) you do not have any income, (2) receive only untaxed income (such as Supplemental Security Income, child support, or federal or state public assistance), or (3) are not required to file a federal income tax return based on the amount of your taxable income.

☐ Yes – Provide documentation of this income, as described below.

☐ No – By signing this form, you are certifying that you have no taxable income or are not required to file a federal income tax return based on the amount of your taxable income.

11. If you are married and completed Section 3 or file a joint federal income tax return with your spouse, does your spouse have taxable income? Check "No" if (1) your spouse does not have any income, (2) receives only untaxed income (such as Supplemental Security Income, child support, or federal or state public assistance), or (3) is not required to file a federal income tax return based on the amount of his/her taxable income.

☐ Yes – Provide documentation of your spouse's income, as described below.

☐ No – By signing this form, your spouse is certifying that he/she has no taxable income or is not required to file a federal tax return based on the amount of his/her taxable income.

You must provide documentation of all taxable income that you currently receive from all sources (for example, income from employment, unemployment income, dividend income, interest income, tips, alimony). If you are married and completed Section 3 or file a joint federal income tax return, you must also provide documentation of your spouse's taxable income. **Do not report untaxed income such as Supplemental Security Income, child support, or federal or state public assistance**.

You must provide **one piece** of supporting documentation for each source of income (your and your spouse's). For example, documentation includes pay stubs, a letter(s) from your employer(s) listing income, interest or bank statements, or dividend statements. If these forms of documentation are unavailable, attach a signed statement from you or your spouse explaining the income source(s) and giving the name and the address of the source(s).

Unless the frequency is clearly indicated on the documentation that you provide, write on your documentation how often you receive the income, for example, "twice per month" or "every other week". The date on any supporting documentation you provide must be no older than 90 days from the date you sign this form. Copies of original documentation are acceptable.

SECTION 6: BORROWER REQUEST, UNDERSTANDINGS, AGREEMENT, AUTHORIZATION, AND CERTIFICATION

- **I request** to use the plan I selected in Section 2 to repay my eligible Direct Loan or FFEL Program loans held by the holder(s) to which I submit this form. If I selected the option to allow my loan holder(s) to choose my plan, I request my loan holder(s) to place me in the plan with the lowest monthly payment amount. If more than one plan provides the same initial payment amount, I understand that my loan holder will choose the plan that is likely to keep my monthly payment amount lower in subsequent years.
- **I understand** that: **(1)** If I am entering repayment on my loan(s) for the first time and do not provide my loan holder(s) with this completed form and any other documentation required by my loan holder(s), or if I do not qualify for the repayment plan that I requested, I will be placed on the standard repayment plan (see Section 8). **(2)** If I am currently repaying my loan(s) under a different repayment plan and want to change to the repayment plan I selected in Section 2, my loan holder(s) may grant me a forbearance for up to 60 days to collect and process documentation supporting my request for the selected plan. I am not required to make loan payments during this period of forbearance, but interest will continue to accrue. Unpaid interest that accrues during this maximum 60-day forbearance period will not be capitalized (see Section 8). **(3)** If I am delinquent in making payments under my current repayment plan at the time I request one of the repayment plans listed in Section 2, my loan holder(s) may grant me a forbearance to cover any payments that are overdue, or that would be due, at the time I enter the repayment plan I requested. Unpaid interest that accrues during this forbearance period may be capitalized. **(4)** If I am requesting the ICR plan, my initial payment amount will be the amount of interest that accrues each month on my loan(s) until my loan holder receives the income documentation needed to calculate my ICR payment amount. If I cannot afford the initial interest payments, I may request forbearance by contacting my loan holder.
- **I authorize** the entity to which I submit this request (i.e., the school, the lender, the guaranty agency, the U.S. Department of Education, and their respective agents and contractors) to contact me regarding my request or my loan(s), including repayment of my loan(s), at the number that I provide on this form or any future number that I provide for my cellular telephone or other wireless device using automated telephone dialing equipment or artificial or prerecorded voice or text messages.
- **I certify** that all of the information I have provided on this form and in any accompanying documentation is true, complete, and correct to the best of my knowledge and belief.

Borrower's Signature ______________________________ **Date** ____________________

Spouse's Signature (if required) ______________________________ **Date** ____________________

Note: Your spouse's signature is required if you completed Section 3 and/or completed Item 11.

SECTION 7: INSTRUCTIONS FOR COMPLETING THE FORM

Type or print using dark ink. Enter dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: January 31, 2012 = 01-31-2012. Include your name and account number on any documentation that you are required to submit with this form. If you need help completing this form, contact your loan holder(s). If you want to apply for a repayment plan on loans that are held by different loan holders, you must submit a separate request to each loan holder.

Use this form to **(1)** request the IBR, Pay As You Earn, or ICR plan for repayment of your Direct Loans or the IBR plan for your FFEL program loan(s), **(2)** to submit annual documentation for the calculation of the payment amount under the IBR, Pay As You Earn, or ICR plan, or **(3)** request that your loan holder recalculate your current monthly payment amount because your circumstances have changed. To use the IBR or Pay As You Earn plan, you must meet the eligibility requirements for those plans described in Section 9. Repayment plan calculators are available at studentaid.gov. The calculators are only informational; your loan holder(s) will make the official determination of your eligibility and payment amount based on the information you provide on this form and other required documentation.

You must provide your loan holder(s) with income documentation that will be used to determine your eligibility for the IBR or Pay As You Earn plan and your payment amount for the IBR, Pay As You Earn, or ICR plan, as described in Section 9.

Return the completed form and any required documentation to the address shown in Section 10.

SECTION 8: DEFINITIONS

- **Capitalization** is the addition of unpaid interest to the principal balance of your loan. This will increase the principal balance and the total cost of your loan.
- The **William D. Ford Federal Direct Loan (Direct Loan) Program** includes Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans, and Direct Consolidation Loans.
- **Eligible loans for the IBR plan** are Direct Loan and FFEL Program loans other than: **(1)** a loan that is in default, **(2)** a Direct or Federal PLUS Loan made to a parent borrower, or **(3)** a Direct or Federal Consolidation Loan that repaid a Direct or Federal PLUS Loan made to a parent borrower. Federal Perkins Loans, HEAL loans or other health education loans, and private education loans are not eligible to be repaid under the IBR plan. To access information on all of your federal student loans, check the National Student Loan Data System at nslds.ed.gov.
- **Eligible loans for the ICR plan** are Direct Loan Program loans other than: **(1)** a loan that is in default, **(2)** a Direct PLUS Loan made to a parent borrower, or **(3)** a Direct PLUS Consolidation Loan (these are Direct Consolidation Loans made based on an application received prior to July 1, 2006 that repaid Direct or Federal PLUS Loans made to a parent borrower). FFEL Program Loans, Federal Perkins Loans, HEAL loans or other health education loans, and private education loans are not eligible to be repaid under the ICR plan. A Direct Consolidation Loan made based on an application received on or after July 1, 2006, including loans that repaid a Direct or Federal PLUS Loan made to a parent borrower, is eligible for the ICR plan. To access information on all of your federal student loans, check the National Student Loan Data System at nslds.ed.gov.
- **Eligible loans for the Pay As You Earn plan** are Direct Loan Program loans received by a new borrower other than: **(1)** a loan that is in default, **(2)** a Direct PLUS Loan made to a parent borrower, or **(3)** a Direct Consolidation Loan that repaid a Direct or Federal PLUS Loan made to a parent borrower. FFEL Program Loans, Federal Perkins Loans, HEAL loans or other health education loans, and private education loans are not eligible to be repaid under the Pay As You Earn plan. To access information on all of your federal student loans, check the National Student Loan Data System at nslds.ed.gov.
- **Family size** includes you, your spouse, and your children (including unborn children who will be born during the year for which you certify your family size), if the children will receive more than half their support from you. It includes other people only if they live with you now, they receive more than half their support from you now, and they will continue to receive this support from you for the year that you certify your family size. Support includes money, gifts, loans, housing, food, clothes, car, medical and dental care, and payment of college costs.
- The **Federal Family Education Loan (FFEL) Program** includes Federal Stafford Loans (both subsidized and unsubsidized), Federal PLUS Loans, Federal Consolidation Loans, and Federal Supplemental Loans for Students (SLS).
- The **holder** of your Direct Loans is the U.S. Department of Education (the Department). The holder(s) of your FFEL Program loan(s) may be a lender, secondary market, guaranty agency, or the Department. Your loan holder(s) may use a servicer to handle billing, payment, repayment options, and other communications on your loans. References to "your loan holder" on this form mean either your loan holder(s) or, if your loan holder(s) and servicer are different entities, your servicer.
- The **Income-Based Repayment (IBR) plan** is a repayment plan with monthly payments that are limited to 15 percent of your discretionary income divided by 12. Discretionary income for this plan is the difference between your adjusted gross income and 150 percent of the poverty guideline amount for your state of residence and family size. To initially qualify for IBR and to continue making income-based payments under this plan, you must have a partial financial hardship (see definition).
- The **Income-Contingent Repayment (ICR) plan** is a repayment plan with monthly payments that are the lesser of **(1)** what you would pay on a 12-year standard repayment plan multiplied by an income percentage factor or **(2)** 20 percent of your discretionary income divided by 12. Discretionary income for this plan is the difference between your adjusted gross income and the poverty guideline amount for your state of residence and family size.
- You are a **new borrower for the Pay As You Earn plan** if **(1)** you have no outstanding balance on a Direct Loan or FFEL Program loan as of October 1, 2007 or have no outstanding balance on a Direct Loan or FFEL Program loan when you obtain a new loan on or after October 1, 2007, and **(2)** you receive a disbursement of a Direct Subsidized Loan, Direct Unsubsidized Loan, or student Direct PLUS Loan on or after October 1, 2011, or you receive a Direct Consolidation Loan based on an application received on or after October 1, 2011. However, you are **not** considered a new borrower if the Direct Consolidation Loan you receive repays loans that would make you ineligible under part **(1)** of this definition.
- A **partial financial hardship** is an eligibility requirement for the IBR and Pay As You Earn plans.
  - For IBR, you have a partial financial hardship when the annual amount due on all of your eligible loans or, if you are married and file a joint federal income tax return, the annual amount due on all of your eligible loans and your spouse's eligible loans, exceeds 15 percent of the difference between your adjusted gross income (AGI), as shown on your most recently filed federal income tax return, and 150 percent of the annual poverty guideline amount for your family size and state of residence: Annual amount of payments due > 15% [AGI – (150% x applicable poverty guideline amount)].
  - For Pay As You Earn, you have a partial financial hardship when the annual amount due on all of your eligible loans or, if you are married and file a joint federal income tax return, the annual amount due on all of your eligible loans and your spouse's eligible loans, exceeds 10 percent of the difference between your adjusted gross income (AGI), as shown on your most recently filed federal income tax return, and 150 percent of the annual poverty guideline amount for your family size and state of residence: Annual amount of payments due > 10% [AGI – (150% x applicable poverty guideline amount)].

SECTION 8: DEFINITIONS (CONTINUED)

  - For both plans, the annual amount of payments due is calculated based on the greater of **(1)** the total amount owed on eligible loans at the time those loans initially entered repayment, or **(2)** the total amount owed on eligible loans at the time you initially request the IBR or Pay As You Earn plan. The annual amount of payments due is calculated using a standard repayment plan with a 10-year repayment period, regardless as to loan type.
  - If you are married and file a joint federal income tax return, your AGI includes your spouse's income.

- The **Pay As You Earn plan** is a repayment plan with monthly payments that are limited to 10 percent of your discretionary income divided by 12. Discretionary income for this plan is the difference between your adjusted gross income and 150 percent of the poverty guideline amount for your state of residence and family size. To initially qualify for the Pay As You Earn plan and to continue to make income-based payments under this plan, you must have a partial financial hardship (see definition) and be a new borrower (see definition).
- The **poverty guideline amount** is the figure for your state and family size from the poverty guidelines published annually by the U.S. Department of Health and Human Services (HHS). The HHS poverty guidelines are used for purposes such as determining eligibility for certain federal benefit programs. If you are not a resident of a state identified in the poverty guidelines, your poverty guideline amount is the amount used for the 48 contiguous states.
- The **standard repayment plan** has a fixed monthly amount over a repayment period of up to 10 years for loans other than Direct or Federal Consolidation Loans, or up to 30 years for Direct and Federal Consolidation Loans.

SECTION 9: ELIGIBILITY REQUIREMENTS

INFORMATION ABOUT THE PAY AS YOU EARN AND IBR PLANS:

- To initially qualify to repay your loan(s) under the IBR or Pay As You Earn plan and to continue to qualify to make payments based on your income, you must have a partial financial hardship (as defined in Section 8). If you are married and file a joint federal income tax return, your loan holder(s) will also take your spouse's income and eligible loans into account when determining whether you have a partial financial hardship.
- For the Pay As You Earn plan, you must be a **new borrower** as defined in Section 8. Although the Pay As You Earn plan is available only for Direct Loan Program loans, your loan holder(s) will take any FFEL Program loans that you have into account when determining whether you have a partial financial hardship except for: **(1)** a FFEL Program loan that is in default, **(2)** a Federal PLUS Loan made to a parent borrower, or **(3)** a Federal Consolidation Loan that repaid a Federal or Direct PLUS Loan made to a parent borrower.
- After entry into the IBR or Pay As You Earn plan, you must annually certify your family size and provide income documentation for determination of whether you continue to have a partial financial hardship. Your loan holder(s) will notify you of the deadline by which you are required to provide this documentation. Your monthly payment amount may be adjusted annually. The new payment amount may be higher or lower, depending on the income documentation and family size information you provide each year.
- You will never pay more per month than you would on the 10-year standard repayment plan, based upon the amount owed on your eligible loans at the time you initially entered the IBR or Pay As You Earn plan. If you do not provide updated income documentation annually, within 10 days of the deadline provided by your loan holder, after requested to do so by your loan holder, your payment amount will be the 10-year standard payment amount calculated at the time that you initially entered the IBR or Pay As You Earn plan and any outstanding interest will be capitalized (added to your principal balance).Under the IBR or Pay As You Earn plan, your monthly payment may be less than the monthly accruing interest. On subsidized loans, you are not required to pay any monthly accrued interest that exceeds your monthly payment amount for a maximum of three consecutive years from the date that you start repaying your loans under the IBR or Pay As You Earn plan. The three-year consecutive period limit does not include any period during which you receive an Economic Hardship Deferment. On unsubsidized loans, all accruing interest is your responsibility.
- If you are determined to no longer have a partial financial hardship or leave the IBR or Pay As You Earn plan, any unpaid interest will be capitalized (added to your principal balance). However, if you are in the Pay As You Earn plan, the amount that is capitalized is limited to 10 percent of the outstanding principal balance on your loans at the time that you entered the Pay As You Earn plan.
- If you leave the IBR plan, your payment amount will be the standard payment amount calculated based on the outstanding balance of your eligible loans at the time you leave the IBR plan and the repayment period remaining for your loans. If you wish to repay your loans under a different repayment plan, you must first make one payment under the standard repayment plan or make a reduced payment under a forbearance agreement while on the standard repayment plan with your loan holder(s).
- Under the IBR plan, if your loan(s) is not repaid in full after you have made the equivalent of 25 years of qualifying monthly payments and at least 25 years have elapsed, any remaining debt will be forgiven. If you receive an Economic Hardship Deferment, any months of Economic Hardship Deferment are considered the equivalent of qualifying payments. Months for which you receive any other type of deferment or months of forbearance are not counted as qualifying payments, and do not count toward the 25-year forgiveness period. Any amount forgiven under the IBR plan may be considered income by the Internal Revenue Service and subject to federal income tax. The Public Service Loan Forgiveness Program allows eligible borrowers to cancel the remaining balance of their Direct Loans after they have served full time at a public service organization for at least 10 years, while making 120 qualifying loan payments, including payments under the IBR plan. For more information, see studentaid.gov/publicservice.
- Under the Pay As You Earn plan, if your loan(s) is not repaid in full after you have made the equivalent of 20 years of qualifying monthly payments and at least 20 years have elapsed, any remaining debt will be forgiven. If you receive an Economic Hardship Deferment, any months of Economic Hardship Deferment are considered the equivalent of qualifying payments. Months for which you receive any other type of deferment or months of forbearance are not counted as qualifying payments, and do not count toward the 20-year forgiveness period. Any amount forgiven under the Pay As You Earn plan may be considered income by the Internal Revenue Service and subject to federal income tax. The Public Service Loan Forgiveness Program allows eligible borrowers to cancel the remaining balance of their Direct Loans after they have served full time at a public service organization for at least 10 years, while making 120 qualifying loan payments, including payments under the Pay As You Earn plan. For more information, see studentaid.gov/publicservice.

INFORMATION ABOUT THE ICR PLAN:

- All Direct Loan borrowers are eligible to repay their eligible loans on the ICR plan. You are not required to have a partial financial hardship to use the ICR plan. To repay eligible loans under the ICR plan, you must submit documentation of your income. If you are married and file a joint federal tax return, your loan holder will also take your spouse's income into account when calculating your monthly payment amount.
- If you are married, you and your spouse may choose to repay your loans jointly under the ICR plan. If you choose to repay jointly, your loan holder will use your combined income and Direct Loan debt to calculate a joint ICR payment amount, and will then prorate the joint payment amount to determine separate ICR monthly payment amounts for you and your spouse that are proportionate to each individual's share of the combined Direct Loan debt. You and your spouse may select this option under the ICR plan regardless of your federal tax return filing status.

SECTION 9: ELIGIBILITY REQUIREMENTS (CONTINUED)

- After entry into the ICR plan, you must annually certify your family size and provide income documentation so that your loan holder can adjust your payment amount to reflect more recent income information. Your new payment amount may be higher or lower, depending on the income documentation and family size information you provide each year. Your loan holder will notify you when you are required to provide this documentation.
- If you do not provide updated income documentation annually by the deadline provided by your loan holder(s), your payment amount will be calculated based on a 10-year standard repayment plan using the loan balance at the time you entered repayment under the ICR repayment plan.
- Under the ICR plan, your monthly payment may be less than the monthly accruing interest. The accruing interest that is not satisfied by your monthly payment will be capitalized annually. You will receive a notice telling you when the interest will be capitalized, and you will have the opportunity to pay that interest before it is capitalized. While you remain in ICR, the amount of interest that is capitalized will be limited to 10 percent of the outstanding principal balance on your loans at the time that you entered repayment.
- Under the ICR plan, if your loan(s) is not repaid in full after you have made the equivalent of 25 years of qualifying monthly payments and at least 25 years have elapsed, any remaining debt will be forgiven. If you receive an Economic Hardship Deferment, any months of Economic Hardship Deferment are considered the equivalent of qualifying payments. Months for which you receive any other type of deferment or months of forbearance are not counted as qualifying payments, and do not count toward the 25-year forgiveness period. Any amount forgiven under the ICR plan may be considered income by the Internal Revenue Service and subject to federal income tax. The Public Service Loan Forgiveness Program allows eligible borrowers to cancel the remaining balance of their Direct Loans after they have served full time at a public service organization for at least 10 years, while making 120 qualifying loan payments, including payments under the ICR plan. For more information, see studentaid.gov/publicservice.

IMPORTANT INFORMATION ABOUT ALTERNATIVE DOCUMENTATION OF INCOME

- **YOU ARE REQUIRED** to provide alternative documentation of your income if:
  - You did not file a federal tax return for the either of the two most recently completed tax years; or
  - You have been notified by your loan holder(s) that alternative documentation of your income is required.
- **YOU MAY** provide alternative documentation of your income if your Adjusted Gross Income (AGI), as reported on your most recently filed federal tax return, *does not reasonably reflect your current income*, because, for example, of a loss of or change in employment by you or your spouse.
- **YOU ARE NOT REQUIRED** to provide alternative documentation of your income if you can provide a copy of your most recently filed federal tax return or an IRS tax return transcript from either of the two most recently completed tax years; and that documentation *reasonably reflects* your current income.

SECTION 10: WHERE TO SEND THE COMPLETED REPAYMENT PLAN REQUEST

Return the completed form and any required documentation to:	If you need help completing this form, call:
If no address is shown, return to your loan holder(s).	If no telephone number is shown, call your loan holder(s).

SECTION 11: IMPORTANT NOTICES

Privacy Act Notice. The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authorities for collecting the requested information from and about you are §421 *et seq.* and §451 *et seq.* of the Higher Education Act of 1965, as amended (20 U.S.C. 1071 *et seq.* and 20 U.S.C. 1087a *et seq.*) and the authorities for collecting and using your Social Security Number (SSN) are §§428B(f) and 484(a)(4) of the HEA (20 U.S.C. 1078-2(f) and 1091(a)(4)) and 31 U.S.C. 7701(b). Participating in the Federal Family Education Loan (FFEL) Program or the William D. Ford Federal Direct Loan (Direct Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the FFEL and/or Direct Loan Programs, to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect and report on your loan(s) if your loan(s) becomes delinquent or defaults. We also use your SSN as an account identifier and to permit you to access your account information electronically.

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

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

Paperwork Reduction Notice. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to average 0.5 hours (30 minutes) per response, including the time for reviewing instructions, searching existing data resources, gathering and maintaining the data needed, and completing and reviewing the information collection. Individuals are obligated to respond to this collection to obtain a benefit in accordance with 34 CFR 682.215, 685.209, or 685.221. Send comments regarding the burden estimate(s) or any other aspect of this collection of information, including suggestions for reducing this burden to the U.S. Department of Education, 400 Maryland Avenue, SW, Washington, DC 20210-4537 or e-mail ICDocketMgr@ed.gov and reference OMB Control Number 1845-0102.

Note: Please do not return the completed form to this address. If you have questions regarding the status of your individual submission of this form, contact your loan holder(s) (see Section 10).

PUBLIC SERVICE LOAN FORGIVENESS (PSLF): EMPLOYMENT CERTIFICATION FORM

OMB No. 1845-0110
Form Approved
Exp. Date 12/31/2017

William D. Ford Federal Direct Loan (Direct Loan) Program

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

SECTION 1: BORROWER IDENTIFICATION

Please enter or correct the following information.

☐ **Check this box if any of your information has changed.**

SSN ___ ___ ___ - ___ ___ - ___ ___ ___ ___

Date of Birth ____________________

Name ____________________

Former Name (if any) ____________________

Address ____________________

City, State, Zip Code ____________________

Telephone – Primary ____________________

Telephone – Alternate ____________________

E-mail (optional) ____________________

SECTION 2: BORROWER AUTHORIZATIONS, UNDERSTANDINGS, AND CERTIFICATIONS

Before signing, carefully read the entire form. For more information about PSLF, visit **StudentAid.gov/publicservice**.

I authorize:

1. My employer or other entity having records about the employment that is the basis of my request to make information from those records available to the U.S. Department of Education (the Department) or its agents or contractors.
2. The Department (and its agents or contractors) to contact me regarding my request or my loan(s), including repayment of my loan(s), at the telephone number that I provide on this form or any future number that I provide for my cellular telephone or other wireless device using automated telephone dialing equipment or artificial or prerecorded voice or text messages.

I understand that:

1. To qualify for PSLF, I must make 120 qualifying payments on my Direct Loan(s) while employed full-time by a qualifying employer or employers. Neither the 120 qualifying payments nor employment have to be consecutive.
2. To qualify for PSLF, I must be employed full-time by a qualifying employer or employers when I apply for PSLF and when my loan is forgiven.
3. If I qualify for forgiveness, only the remaining balance on my Direct Loan(s) will be forgiven.
4. By submitting this form, my student loan(s) held by the Department will be transferred to FedLoan Servicing.
5. The Department may request supplemental documentation substantiating my employment.
6. The Department will notify me in writing or electronically of the number of qualifying payments I have made while employed full-time by a qualifying employer or employers and the remaining number of qualifying payments I must make before I am eligible to apply for PSLF.
7. The Department will notify me in writing or electronically if the form that I submit is incomplete, or if it determines that my employment or payments do not qualify for PSLF. The Department will explain the reason for the determination and the steps I need to take to correct the form or make qualifying payments.
8. The Department will retain this certification form until I submit my application for forgiveness.

I certify that all of the information I have provided on this form and in any accompanying document is true, complete, and correct to the best of my knowledge and belief.

☐ Check this box if you cannot obtain certification from your employer because the organization is closed or because the organization has refused to certify your employment. The Department will follow up to assist you in getting documentation of your employment. **Complete section 3, but do not complete Section 4.**

Borrower Signature ______________________________ **Date** ____________

Borrower Name: ______________________________ **Borrower SSN:** ___ - __ - ____

SECTION 3: EMPLOYMENT INFORMATION (TO BE COMPLETED BY THE BORROWER OR EMPLOYER)

1. Employer Name:

____

____

2. Federal Employer Identification Number (EIN):

____

Your employer's EIN may be found on your Wage and Tax Statement (W-2).

3. Employer Address:

____

____

4. Employer Website (if any):

____

5. Employment Begin Date:

____

6. Employment End Date:

____________________ **OR**

☐ Still employed.

7. Employment Status: ☐ Full-Time ☐ Part-Time

8. Hours Per Week (Average): ____________________

Include vacation, leave time, or any leave taken under the Family Medical Leave Act of 1993. If your employer is a 501(c)(3) or a not-for-profit organization, do not include any hours you spent on **religious instruction, worship services, or proselytizing.**

9. Is your employer a **governmental** organization?

A governmental organization is a Federal, State, local, or Tribal government organization, agency, or entity, a public child or family service agency, a Tribal college or university, or the Peace Corps or AmericCorps.

☐ Yes - Skip to Section 4

☐ No - Continue to Item 10

10. Is your employer a tax-exempt organization under section **501(c)(3)** of the Internal Revenue Code?

☐ Yes - Skip to Section 4.

☐ No - Continue to Item 11.

11. Is your employer a **not-for-profit** organization?

☐ Yes - Continue to Item 12.

☐ No - Your employer does not qualify.

12. Is your employer a partisan political organization?

☐ Yes - Your employer does not qualify.

☐ No - Continue to Item 13.

13. Is your employer a labor union?

☐ Yes - Your employer does not qualify.

☐ No - Continue to Item 14.

14. Does your employer provide any of the below services?

☐ Yes - Select all the services your employer provides and then continue to Section 4.

- ☐ Emergency management
- ☐ Military service (see Section 6)
- ☐ Public safety
- ☐ Law enforcement (see Section 6)
- ☐ Public interest legal services (see Section 6)
- ☐ Early childhood education (see definition of "public service organization" in Section 6)
- ☐ Public service for individuals with disabilities
- ☐ Public service for the elderly
- ☐ Public health (see definition of "public service organization" in Section 6)
- ☐ Public education
- ☐ Public library services
- ☐ School library services
- ☐ Other school-based services

☐ No - Your employer does not qualify.

SECTION 4: EMPLOYER CERTIFICATION (TO BE COMPLETED BY THE EMPLOYER)

15. ☐ I certify that the information in Section 3 is true, complete, and correct to the best of my knowledge and belief and that I am an authorized official (see Section 6) of the organization named in Section 3. **Complete Items 16-21**.

Note: If any of the information is crossed out or altered in Section 3, you must initial those changes.

16. Authorized Official's Name:

____

17. Authorized Official's Title:

____

18. Authorized Official's Signature:

____

19. Authorized Official's Phone:

____

20. Authorized Official's Email:

____

21. Date:

____

SECTION 5: INSTRUCTIONS FOR COMPLETING THE FORM

You may submit information about multiple employers by submitting one copy of Sections 1 and 2 (Page 1), and one copy of Sections 3 and 4 (Page 2) per employer. When completing this form, type or print using dark ink. Enter dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: March 14, 2014 = 03-14-2014. If any information is crossed out or altered in Section 3, it must be initialed by your employer. For more information about PSLF and how to use this form, visit StudentAid.gov/publicservice. **Return the completed form to the address shown in Section 7.**

SECTION 6: DEFINITIONS

- **AmeriCorps position** means a position approved by the Corporation for National and Community Service under Section 123 of the National and Community Service Act of 1990 (42 U.S.C. 12573).
- An **authorized official** is an official of a public service organization (including AmeriCorps or the Peace Corps) who has access to the borrower's employment or service records and is authorized by the public service organization to certify the employment status of the organization's employees or former employees, or the service of AmeriCorps or Peace Corps volunteers.
- **Eligible loans** are loans that are not in default and made under the William D. Ford Federal Direct Loan (Direct Loan) Program.
- An **employee** means an individual who is hired and paid by a public service organization.
- **Full-time** means working in qualifying employment in one or more jobs for the greater of:
  - An annual average of at least 30 hours per week or, for a contractual or employment period of at least 8 months, an average of 30 hours per week; or
  - Unless the qualifying employment is with two or more employers, the number of hours the employer considers full time.
- An **on-time payment** is a payment made no more than 15 days after the due date for the payment.
- **Law enforcement** means service performed by an employee of a public service organization that is publicly funded and whose principal activities pertain to crime prevention, control or reduction of crime, or the enforcement of criminal law.
- **Military service** for uniformed members of the U.S. Armed Forces or the National Guard means "active duty" service or "full-time National Guard duty" as defined in Section 101(d)(1) and (d)(5) of Title 10 of the United States Code, but does not include active duty for training or attendance at a service school. For civilians, military service means service on behalf of the U. S. Armed Forces or the National Guard performed by an employee of a public service organization.
- **Peace Corps position** means a full-time assignment under the Peace Corps Act as provided for under 22 U.S.C. 2504.
- **Public interest law** refers to legal services provided by a public service organization that are funded in whole or in part by a local, State, Federal, or Tribal government.
- A **public service organization** is:
  - A Federal, State, local or Tribal government organization, agency or entity;
  - A public child or family service agency;
  - A non-profit organization under Section 501(c)(3) of the Internal Revenue Code that is exempt from taxation under Section 501(a) of the Internal Revenue Code;
  - A Tribal college or university; or
  - A private organization (that is not a business organized for profit, a labor union, or a partisan political organization) that provides at least one of the following public services: **(1)** emergency management, **(2)** military service, **(3)** public safety, **(4)** law enforcement, **(5)** public interest law services, **(6)** early childhood education (including licensed or regulated child care, Head Start, and State funded pre-kindergarten), **(7)** public service for individuals with disabilities and the elderly, **(8)** public health (including nurses, nurse practitioners, nurses in a clinical setting, and full-time professionals engaged in health care practitioner occupations and health support occupations, as such terms are defined by the Bureau of Labor Statistics), **(9)** public education, **(10)** public library services, **(11)** school library services, or **(12)** other school-based services.
- **Qualifying payments** are separate, on-time, full monthly payments made on a Direct Loan after October 1, 2007 under a qualifying repayment plan.
- **Qualifying employment** includes an AmeriCorps position, a Peace Corps position, or employment at a public service organization.
- **Qualifying repayment plans** include:
  - The Income-Based Repayment Plan;
  - The Pay As You Earn Plan;
  - The Income-Contingent Repayment Plan;
  - The 10-Year Standard Repayment Plan (Standard Repayment Plan with a maximum 10-year repayment period); and
  - Any other Direct Loan repayment plan, but only if payments are at least equal to the monthly payment amount that would be required under the Standard Repayment Plan with a 10-year repayment period.

SECTION 7: WHERE TO SEND THE COMPLETED FORM

Return the completed form to:
U.S. Department of Education
FedLoan Servicing *Or* Fax to: 717-720-1628
P.O. Box 69184
Harrisburg, PA 17106-9184

If you need help completing this form, call: 855-265-4038 If you are calling internationally, call: 717-720-1985 If you use a telecommunication device for the hearing or speach impaired: (TTY), dial: 711 and enter 800-699-2908 when prompted.
Web site: www.MyFedLoan.org

SECTION 8: IMPORTANT INFORMATION ABOUT PSLF

You may obtain loan forgiveness under this program if:

- You make 120 qualifying payments (see "Payment Eligibility");
- On eligible loans (see "Loan Eligibility");
- While working in qualifying employment (see "Employment Eligibility").

Payment Eligibility

To receive PSLF, you must make 120 on-time, full, scheduled, separate monthly payments on your Direct Loans under a qualifying repayment plan after October 1, 2007.

On-time payments are those that are received by the Department no later than 15 days after the scheduled payment due date.

Full payments are payments on your Direct Loan in an amount that equals or exceeds the amount you are required to pay each month under your repayment schedule. If you make a payment that is less than what you are required to pay for that month, that month's payment will not count as one of the required 120 qualifying payments. If you make multiple, partial payments in a month and the total of those partial payments equals or exceeds the required full monthly payment amount, those payments will count as one qualifying payment.

Scheduled payments are those that are made while you are in repayment. They do not include payments made while your loans are in an in-school or grace status, in a deferment or forbearance period, or if your loan is "paid ahead" because you have made prepayment.

You must make separate monthly payments. Lump sum payments or payments you make as advance payments for future months do not count as more than one qualifying payment. If you wish to make a payment in excess of your scheduled monthly payment, follow the instructions on your bill for providing payment instructions, and notate that your payment is not intended to cover future installments. Otherwise, your excess payment may affect your ability to make future qualifying payments.

If you were an AmeriCorps or Peace Corps volunteer, you may receive credit for making qualifying payments if you make a lump sum payment by using all or part of a Segal Education Award or Peace Corps transition payment. The Department will consider the lump sum payment you have made as the equivalent of qualifying payments equal to the lesser of (1) the number of payments resulting after dividing the amount of the lump sum payment by the monthly payment amount you would have made under one of the qualifying repayment plans listed below; or (2) 12 payments.

Peace Corps volunteers making an eligible lump sum payment must do so within 6 months of the Employment End Date, as reported in Section 3.

Your payments must be made under a qualifying repayment plan. Qualifying repayment plans include:

- The Income-Based Repayment (IBR) Plan;
- The Pay As You Earn Repayment Plan;
- The Income Contingent Repayment (ICR) Plan;
- The 10-Year Standard Repayment Plan; or
- Any other Direct Loan repayment plan, but only payments that are at least equal to the monthly payment amount that would be required under the 10-Year Standard Repayment Plan.

Though repayment plans other than the IBR, Pay As You Earn, and ICR Plan are qualifying repayment plans for PSLF, you must enter IBR, Pay As You Earn, or ICR to have a remaining balance to forgive after becoming eligible for PSLF. Otherwise, your loans will be fully repaid within 10 years. To apply for these plans, visit StudentLoans.gov.

IMPORTANT: The Standard Repayment Plan for Direct Consolidation Loans made on or after July 1, 2006 have repayment periods of different lengths. Monthly payments you make under the Standard Repayment Plan on such Direct Consolidation Loans are only qualifying payments if the loans have a 10-year repayment period (which would only occur if your total education indebtedness is less than $7,500).

Loan Eligibility

Only Direct Loan Program loans that are not in default are eligible for PSLF. Loans you received under the Federal Family Education Loan (FFEL) Program, the Federal Perkins Loan (Perkins Loan) Program, or any other student loan program are not eligible for PSLF.

If you have FFEL Program or Perkins Loan Program loans, you may consolidate them into a Direct Consolidation Loan to take advantage of PSLF. However, payments made on your FFEL Program or Perkins Loan Program loans before you consolidated them, even if they were made under a qualifying repayment plan, do not count as qualifying PSLF payments. In addition, if you made qualifying payments on a Direct Loan and then consolidate it into a Direct Consolidation Loan, you must start over making qualifying payments on the new Direct Consolidation Loan. If you consolidate your FFEL Program or Perkins Loan Program loans into a Direct Consolidation Loan to take advantage of PSLF and do not have any Direct Loans, do not submit this form until you have consolidated your loans. The application for Direct Consolidation Loans contains a section that allows you to indicate that you are consolidating your loans for PSLF. You can consolidate your federal student loans online by visiting StudentLoans.gov. If you don't know what type of federal student loans you have, check the National Student Loan Data System (NSLDS) at nslds.ed.gov .

Employment Eligibility

To qualify for PSLF, you must be an employee of a qualifying organization. An employee is someone who is hired and paid by the organization. You may physically perform your work at a qualifying or non-qualifying organization, so long as your employer is a qualifying organization. If you are a contracted employee, the organization that hired and pays you must qualify, not the organization where you perform your work. The type or nature of employment with the organization does not matter for PSLF purposes.

A qualifying organization is a Federal, State, or local government agency, entity, or organization or a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC). Service in an AmeriCorps or Peace Corps position is also qualifying employment. The type of services that these organizations provide does not matter for PSLF purposes.

A private not-for-profit organization that is not a tax-exempt organization under Section 501(c)(3) of the IRC may be a qualifying organization if it provides certain specified public services. These services include emergency management, military service, public safety, or law enforcement services; public health services; public education or public library services; school library and other school-based services; public interest law services; early childhood education; public service for individuals with disabilities and the elderly. The organization must not be a business organized for profit, a labor union, or a partisan political organization.

Employment as a member of the U.S. Congress is not qualifying employment.

You must be employed full-time by your employer.

Generally, you must meet your employer's definition of full-time. However, for PSLF purposes, that definition must be at least an annual average of 30 hours per week. For purposes of the full-time requirement, your qualifying employment at a 501(c)(3) organization or a not-for-profit organization does not include time spent participating in religious instruction, worship services, or any form of proselytizing.

If you are a teacher, or other employee of a public service organization, under contract for at least eight out of 12 months, you meet the full-time standard if you work an average of at least 30 hours per week during the contractual period and receive credit by your employer for a full year's worth of employment.

If you are employed in more than one qualifying part-time job simultaneously, you may meet the full-time employment requirement if you work a combined average of at least 30 hours per week with your employers.

Vacation or leave time provided by the employer or leave taken for a condition that is a qualifying reason for leave under the Family and Medical Leave Act of 1993, 29, U.S.C. 2612(a)(1) and (3) is equivalent to hours worked in qualifying employment.

Other Important Information

The submission of this form before you apply for PSLF is optional. However, if you wait to submit this form until you apply for PSLF, you will be required to submit one form for each employer that you want considered toward your eligibility for PSLF.

If you submit this form and your employer qualifies, all of your loans held by the Department will be transferred to FedLoan Servicing. FedLoan Servicing will then determine how many qualifying payments you made during the period of qualifying employment within the dates provided in Section 3.

You are not permitted to apply the same period of service to receive PSLF and the Teacher Loan Forgiveness, Service in Areas of National Need, and Civil Legal Assistance Attorney Student Loan Repayment programs.

No borrower will be eligible for PSLF until October 2017 at the earliest. An application for PSLF will be made available at a later time.

SECTION 9: IMPORTANT NOTICES

Privacy Act Notice. The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authorities for collecting the requested information from and about you are §421 et seq. and §451 et seq. of the Higher Education Act of 1965, as amended (20 U.S.C. 1071 et seq. and 20 U.S.C. 1087a et seq.) and the authorities for collecting and using your Social Security Number (SSN) are §§428B(f) and 484(a)(4) of the HEA (20 U.S.C. 1078-2(f) and 1091(a)(4)) and 31 U.S.C. 7701(b). Participating in the Federal Family Education Loan (FFEL) Program or the William D. Ford Federal Direct Loan (Direct Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the FFEL and/or Direct Loan Programs, to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect and report on your loan(s) if your loan(s) become delinquent or defaults. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed, on a case-by-case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices. The routine uses of this information include, but are not limited to, its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to consumer reporting agencies, to financial and educational institutions, and to guaranty agencies in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loan(s), to enforce the terms of the loan(s), to investigate possible fraud and to verify compliance with federal student financial aid program regulations, or to locate you if you become delinquent in your loan payments or if you default. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to state agencies. To provide financial aid history information, disclosures may be made to educational institutions. To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions to efficiently submit student enrollment 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 such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0110. Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data resources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain a benefit in accordance with 34 CFR 685.219. If you have comments or concerns regarding the status of your individual submission of this form, please contact FedLoan Servicing directly (see Section7).

Sample text: Request to reduce montly loan payment

You can copy and paste this text.

I am writing to you because I need to reduce my monthly private student loan payment due to a financial hardship. I am requesting a payment that allows me to meet my other necessary living expenses.

Please conduct a review of my account to determine whether I am eligible for an alternative repayment plan.

[This paragraph is optional] I believe I can afford to pay $____ per month toward my loan(s). If you require details on my monthly income and expenses, I have attached a worksheet which you can use to make an evaluation.

If you require additional authorization in order to reduce the amount of my monthly payment, please consider this letter a written request that you contact my lender or other authorized party to conduct a review of my account and provide a response within 15 days of receipt of this letter.

If you do not grant this request for a reduced payment plan, I will be at risk of default. If I receive a reduced payment plan, I may be able to avoid default, which is in the best interest of all parties.

If you determine that you are unwilling to provide a reduced payment plan, please provide the following information:

What available reduced payment options do you offer other than forbearance?

For what reason(s) am I ineligible for these repayment programs?

If I am not eligible for these repayment programs, when will I become eligible?

What steps do I need to take to qualify for these repayment programs?

Do you anticipate modifying these repayment programs in the future?

Where on your website can I find additional information on these alternative repayment programs?

In addition, if you are unable to provide any of the information or documentation I have requested or otherwise cannot comply with this request, please provide an explanation.

I hope we will be able to agree upon an acceptable repayment plan.

Thank you for your cooperation.

Private Student Loan Inquiry Sample Letter

You're saying: "I am a co-signer and I want more information on how to be taken off the loan."

You may use the sample letter on the next page to ask your loan servicing company **for more information about how to be released as a co-signer**.

How to use this sample letter:

1. Read the background below.
2. Fill in your information on the sample letter and edit it as needed to fit your situation. Delete any information that doesn't apply to you, or isn't information you're looking for. You should send the letter by certified mail or another method by which you can establish when the letter is received by the intended recipient. You may also cut and paste the text below into the "Send a Message" or "Contact Us" feature when you log into your account on the servicer's website.
3. Keep a copy for your records.

Background

Today, [the vast majority] of private student loans have a co-signer (typically a parent or a grandparent). Having a co-signer can often lead to a lower interest rate, which can save money in the long-term.

If you are a co-signer, your loan might contain provisions that allow your student loan servicer to put you in default — even if the student has been making payments on time.

Co-signers are also on the hook for the loan and therefore changes in your behavior can impact the co-signed student loan, making the entire balance due all at once. Borrowers and co-signers have complained to the CFPB that private student loan servicers are placing them into default when their co-signer dies or files for bankruptcy.

We urge consumers to consider the following to avoid the negative impact associated with a surprise default:

- **If you are a co-signer or have a student loan with a co-signer and you are in repayment, you should look into what's called "co-signer release."** Many lenders advertise that a co-signer may be released from a private student loan after a certain number of consecutive, timely payments and a credit check to determine if the student is eligible to repay the loan on their own. If your lender offers co-signer release, you will want to ask about this benefit and remove yourself as the co-signer as soon as you are eligible.

Unfortunately, many student loan servicers do not tell you when you are eligible to release the co-signer, so you need to directly ask them how to do this.

To help you get started, we've put together a sample letter you can edit and send to your student loan servicer. You can download the sample letter to send by mail, or you can just cut and paste the text below into the "Send a Message" or "Contact Us" feature when you log into your account on the servicer's website.

Sample letter begins on the next page

[Your name]
[Your return address]
[Date]

[Loan Company name]
[Correspondence Address on Your Bill]
Re: Request for co-signer release [Account number for the loan, if you have it]

Dear [Loan Company Name]:

I am writing to request that I be released from my obligation to repay any loans associated with this account. Please conduct a review of this account and make a determination as to my eligibility to be released from my obligation. If you determine that I am not eligible, please provide an explanation, including the following:

- For what reason(s) am I ineligible for co-signer release?
- What steps do I need to take to qualify for co-signer release?
- What is your current co-signer release policy?
- Do you anticipate modifying these requirements in the future? Will any future modifications apply to me when I seek to be released from this obligation?

If I am unable to exercise this option at this time, please update/annotate this account or accounts to reflect that I intend to do so as soon as possible. Please contact me at the point-in-time at which I am eligible for co-signer release.

In addition, if you are unable to provide any of the information or documentation I have requested or otherwise cannot comply with this request, please provide an explanation.

Thank you for your cooperation.

Sincerely,

[***Your name***]

[Your contact info]