MANDATORY FORBEARANCE REQUEST

STUDENT LOAN DEBT BURDEN

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

OMB No. 1845-0018
Form Approved
Exp. Date 9/30/2018

SLDB

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 INFORMATION

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 _____

Email (Optional) _____

SECTION 2: BORROWER DETERMINATION OF FORBEARANCE ELIGIBILITY

Carefully read the entire form before completing it. Complete Section 2 in its entirety. Maximum eligibility is 36 months. As an alternative to this forbearance, you may qualify for a deferment or for a repayment plan that determines your monthly payment amount based on your income. Visit **StudentAid.gov/IDR** for more information.

1. Do you currently have taxable income?

Check "No" if you do not have any income or only receive untaxed income.

☐ Yes - Continue to Item 2.

☐ No - Skip to Section 3.

2. What is your total monthly taxable income?

_____

You must attach documentation of your monthly income, such as a tax return, W-2s, or dividend statements. Monthly income is either (you choose):

- Your gross taxable income from all sources or;
- One-twelfth of the Adjusted Gross Income from your most recent federal income tax return.

3. Multiply the amount in Item 2 by 20% (0.20):

_____

4. What is the total amount of your monthly payments on all of your Title IV loans?

_____

You must attach documentation of your most recent monthly payments due on each of your Title IV loans, such as a monthly statement or repayment schedule.

5. Is the amount reported in Item 4 equal to or greater than the amount calculated in Item 3?

☐ Yes - Continue to Section 3.

☐ No - You are not eligible for this forbearance.

Borrower Name _____ **Borrower SSN** _____

SECTION 3: BORROWER REQUESTS, UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATION

I request:

- My loan holder grant forbearance for the period during which I meet the qualifications for the forbearance. If approved for a forbearance, I would like to:
  - ☐ Temporarily stop making payments; or
  - ☐ Make smaller payments in the amount of _____ per month.
- My forbearance begin on the following date: _____ .
- My loan holder grant my forbearance for up to 12 months unless I specify an earlier end date: _____ .
- ☐ If indicated, to make interest payments on my loans during forbearance.

I understand:

- I am not required to make payments of loan principal or interest during forbearance.
- My forbearance will begin on the later of the date I became eligible for the forbearance or the date I requested.
- My forbearance will end on the earlier of the date I exhaust my maximum eligibility for the forbearance, 12 months from the date my forbearance begins, on the date I am no longer eligible for the forbearance, or the end date I requested.
- My forbearance will only be granted in increments of up to 12 months, and I must reapply for the forbearance if I continue to meet the eligibility requirements and want to extend my forbearance.
- Interest may capitalize on my loans during or at the expiration of my forbearance, but interest never capitalizes on Perkins Loans.
- If I do not qualify for this forbearance, my loan holder may apply a discretionary forbearance for the same period if I am eligible.

I certify that:

- The information I have provided on this form is true and correct.
- I will provide additional documentation to my loan holder, as required, to support my forbearance eligibility.
- I will notify my loan holder immediately when my eligibility for the forbearance ends.
- I have read, understand, and meet the eligibility requirements in Section 2.

I authorize the entity to which I submit this request and its agents to contact me regarding my request or my loans at any cellular telephone number that I provide now or in the future using automated telephone dialing equipment or artificial prerecorded voice or text messages.

Borrower's or Endorser's Signature _____ **Date** _____

SECTION 4: INSTRUCTIONS FOR COMPLETING THE FORM

Type or print using dark ink. Enter dates as month-day-year (mm-dd-yyyy). Example: March 14, 2015 = 03-14-2015. Include your name and account number on any documentation that you submit with this form. If you want to apply for a forbearance on loans that are held by different loan holders, you must submit a separate forbearance request to each loan holder. **Return the completed form and any required documentation to the address shown in Section 6.**

Endorsers may request forbearance only when you are required to repay the loan because the borrower is not making payments. For those who have loans made jointly (as co-makers), both borrowers must individually meet the requirements for a forbearance and each of you must submit a separate forbearance request.

SECTION 5: DEFINITIONS

Capitalization is the addition of unpaid interest to the principal balance of your loan. Capitalization causes more interest to accrue over the life of your loan and may cause your monthly payment amount to increase. Interest never capitalizes on Perkins Loans. Table 1 (below) provides an example of the monthly payments and the total amount repaid for a $30,000 unsubsidized loan. Interest never capitalizes on Perkins Loans. The example loan has a 6% interest rate and the example deferment or forbearance lasts for 12 months and begins when the loan entered repayment. The example compares the effects of paying the interest as it accrues or allowing it to capitalize.

A **co-maker** is one of the two individuals who are joint borrowers on a Direct or Federal Consolidation Loan or a Federal PLUS Loan. Both co-makers are equally responsible for repaying the full amount of the loan.

An **endorser** is an individual who signs a promissory note and agrees to pay the loan if the borrower does not.

The **Federal Family Education Loan (FFEL) Program** includes Federal Stafford Loans, Federal PLUS Loans, Federal Consolidation Loans, and Federal Supplemental Loans for Students (SLS).

The **Federal Perkins Loan (Perkins Loan) Program** includes Federal Perkins Loans, National Direct Student Loans (NDSL), and National Defense Student Loans (Defense Loan).

A **forbearance** is a period during which you are allowed to postpone making payments temporarily, allowed an extension of time for making payments, or temporarily allowed to make smaller payments than scheduled. A forbearance can be a mandatory forbearance, meaning that your loan holder must grant the forbearance if you qualify for the forbearance and supply all supporting documentation. A forbearance can also be a discretionary forbearance, meaning that your loan holder may grant the forbearance, but is not required to do so.

The **holder** of your Direct Loans is the Department. The holder of your FFEL Program loans may be a lender, guaranty agency, secondary market, or the Department. The holder of your Perkins Loans is an institution of higher education or the Department. Your loan holder may use a servicer to handle billing and other communications related to your loans. References to "your loan holder" on this form mean either your loan holder or your servicer.

Title IV loans are student loans that you received under the Direct Loan Program, the FFEL Program, and the Perkins Loan Program.

The **William D. Ford Federal Direct Loan (Direct Loan) Program** includes Federal Direct Stafford/Ford (Direct Subsidized) Loans, Federal Direct Unsubsidized Stafford/Ford (Direct Unsubsidized) Loans, Federal Direct PLUS (Direct PLUS) Loans, and Federal Direct Consolidation (Direct Consolidation) Loans.

Table 1. Capitalization Chart.

Treatment of Interest with Deferment/Forbearance	Loan Amt.	Capitalized Interest	Outstanding Principal	Monthly Payment	Number of Payments	Total Repaid
Interest is paid	$30,000	$0	$30,000	$333	120	$41,767
Interest is capitalized at the end	$30,000	$1,800	$31,800	$353	120	$42,365
Interest is capitalized quarterly and at the end	$30,000	$1,841	$31,841	$354	120	$42,420

SECTION 6: WHERE TO SEND THE COMPLETED FORBEARANCE REQUEST

Return the completed form and any documentation to:
(If no address is shown, return to your loan holder.)

Student Account Assistance
University of Minnesota, Twin Cities
211 Bruininks Hall
222 Pleasant St. SE
Minneapolis, MN 55455

If you need help completing this form, call:
(If no phone number is shown, call your loan holder.)

Phone: 612-625-8007
Email: stdtloan@umn.edu

UMD students should return this form to the UMD campus.

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., §451 et seq., or §461 of the Higher Education Act of 1965, as amended (20 U.S.C. 1071 et seq., 20 U.S.C. 1087a et seq., or 20 U.S.C. 1087aa 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 William D. Ford Federal Direct Loan (Direct Loan) Program, Federal Family Education Loan (FFEL) Program, or Federal Perkins Loan (Perkins Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

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

The information in your file may be disclosed, on a case-by-case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices. The routine uses of this information include, but are not limited to, its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to consumer reporting agencies, to financial and educational institutions, and to guaranty agencies in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loans, to enforce the terms of the loans, 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 such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0018. Public reporting burden for this collection of information is estimated to average 12 minutes per response, including time for reviewing instructions, searching existing data sources, 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 674.33, 682.211, or 685.205. If you have comments or concerns regarding the status of your individual submission of this form, please contact your loan holder directly (see Section 6).