

# FDLP and FFELP Fact Sheet

Provided by the National Council of Higher Education Loan Programs (NCHELP) Program Regulations Committee

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	FDLP	FFELP	Comments
<b>STAFFORD AND PLUS LOANS</b>			
<b>Interest Rate</b>			
<b>1.</b>	<p>[34 CFR §685.202; HEA §428(d)]</p> <p>The interest rate is fixed at 6.8% for Stafford loans first disbursed on or after July 1, 2006, except for subsidized Stafford loans made to undergraduates. For subsidized Stafford loans made to undergraduate students, the interest rate is fixed at:</p> <ul style="list-style-type: none"> <li>• 6.0% for loans first disbursed on or after July 1, 2008;</li> <li>• 5.6% for loans first disbursed on or after July 1, 2009;</li> <li>• 4.8% for loans first disbursed on or after July 1, 2010; and</li> <li>• 3.4% for loans first disbursed on or after July 1, 2011, and before July 1, 2013.*</li> </ul> <p>* Moving Ahead for Progress in the 21st Century Act (Public Law 112-141): Provides a one-year extension of the 3.4% interest rate that has applied to Direct subsidized loans made to undergraduate students since July 1, 2011. With this action, the interest rate on any Direct subsidized loan first disbursed on or after July 1, 2012 and before July 1, 2013 will be fixed at 3.4%.</p>	<p>[34 CFR §682.202; HEA §428(d); §438(g)]</p> <p>FFELP originations were eliminated effective for loans with a first disbursement on or after July 1, 2010.</p> <p>For prior years: The interest rate was fixed at 6.8% for Stafford loans first disbursed on or after July 1, 2006, except for subsidized Stafford loans made to undergraduates. For subsidized Stafford loans made to undergraduate students, the interest rate was fixed at:</p> <ul style="list-style-type: none"> <li>• 6.0% for loans first disbursed on or after July 1, 2008;</li> <li>• 5.6% for loans first disbursed on or after July 1, 2009, and before July 1, 2010.</li> </ul>	<p>Interest rates were the same in the FDLP and FFELP for loans first disbursed prior to July 1, 2010.</p> <p>Loans first disbursed on or after July 1, 2010, are only available under the FDLP.</p> <p>A borrower covered under section 207 of the Servicemembers Civil Relief Act may be eligible for a reduced interest rate not to exceed 6% for loans the borrower obtained prior to military service during the borrower's period of military service. This interest rate reduction is also applicable to defaulted loans.</p>

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<b>Interest Rate (cont'd.)</b>			
<b>2</b>	<p>Interest subsidy</p> <p>The Budget Control Act of 2011 (Public Law 112-25): Eliminates subsidized Stafford loans for graduate/professional students made for loan periods that begin on or after July 1, 2012</p> <p>The Consolidated Appropriations Act of 2012 (Public Law 112-74): Eliminates the interest subsidy during the six-month grace period for Direct Stafford loans first disbursed on or after July 1, 2012 and prior to July 1, 2014.</p>	<p>FFELP originations were eliminated effective for loans with a first disbursement on or after July 1, 2010.</p>	
<b>3.</b>	<p>The interest rate is fixed at 7.9% for PLUS loans first disbursed on or after July 1, 2006.</p>	<p>FFELP originations were eliminated effective for loans with a first disbursement on or after July 1, 2010.</p> <p>For prior years: The interest rate was fixed at 8.5% for PLUS loans first disbursed on or after July 1, 2006 and before July 1, 2010.</p>	<p>For PLUS loans first disbursed on or after July 1, 2006, but prior to July 1, 2010, the FDLP PLUS interest rate was 0.6% lower than the FFELP PLUS interest rate.</p>

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<b>Loan Fees</b>			
<b>1.</b>	<p>[HEA §455(c)]</p> <p>There is a 1% origination fee for Direct Stafford loans (subsidized and unsubsidized) with a first disbursement on or after July 1, 2010.</p> <p>For prior years: The origination fee for Direct Stafford loans (subsidized and unsubsidized) was reduced from 4% to 1% over five years.</p> <ul style="list-style-type: none"> <li>• Loans with a first disbursement made on or after July 1, 2006 = 3% fee;</li> <li>• Loans with a first disbursement made on or after July 1, 2007 = 2.5% fee;</li> <li>• Loans with a first disbursement made on or after July 1, 2008 = 2% fee;</li> <li>• Loans with a first disbursement made on or after July 1, 2009 = 1.5% fee; and</li> <li>• Loans with a first disbursement made on or after July 1, 2010 = 1% fee.</li> </ul>	<p>[HEA §438(c)(2)(B)]</p> <p>FFELP originations were eliminated effective for loans with a first disbursement on or after July 1, 2010.</p> <p>For prior years: The origination fee for FFELP Stafford loans (subsidized and unsubsidized) was reduced from 3% to 0.5% over four years.</p> <ul style="list-style-type: none"> <li>• Loans with a first disbursement made on or after July 1, 2006 = 2% fee;</li> <li>• Loans with a first disbursement made on or after July 1, 2007 = 1.5% fee;</li> <li>• Loans with a first disbursement made on or after July 1, 2008 = 1% fee; and</li> <li>• Loans with a first disbursement made on or after July 1, 2009, and before July 1, 2010 = 0.5% fee</li> </ul>	
<b>2.</b>	<p>No Federal default fee</p>	<p>[HEA §428(b)(1)(H)(i) &amp; (ii)]</p> <p>FFELP originations were eliminated effective for loans with a first disbursement on or after July 1, 2010.</p> <p>For prior years: A Federal default fee in an amount equal to 1.0 percent was required to be:</p> <ul style="list-style-type: none"> <li>• Deducted from the borrower's loan proceeds, or</li> <li>• Paid from other non-federal sources.</li> </ul>	

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<b>Loan Repayment</b>			
	<p>[HEA §455(d); 34 CFR §685.208; §685.209; §685.221]</p> <p>Seven repayment options exist.</p> <p>ED currently does not charge late fees on any Direct loan.</p>	<p>[HEA §428(b)(9); §428(b)(1)(L); §428(b)(9)(A); 34 CFR §682.209; §682.215]</p> <p>Five repayment options exist.</p>	<p>The Higher Education Reconciliation Act of 2005 revised the Higher Education Act to require that FDLP and FFELP repayment plans be consistent. The only exceptions are the Income Contingent Repayment (ICR) plan and the Alternative Repayment plan in FDLP, and the Income Sensitive Repayment (ISR) plan in FFELP.</p> <p>Examples of repayment use a \$35,000 debt and a maximum interest rate of 8.25%.</p> <p>Length of repayment period excludes periods of forbearance and deferment.</p>
<b>1.</b>	<p><b>Standard Repayment Plan</b></p> <p>Borrowers pay a fixed amount each month for up to 10 years. The payment amount and length of the repayment period depend on the borrower's debt. Unless the borrower and the lender otherwise agree, minimum annual amount is the lesser of \$600 (\$50 each month) or the unpaid balance of all loans, including interest.</p>	<p><b>Standard Repayment Plan</b></p> <p>Borrowers pay a fixed amount each month for up to 10 years. The payment amount and length of the repayment period depend on the borrower's debt. Unless the borrower and the lender otherwise agree, minimum annual amount is the lesser of \$600 (\$50 each month) or the unpaid balance of all loans, including interest.</p>	<p><b>Standard Repayment Plan</b></p> <p>Terms are the same for both programs. 10-year repayment period</p> <p>Monthly payment: \$429 Total payment: \$51,480</p>

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<b>Loan Repayment (cont'd.)</b>			
<b>2.</b>	<p><b>Graduated Repayment Plan</b></p> <p>Payments are lower in the beginning of the repayment period and gradually increase during the course of repayment. No single payment can be more than three times greater than any other payment. Repayment period cannot exceed 10 years.</p> <p>Minimum repayment amount must equal at least the interest that has accrued on the loan or at least \$600 annually.</p>	<p><b>Graduated Repayment Plan</b></p> <p>Payments are lower in the beginning of the repayment period and gradually increase during the course of repayment. No single payment can be more than three times greater than any other payment. Repayment period cannot exceed 10 years.</p> <p>Minimum repayment amount must equal at least the interest that has accrued on the loan or at least \$600 annually.</p>	<p><b>Graduated Repayment Plan</b></p> <p>Terms are the same for both programs.</p> <p>10-year repayment:                      Monthly payment: \$241 – lowest possible initial payment in years 1 &amp; 2 (equals interest only)                      Monthly payment for the remaining 8 years: \$499                      Total payment: \$53,688</p>
<b>3.</b>	<p><b>Extended Repayment Plan</b></p> <p>Available to new FDLP borrowers on or after October 7, 1998, who have a balance on their FDLP loans totaling more than \$30,000. Payments can be either fixed or graduated (lower at first and higher over time) over a period of up to 25 years.</p> <p>Minimum repayment amount must equal at least the interest that has accrued on the loan or \$600 annually.</p>	<p><b>Extended Repayment Plan</b></p> <p>Available to new FFELP borrowers on or after October 7, 1998, who have a balance on their FFELP loans totaling more than \$30,000. Payments can be either fixed or graduated (lower at first and higher over time) over a period of up to 25 years.</p> <p>Minimum repayment amount must equal at least the interest that has accrued on the loan or \$600 annually.</p>	<p><b>Extended Repayment Plan</b></p> <p>Terms are the same for both programs.</p> <p>20-year repayment:                      Monthly payment: \$298                      Total payment: \$71,520</p>

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<b>Loan Repayment (cont'd.)</b>		
<p><b>4.</b> [34 CFR §685.209</p> <p><b>Income Contingent Repayment (ICR) Plan</b></p> <p><b>ICR-B plan:</b> Monthly payments are based on the borrower's income, family size, and loan amount. No single payment can be more than three times greater than any other payment. Payments are adjusted annually as the borrower's income increases or decreases. Borrower may have up to 25 years to repay. After 25 years, any remaining balance is discharged, although the borrower must declare the amount discharged as taxable income. Not available to Direct PLUS borrowers.</p>	<p><b>Income Contingent Repayment Plan</b></p> <p>Not available on a borrower's FFELP loans.</p>	<p><b>Income Contingent Repayment Plan</b></p> <p>Based on income of \$25,000 and a family size of 3 people living in a contiguous U.S. State, using the 2012 Income percentage Factors. Assumes no change in income over the repayment period.</p> <p>25-year repayment:                      Monthly payment: \$99                      Total payments: \$29,700</p> <p>\$35,500 (\$35,000 plus 10% capitalized interest) in principal forgiven and possibly subject to income tax and \$38,987 in interest forgiven in the year repayment ceases.</p>
<p><b>5.</b> <b>ICR-A plan:</b> Effective <b>XX/XX/XX</b>, for an eligible new borrower who:</p> <ul style="list-style-type: none"> <li>• Has no outstanding balance on a FDLP loan or a FFELP loan as of October 1, 2007, or who has no outstanding balance on such a loan on the date the borrower receives a new loan after October 1, 2007; and</li> <li>• Receives a disbursement of a Direct Subsidized loan, Direct Unsubsidized loan, or student Direct PLUS loan on or after October 1, 2011; or</li> <li>• Receives a Direct Consolidation loan based on an application received on or after October 1, 2011, except if such loan repays a loan that would otherwise make the borrower ineligible based on the first bullet above</li> <li>• Borrower must have a partial financial hardship to qualify for this plan.</li> </ul>	<p><b>Income Contingent Repayment Plan</b></p> <p>Not available on a borrower's FFELP loans.</p>	<p><b>Income Contingent Repayment Plan</b></p>

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<b>Loan Repayment (cont'd.)</b>			
	<p><b>ICR-A plan (cont'd.)</b></p> <p>Monthly payments are based on the borrower's income, family size, and state of residence, and recalculated annually. Payment amount limited to no more than 10% of the amount by which the borrower's AGI exceeds 150% of the poverty guideline applicable to the borrower's family size.</p> <p>Borrower may have up to 20 years to repay. After 20 years, any remaining balance is cancelled, although the borrower must declare the amount cancelled as taxable income. Not available to Direct PLUS borrowers.</p>	<p><b>Income Contingent Repayment Plan</b></p> <p>Not available on a borrower's FFELP loans.</p>	<p><b>Income Contingent Repayment Plan</b></p>
6.	<p><b>Income-Sensitive Repayment Plan</b></p> <p>Not available on a borrower's FDLP loans.</p>	<p><b>Income-Sensitive Repayment (ISR) Plan</b></p> <p>Payments are adjusted annually based on a borrower's income (employment and other sources). Borrowers may choose to have their payments based on a percentage of their income. No single payment can be more than three times greater than any other payment.</p> <p>The loan holder may extend the borrower's maximum repayment term by up to five years, via the mandatory administrative forbearance under 682.211(i)(5), to accommodate reduced payments under the ISR plan.</p> <p>For more information about ISR for Consolidation loans, see "Consolidation Loans, ISR" below.</p>	<p><b>Income-Sensitive Repayment Plan</b></p> <p>10-year repayment, plus 5 years forbearance</p> <p>Monthly payment:                      \$241 – year 1-5 (interest only)                      \$429 – year 6-15 (standard repay)                      Total payments: \$65,940</p> <p>Loan is paid in full at the end of the repayment period.</p>

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	<b>Loan Repayment (cont'd.)</b>		
7.	<p>[34 CFR §685.221]</p> <p><b>Income-Based Repayment (IBR) Plan</b></p> <p>On or after July 1, 2009, a borrower with a “partial financial hardship” (PFH) may qualify for IBR on eligible loans (loans not in default, and not parent PLUS loans or Consolidation loans that repaid parent PLUS loans). To continue making PFH payments, a borrower must reapply annually by providing AGI and family size information. If the borrower fails to reapply or no longer has a PFH, the borrower’s payment amount will be converted to the permanent standard amount.</p> <p>Monthly payment amount may be as low as zero (\$0), and repayment may extend to as long as 25 years. Payment amount limited to no more than 15% of discretionary income (for purposes of IBR, the amount by which the borrower’s AGI exceeds 150% of the poverty guideline applicable to the borrower’s family size and state of residence). If the borrower has a remaining balance at the end of 25 years and meets other criteria, the remaining principal and interest may be cancelled. Periods of economic hardship deferment are included in the 25-year period.</p> <p>Effective for <b>new</b> borrowers with loans first disbursed on or after July 1, 2014, the monthly payment amount is limited to no more than 10% of discretionary income and forgiveness is granted at the end of 20 years.</p> <p>Also note that ED may require a borrower to repay defaulted loans under IBR after the loans are assigned [HEA §422(j)].</p>	<p>[34 CFR §682.215]</p> <p><b>Income-Based Repayment (IBR) Plan</b></p> <p>On or after July 1, 2009, a borrower with a “partial financial hardship” (PFH) may qualify for IBR on eligible loans (loans not in default, and not parent PLUS loans or Consolidation loans that repaid parent PLUS loans). To continue making PFH payments, a borrower must reapply annually by providing AGI and family size information. If the borrower fails to reapply or no longer has a PFH, the borrower’s payment amount will be converted to the permanent standard amount.</p> <p>Monthly payment amount may be as low as zero (\$0), and repayment may extend to as long as 25 years. Payment amount limited to no more than 15% of discretionary income (for purposes of IBR, the amount by which the borrower’s AGI exceeds 150% of the poverty guideline applicable to the borrower’s family size and state of residence). If the borrower has a remaining balance at the end of 25 years and meets other criteria, the remaining principal and interest may be cancelled. Periods of economic hardship deferment are included in the 25-year period.</p> <p>As no new FFELP loans are being made after July 1, 2010, the 10% and 20-year provisions will not apply to FFELP loans.</p>	<p><b>Income-Based Repayment Plan</b></p> <p>Under FFELP, defaulted loans are not eligible for IBR; under FDLP, ED may require the borrower to repay defaulted loans under an IBR plan.</p>



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<b>Loan Repayment (cont'd.)</b>			
<b>8.</b>	<p>[HEA §455(d)(4)]  <b>Alternative Repayment Plan</b></p> <p>Under exceptional circumstances, a borrower who is unable to repay under the standard, graduated, extended or income contingent repayment plans may be allowed to repay under an alternative repayment plan that must be approved by ED. Repayment period is up to 30 years.</p>	<p><b>Alternative Repayment Plan</b></p> <p>Not available on a borrower's FFELP loans.</p>	<p><b>Alternative Repayment Plan</b></p> <p>Available only on a borrower's FDLP loans.</p>
<b>9.</b>	<p><b>Combining Loans for Married Couples</b></p> <p>Married couples are allowed to combine payments if they are paying under the income-contingent repayment schedule as specified in §685.209(b).</p>	<p><b>Combining Loans for Married Couples</b></p> <p>Not available on a borrower's FFELP loans.</p>	<p><b>Combining Loans for Married Couples</b></p> <p>Available only on a borrower's FDLP loans.</p>
<b>Repayment Incentives</b>			
<b>1.</b>	<p>[HEA §455(b)(8)(A)]</p> <p>The Budget Control Act of 2011 (Public Law 112-25) eliminates Direct Loan up-front interest rebates for loans first disbursed on or after July 1, 2012.* However, ED is still permitted to provide:</p> <ul style="list-style-type: none"> <li>• A 0.25% interest rate reduction on all FDLP loan types for borrowers making payments under an electronic debit account plan.</li> <li>• Discretionary forbearance (ED's current policy is no more than 36 consecutive months).</li> </ul>	<p>The repayment incentives vary by lender.</p> <p>Lenders (or secondary markets) may offer reduced interest rates to borrowers who are making their scheduled payments on time.</p> <p>Repayment incentive practices may also include an interest rate reduction on all FFELP loan types for borrowers making payments under an electronic debit account plan.</p> <p>In addition, lenders may offer discretionary forbearance to prevent default and other repayment incentives based on their own policies.</p>	<p>FDLP reductions are standard for all borrowers.</p> <p>FFELP lenders have flexibility based on business practices.</p>

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<b>Repayment Incentives (cont'd.)</b>			
	<p>For prior years: ED had the authority to make reductions in the interest rate or origination fee paid by a borrower to encourage on-time payment.</p> <p>Repayment incentive included a 1.5% up-front rebate of interest on Stafford and PLUS loans based on the principal amount borrowed. If the borrower failed to make 12 on-time payments, the rebate amount was added back to the principal of the loan.</p> <p><i>*Exception: for any Special Direct Consolidation loan that is disbursed on or after July 1, 2012, based on an application received prior to July 1, 2012.</i></p>		
<b>Deferment</b>			
1.	<p>[34 CFR §685.204]</p> <p>An FDLP borrower is eligible for the following deferments:</p> <ul style="list-style-type: none"> <li>▪ Enrolled at least half-time in an eligible school.</li> <li>▪ Enrolled in a graduate fellowship program.</li> <li>▪ Enrolled in a rehabilitation program.</li> <li>▪ Unemployed (three-year limit).</li> <li>▪ Economic hardship (three-year limit).</li> </ul> <p>If at the time of application for the first FDLP loan a borrower had a balance on a FFELP loan made before 7-1-93, the borrower is also eligible for the pre-7-1-93 deferments on their FDLP loan(s).</p>	<p>[34 CFR §682.209; §682.210]</p> <p>A borrower whose outstanding FFELP loans were all made on or after July 1, 1993, or when the borrower's FFELP loan was made on or after July 1, 1993, the borrower had no outstanding FFELP loans that were made before July 1, 1993, is eligible for the following deferments:</p> <ul style="list-style-type: none"> <li>▪ Enrolled at least half-time in an eligible school.</li> <li>▪ Enrolled in a graduate fellowship program.</li> <li>▪ Enrolled in a rehabilitation program.</li> <li>▪ Unemployed (three-year limit).</li> <li>▪ Economic hardship (three-year limit).</li> </ul> <p>A FFELP loan borrower who does not meet one of the two criteria above will only receive the pre-7-1-93 deferments.</p>	<p>Deferment time-limits are borrower-specific (i.e., tracked at the borrower level) within each loan program. For example, if a borrower used 12 (of the 36) months of economic hardship deferment (HRD) on a FFELP loan, and then obtains a new FDLP loan, the borrower is eligible for 24 months of HRD on the FFELP loan and 36 months of HRD on the FDLP loan.</p>

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<b>Deferment (cont'd.)</b>			
<b>2.</b>	<p>[HEA §455(f)(2)(C)] <b>Military Deferments</b></p> <p>Effective for deferment periods which include October 1, 2007, or begin after that date, the 3-year limit on Active Military Service Deferments was eliminated.</p> <p>A 180-day post-demobilization deferment has been added, This 180-day deferment is available each time a borrower is demobilized and at the end of qualified active duty service. This deferment is called the Military Service Deferment – 180-day Extension.</p> <p>These deferments are not limited to loans made on or after July 2, 2001, as was the previous Military Deferment, all borrowers meeting the criteria are eligible regardless of the date the borrower’s loans were made.</p>	<p>[HEA §428(b)(1)(M)] <b>Military Deferments</b></p> <p>Effective for deferment periods which include October 1, 2007, or begin after that date, the 3-year limit on Active Military Service Deferments was eliminated.</p> <p>A 180-day post-demobilization deferment has been added, This 180-day deferment is available each time a borrower is demobilized and at the end of qualified active duty service. This deferment is called the Military Service Deferment – 180-day Extension.</p> <p>These deferments are not limited to loans made on or after July 2, 2001, as was the previous Military Deferment, all borrowers meeting the criteria are eligible regardless of the date the borrower’s loans were made.</p>	<p><b>Active Military Service Deferments</b></p> <p>Eligibility for these deferments is the same for both FDLP and FFELP borrowers.</p>
<b>3.</b>	<p>[HEA §493] <b>Post-Active Duty Student Deferment</b></p> <p>This deferment has been extended to include the 13-month period following military service for borrowers who are members of the National Guard or other Armed Forces reserve (current or retired members) that are called to active duty while enrolled (or enrolled within 6 months of the call to active duty) at an eligible institution. The deferment expires when the borrower returns to enrolled status.</p> <p>Effective for periods of service which include October 1, 2007, or begin after that date.</p>	<p>[HEA §493] <b>Post-Active Duty Student Deferment</b></p> <p>The deferment has been extended to include the 13-month period following military service for borrowers who are members of the National Guard or other Armed Forces reserve (current or retired members) that are called to active duty while enrolled (or enrolled within 6 months of the call to active duty) at an eligible institution. The deferment expires when the borrower returns to enrolled status.</p> <p>Effective for periods of service which include October 1, 2007, or begin after that date.</p>	<p><b>Post-Active Duty Student Deferment</b></p> <p>Eligibility for this deferment is the same for both FDLP and FFELP borrowers.</p>

# FDLP and FFELP Fact Sheet

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## FDLP

## FFELP

## Comments

Deferment (cont'd.)			
<b>4.</b>	<p>[HEA 428B(d)(1)]</p> <p><b>PLUS Loans: Deferment Eligibility</b></p> <p>Graduate PLUS loans first disbursed on or after July 1, 2008, are deferred without a request, unless the borrower states otherwise, as follows:</p> <ul style="list-style-type: none"> <li>• Graduate borrower is enrolled at least half time in an eligible school (this deferment is not new); and</li> <li>• For the six-month period immediately following the date on which the graduate borrower ceased at least half-time enrollment at an eligible school [post-enrollment deferment period].</li> </ul> <p>Parent PLUS loans first disbursed on or after July 1, 2008, are also deferred based on the parent borrower's at least half-time enrollment, unless the borrower states otherwise. No request is necessary when the servicer/lender receives enrollment information.</p> <p>Parent PLUS borrowers have the following additional deferment options available upon request:</p> <ul style="list-style-type: none"> <li>• While the student beneficiary is enrolled at least half time at an eligible school.</li> <li>• For the six-month period immediately following the date on which the student beneficiary or the parent borrower ceased at least half-time enrollment at an eligible school [post-enrollment deferment period].</li> </ul>	<p>[HEA 428B(d)(1)]</p> <p><b>PLUS Loans: Deferment Eligibility</b></p> <p>Graduate PLUS loans first disbursed on or after July 1, 2008, are deferred without a request, unless the borrower states otherwise, as follows:</p> <ul style="list-style-type: none"> <li>• Graduate borrower is enrolled at least half time in an eligible school (this deferment is not new); and</li> <li>• For the six-month period immediately following the date on which the graduate borrower ceased at least half-time enrollment at an eligible school [post-enrollment deferment period].</li> </ul> <p>Parent PLUS loans first disbursed on or after July 1, 2008, are also deferred based on the parent borrower's at least half-time enrollment, unless the borrower states otherwise. No request is necessary when the servicer/lender receives enrollment information.</p> <p>Parent PLUS borrowers have the following additional deferment options available upon request:</p> <ul style="list-style-type: none"> <li>• While the student beneficiary is enrolled at least half time at an eligible school.</li> <li>• For the six-month period immediately following the date on which the student beneficiary or the parent borrower ceased at least half-time enrollment at an eligible school [post-enrollment deferment period].</li> </ul>	<p><b>PLUS Loans: Deferment Eligibility</b></p> <p>Eligibility for this deferment is the same for both FDLP and FFELP borrowers.</p>

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FDLP	FFELP	Comments
<b>Discharge/Forgiveness</b>		
<p><b>1.</b> [34 CFR §685.212; §685.213; §685.214; §685.215; §685.216 and §685.217]</p> <ul style="list-style-type: none"> <li>▪ Total and permanent disability</li> <li>▪ Death</li> <li>▪ Bankruptcy</li> <li>▪ Closed schools/false certification</li> <li>▪ Unpaid refund</li> <li>▪ Full-time teachers who meet specific requirements</li> </ul>	<p>[34 CFR §682.102; §682.215; §682.402]</p> <ul style="list-style-type: none"> <li>▪ Total and permanent disability</li> <li>▪ Death</li> <li>▪ Bankruptcy</li> <li>▪ Closed schools/false certification</li> <li>▪ Unpaid refund</li> <li>▪ Full-time teachers who meet specific requirements</li> </ul>	<p>These discharges/forgiveness options are available to both FDLP and FFELP borrowers.</p>
<p><b>2.</b> [HEA §437(c)(1)] <b>False Certification due to Identify Theft</b></p> <p>Effective July 1, 2006: A new type of false certification discharge was created (for loans disbursed on or after January 1, 1986), authorizing a discharge if the borrower’s loan was falsely certified as a result of a crime of identity theft.</p>	<p>[HEA §437(c)(1)] <b>False Certification due to Identify Theft</b></p> <p>Effective July 1, 2006: A new type of false certification discharge was created (for loans disbursed on or after January 1, 1986), authorizing a discharge if the borrower’s loan was falsely certified as a result of a crime of identity theft.</p>	<p><b>False Certification due to Identify Theft</b></p> <p>This discharge is available to both FDLP and FFELP borrowers.</p>
<p><b>3.</b> <b>H.R. 6138—Third Higher Education Extension Act of 2006 (includes 9/11 discharge)</b></p> <p>Signed into law on September 30, 2006. Provides loan cancellation for eligible public servants, victims, and spouses and parents of victims of the September 11, 2001 attacks.</p>	<p><b>H.R. 6138—Third Higher Education Extension Act of 2006 (includes 9/11 discharge)</b></p> <p>Signed into law on September 30, 2006. Provides loan cancellation for eligible public servants, victims, and spouses and parents of victims of the September 11, 2001 attacks.</p>	<p><b>H.R. 6138—Third Higher Education Extension Act of 2006 (includes 9/11 discharge)</b></p> <p>This discharge is available to both FDLP and FFELP borrowers.</p> <p>Note: This discharge is also available to Perkins loan borrowers.</p>

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	FDLP	FFELP	Comments
<b>Discharge/Forgiveness (cont'd.)</b>			
<b>4.</b>	<p>[HEA §455(e)(7), §455(m), and §428C]</p> <p><b>Loan Forgiveness for Public Service Employees</b></p> <p>In 2007, Congress created the Public Service Loan Forgiveness Program to encourage individuals to enter and continue to work full time in public service jobs.</p> <p>Under this program, ED will cancel the balance of principal and interest outstanding at the end of the 10-year repayment period on any eligible Direct loan (Stafford, PLUS and Consolidation):</p> <ul style="list-style-type: none"> <li>• That is not in default,</li> <li>• For borrowers employed full-time in a public service job after they have made 120 separate monthly payments after October 1, 2007, on the Direct loan for which forgiveness is being requested. The first cancellation of loan balances will not be granted until October 2017.</li> </ul>	<p><b>Loan Forgiveness for Public Service Employees</b></p> <p>Not available to FFELP borrowers unless they consolidate through FDLP consolidation. However, only payments made on the FDLP Consolidation loan will count toward the required 120 monthly payments.</p>	<p><b>Loan Forgiveness for Public Service Employees</b></p> <p>This loan forgiveness program is only available to FDLP borrowers. FFELP borrowers are allowed to consolidate their FFELP loans into a FDLP Consolidation loan in order to take advantage of this loan forgiveness program.</p>

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	FDLP	FFELP	Comments
<b>Discharge/Forgiveness (cont'd.)</b>			
5.	<p>[HEA §428K]</p> <p><b>Loan Forgiveness for Service in Areas of National Need</b></p> <p>Note: Although the HEA authorizes appropriations for 2009 through 2014, Congress has not appropriated funds for this forgiveness program.</p> <p>A loan forgiveness program for loan borrowers who are employed full-time in an area of national need, including: early childhood educators, nurses, foreign language specialists, librarians, teachers educating students who are limited English proficient, teachers serving in low-income communities, teachers in underrepresented populations, child welfare workers, speech-language pathologists and audiologists, school counselors, public safety workers, emergency management workers, emergency medical technicians, public health workers, public interest legal services, nutritional specialists, medical specialists, mental health professionals, dentists, applied sciences, technology, engineering, or mathematics employees, physical therapists, school superintendents, principals, or other administrators in low-income areas, and occupational therapists.</p> <p>Loan forgiveness may be up to \$2,000 a year, not to exceed five years of service for a total aggregate forgiveness amount of \$10,000.</p> <p>Forgiveness is granted on a first-come, first-served basis, subject to the availability of funds. There are no refunds of any payments.</p>	<p>[HEA §428K]</p> <p><b>Loan Forgiveness for Service in Areas of National Need</b></p> <p>Note: Although the HEA authorizes appropriations for 2009 through 2014, Congress has not appropriated funds for this forgiveness program.</p> <p>A loan forgiveness program for loan borrowers who are employed full-time in an area of national need, including: early childhood educators, nurses, foreign language specialists, librarians, teachers educating students who are limited English proficient, teachers serving in low-income communities, teachers in underrepresented populations, child welfare workers, speech-language pathologists and audiologists, school counselors, public safety workers, emergency management workers, emergency medical technicians, public health workers, public interest legal services, nutritional specialists, medical specialists, mental health professionals, dentists, applied sciences, technology, engineering, or mathematics employees, physical therapists, school superintendents, principals, or other administrators in low-income areas, and occupational therapists.</p> <p>Loan forgiveness may be up to \$2,000 a year, not to exceed five years of service for a total aggregate forgiveness amount of \$10,000.</p> <p>Forgiveness is granted on a first-come, first-served basis, subject to the availability of funds. There are no refunds of any payments.</p>	<p><b>Loan Forgiveness for Service in Areas of National Need</b></p>

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	FDLP	FFELP	Comments
	<b>Discharge/Forgiveness (cont'd.)</b>		
<b>6.</b>	<p>[HEA §428L] <b>Loan Repayment for Civil Legal Assistance Attorneys</b></p> <p>Note: The Consolidated Appropriations Act, 2010, enacted on December 16, 2009 (Public Law 111-117) authorized funding for this program in the amount of \$5M for FY 2010. Although the HEA authorizes appropriations for 2009 through 2014, Congress has not appropriated funds for this forgiveness program beyond FY 2010.</p> <p>A forgiveness program for civil legal assistance attorneys who are employed full-time at:</p> <ul style="list-style-type: none"> <li>• A nonprofit organization that provides free civil legal assistance to low-income individuals, or</li> <li>• A protection and advocacy system or client assistance program funded by a qualified federal program.</li> </ul> <p>Loan forgiveness may be up to \$6,000 a year not to exceed \$40,000.</p> <p>Distributed on a first-come first-served basis, with priority given to those:</p> <ul style="list-style-type: none"> <li>• Where 90% or more of legal practice for first 5 years, or less, as an attorney has been spent as a civil legal assistance attorney</li> <li>• Who received this benefit the previous year</li> <li>• Who completed less than 3 years of their service.</li> </ul>	<p>[HEA §428L] <b>Loan Repayment for Civil Legal Assistance Attorneys</b></p> <p>Note: The Consolidated Appropriations Act, 2010, enacted on December 16, 2009 (Public Law 111-117) authorized funding for this program in the amount of \$5M for FY 2010. Although the HEA authorizes appropriations for 2009 through 2014, Congress has not appropriated funds for this forgiveness program beyond FY 2010.</p> <p>A forgiveness program for civil legal assistance attorneys who are employed full-time at:</p> <ul style="list-style-type: none"> <li>• A nonprofit organization that provides free civil legal assistance to low-income individuals, or</li> <li>• A protection and advocacy system or client assistance program funded by a qualified federal program.</li> </ul> <p>Loan forgiveness may be up to \$6,000 a year not to exceed \$40,000.</p> <p>Distributed on a first-come first-served basis, with priority given to those:</p> <ul style="list-style-type: none"> <li>• Where 90% or more of legal practice for first 5 years, or less, as an attorney has been spent as a civil legal assistance attorney</li> <li>• Who received this benefit the previous year</li> <li>• Who completed less than 3 years of their service.</li> </ul>	<b>Loan Repayment for Civil Legal Assistance Attorneys</b>



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	FDLP	FFELP	Comments
<b>CONSOLIDATION LOANS</b>			
<b>Consolidation Loan Eligibility Requirements</b>			
<b>1.</b>	<p>[HEA §455(g); 34 CFR §685.102 and §685.220]</p> <p>FDLP consolidation allows borrowers with FFELP and/or FDLP loans to consolidate both loan types. Other loans such as Perkins and Health Professions Loans can be consolidated into an FDLP Consolidation loan if at least one FFELP or FDLP is included in the consolidation.</p> <p>Special Direct Consolidation Loan initiative available for six months from January 17 through June 30, 2012, to borrowers with <b>both</b> commercial FFELP and Federally-owned loans.</p> <p>FDLP consolidation is available to any borrower, including FFELP borrowers.</p>	<p>[HEA §428C(b)(5); 34 CFR §682.100; §682.102; §682.200; §682.201; §682.209]</p> <p>FFELP originations were eliminated effective for loans with a first disbursement on or after July 1, 2010.</p> <p>For prior years: FFELP consolidation allowed borrowers with FFELP and/or FDLP loans to consolidate both loan types. Other loans such as Perkins and Health Professions Loans could be consolidated into an FFELP Consolidation loan. An FFELP loan did not have to be included in the FFELP Consolidation Loan. A single eligible loan could be consolidated into the FFELP Consolidation.</p>	<p>Prior to July 1, 2010, a borrower with only FDLP loans could obtain an FFELP Consolidation loan; however, a borrower with only FFELP loans could obtain an FDLP Consolidation loan only under certain situations.</p>
<b>2.</b>	<p>[HEA §455(g)]</p> <p>FDLP consolidation is available only during grace and repayment periods.</p>	<p>[HEA §428C(a)(3)]</p> <p>FFELP originations were eliminated effective for loans with a first disbursement on or after July 1, 2010.</p> <p>For prior years: FFELP consolidation was available only during grace and repayment periods.</p>	

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	FDLP	FFELP	Comments
<b>Consolidation Loan Eligibility Requirements (cont'd.)</b>			
<b>3.</b>	<p>[HEA §455(g)] <b>Defaulted borrowers</b></p> <p>Borrowers who are in default may be eligible for consolidation and may re-enter repayment through consolidation. A borrower in default must make satisfactory repayment arrangements or agree to repay the FDLP Consolidation loan under the Income Contingent Repayment or Income-Based Repayment plan.</p>	<p>[HEA §428C(a)(3)] <b>Defaulted borrowers</b></p> <p>FFELP originations were eliminated effective for loans with a first disbursement on or after July 1, 2010.</p> <p>For prior years: Borrowers who were in default may have been eligible for consolidation and were permitted to re-enter repayment through consolidation. A borrower in default must have made satisfactory repayment arrangements or agreed to repay the FFELP Consolidation loan under the Income-Sensitive Repayment or Income-Base Repayment plan.</p>	<b>Defaulted borrowers</b>
<b>4.</b>	<p><b>180 day Add-on Provision</b></p> <p>A borrower can add an additional loan(s) to an existing FDLP Consolidation loan up to 180 days after the consolidation is made. After 180 days, the borrower can include an additional loan(s) in a subsequent Consolidation loan.</p>	<p><b>180 day Add-on Provision</b></p> <p>FFELP originations were eliminated effective for loans with a first disbursement on or after July 1, 2010.</p> <p>For prior years: A borrower could have added an additional loan(s) to an existing FFELP Consolidation loan up to 180 days after the consolidation is made. After 180 days, the borrower could have included an additional loan(s) in a subsequent Consolidation loan.</p>	<b>180 day Add-on Provision</b>

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	FDLP	FFELP	Comments
<b>Consolidation Loan Eligibility Requirements (cont'd.)</b>			
<b>5.</b>	<p>[HEA §428C(a)(3)(B)(i)(V), 34 CFR §685.220(d)(i)(5)]</p> <p><b>Reconsolidation of an existing Consolidation loan</b></p> <p>FDLP borrowers with only a single Consolidation loan may not reconsolidate.</p> <p>A borrower with only a single FFELP Consolidation loan can obtain a subsequent Consolidation loan under FDLP solely for the purpose of obtaining an income contingent repayment plan, and only if the loan has been submitted to the guaranty agency for default aversion or is in default.</p> <p>Effective July 1, 2008, an FFELP borrower may obtain a subsequent Consolidation loan under the Direct Loan program if the borrower wishes to participate in the public service loan forgiveness program.</p> <p>An FFELP borrower may obtain a subsequent Consolidation loan under the Direct Loan program for purposes of using the ‘no accrual of interest’ benefit for active duty service members. Applicable only to FDLP loans first disbursed on and after October 1, 2008.</p> <p>Effective July 1, 2009, an FFELP borrower may also obtain a subsequent Consolidation loan under FDLP for the purpose of obtaining an income-based repayment plan, and only if the loan has been submitted to the guaranty agency for default aversion or is in default.</p>	<p><b>Reconsolidation of an existing Consolidation loan</b></p> <p>FFELP originations were eliminated effective for loans with a first disbursement on or after July 1, 2010.</p> <p>For prior years: A borrower with only a single Consolidation loan could not reconsolidate the Consolidation loan under FFELP.</p> <p>A borrower must have had another eligible loan, which may be another Consolidation loan, in order to reconsolidate in FFELP.</p> <p>A FFELP borrower could reconsolidate a single FFELP Consolidation loan into a new FDLP Consolidation loan under certain conditions (see the FDLP column for more details).</p>	<p><b>Reconsolidation of an existing Consolidation loan</b></p> <p>Prior to July 1, 2010, FFELP borrowers could reconsolidate a single FFELP Consolidation into a new FDLP Consolidation loan under certain conditions. FDLP borrowers with only a single Consolidation loan may not reconsolidate.</p>

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	FDLP	FFELP	Comments
<b>Consolidation Loan Eligibility Requirements (cont'd.)</b>			
	<p>A single FFEL Consolidation loan held by a guaranty agency as a result of a bankruptcy claim, may be consolidated into FDLP even though default aversion assistance has not been requested.</p> <p>A borrower must have another eligible loan, which may be another Consolidation loan, in order to reconsolidate outside of the above exception. ED has clarified that all eligible loans have equal standing for purposes of consolidation.</p>		
<b>Consolidation Loan Interest Rate</b>			
<b>1.</b>	<p>[34 CFR §685.202]</p> <p>The weighted average of the interest rates on the loans being consolidated, rounded up to the nearest one-eighth of one percent, with a cap of 8.25 percent. This interest rate is fixed for the life of the loan.</p> <p>Any portion of the Consolidation loan that repaid a loan under the HEAL program receives the same interest rate.</p>	<p>[34 CFR §682.202]</p> <p>FFELP originations were eliminated effective for loans with a first disbursement on or after July 1, 2010.</p> <p>For prior years: The weighted average of the interest rates on the loans being consolidated, was rounded up to the nearest one-eighth of one percent, with a cap of 8.25 percent. This interest rate was fixed for the life of the loan.</p> <p>Any portion of the Consolidation loan that repaid a loan under the HEAL program received a variable interest rate that changed each July 1 and was based on the average of the bond equivalent rate of 91-day T-bill for the quarter ending June 30 of that year, plus 3%, with no maximum.</p>	<p>There is a statutory difference between FDLP and FFELP in regard to the interest rate on any portion of the Consolidation loan that repaid a loan under the HEAL program.</p>

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FDLP	FFELP	Comments
<b>Consolidation Loan Repayment Plans</b>		
Effective for FDLP borrowers who enter repayment on or after July 1, 2006: The Higher Education Reconciliation Act of 2005 revised the Higher Education Act to require that FDLP and FFELP repayment plans be consistent.	<p>FFELP originations were eliminated effective for loans with a first disbursement on or after July 1, 2010.</p> <p>The Higher Education Reconciliation Act of 2005 revised the Higher Education Act to require that FDLP and FFELP repayment plans be consistent.</p>	The only differences allowed are the income contingent repayment plan and the alternative repayment plan in FDLP, and the income-sensitive repayment plan in FFELP.
[HEA §455(a)(2)]  An FDLP Consolidation loan borrower may have up to 30 years to repay the Consolidation loan depending upon the borrower's total outstanding student loan indebtedness and type of repayment plan selected.	[34 CFR §682.102 and §682.209]  FFELP originations were eliminated effective for loans with a first disbursement on or after July 1, 2010.  For FFELP Consolidation loans made prior to July 1, 2010: An FFELP Consolidation loan borrower may have up to 30 years to repay the Consolidation loan depending upon the borrower's total outstanding student loan indebtedness and type of repayment plan selected.	
<b>1.</b>  <b>Standard:</b> FDLP Consolidation loan borrowers will receive standard repayment terms (fixed amount each month) as follows: Less than \$7,500 = 10 years \$7,500 but less than \$10,000 = 12 years \$10,000 but less than \$20,000 = 15 years \$20,000 but less than \$40,000 = 20 years \$40,000 but less than \$60,000 = 25 years \$60,000 and greater = 30 years	For FFELP Consolidation loans made prior to July 1, 2010: <b>Standard:</b> FFELP Consolidation loan borrowers will receive standard repayment terms (fixed amount each month) as follows: Less than \$7,500 = 10 years \$7,500 but less than \$10,000 = 12 years \$10,000 but less than \$20,000 = 15 years \$20,000 but less than \$40,000 = 20 years \$40,000 but less than \$60,000 = 25 years \$60,000 and greater = 30 years	

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	FDLP	FFELP	Comments
<b>Consolidation Loan Repayment Plans (cont'd.)</b>			
2.	<p><b>Graduated:</b> FDLP Consolidation loan borrowers will receive the same length of time as under the FDLP standard Consolidation loan repayment plan but for the first few years, payments are lower and increase over the length of the repayment period. No single payment can be more than three times greater than any other payment.</p>	<p>For FFELP Consolidation loans made prior to July 1, 2010: <b>Graduated:</b> FFELP Consolidation loan borrowers will receive the same length of time as under the FFELP standard Consolidation loan repayment plan but for the first few years, payments are lower and increase over the length of the repayment period. No single payment can be more than three times greater than any other payment.</p>	
3.	<p><b>Extended:</b> FDLP Consolidation loan borrowers with total outstanding FDLP loan indebtedness greater than \$30,000 but less than \$40,000 may choose an extended repayment plan to obtain 25 years of repayment instead of 20 years of repayment, as long as they meet the FDLP extended repayment plan eligibility requirements for October 7, 1998 New Borrowers.</p>	<p>For FFELP Consolidation loans made prior to July 1, 2010: <b>Extended:</b> FFELP Consolidation loan borrowers with total outstanding FFELP loan indebtedness greater than \$30,000 but less than \$40,000 may choose an extended repayment plan to obtain 25 years of repayment instead of 20 years of repayment, as long as they meet the FFELP extended repayment plan eligibility requirements for October 7, 1998 New Borrowers.</p>	
4.	<p><b>Income Contingent (ICR):</b> FDLP Consolidation loan borrowers are eligible for income contingent schedules under the FDLP regulations. No single payment can be more than three times greater than any other payment.</p> <p>FDLP PLUS Consolidation loans made before July 1, 2006, are not eligible for ICR. Consolidation loans made on or after July 1, 2006, are eligible for ICR, even if the loan includes any type of PLUS loan.</p> <p>For more information about the ICR plan, see “Loan Repayment” section above.</p>	<p>For FFELP Consolidation loans made prior to July 1, 2010: <b>Income-Sensitive:</b> FFELP Consolidation loan borrowers receive the same length of time as under FFELP standard Consolidation loan repayment plans but their payment amounts will be based on their income. No single payment can be more than three times greater than any other payment.</p>	<p>Income contingent and income-sensitive are two different types of repayment plans.</p>

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	FDLP	FFELP	Comments
<b>Consolidation Loan Repayment Plans (cont'd.)</b>			
<b>5.</b>	<p><b>Income-Based Repayment Plan</b></p> <p>On or after July 1, 2009, a borrower determined to have a “partial financial hardship” may qualify for IBR on eligible loans (loans not in default, and not parent PLUS Loans or Consolidation loans that repaid parent PLUS Loans). A borrower must reapply annually by providing AGI and family size information.</p> <p>Monthly payment amount may be calculated as low as zero (\$0) and repayment may extend up to 25 years. If the borrower has a remaining balance at the end of 25 years and meets other criteria, the remaining principal and interest may be cancelled. Periods of economic hardship deferment are included in the 25-year period</p> <p>Effective for <b>new</b> borrowers with loans first disbursed on or after July 1, 2014, the monthly payment amount is limited to no more than 10% of discretionary income and forgiveness is granted at the end of 20 years.</p> <p>Also note that ED may require a borrower to repay defaulted loans under IBR after the loans are assigned [HEA §422(j)].</p> <p>FDLP Consolidation loans that repaid a parent PLUS loan are not eligible for IBR.</p>	<p>For FFELP Consolidation loans made prior to July 1, 2010:</p> <p><b>Income-Based Repayment Plan</b></p> <p>On or after July 1, 2009, a borrower determined to have a “partial financial hardship” may qualify for IBR on eligible loans (loans not in default, and not parent PLUS Loans or Consolidation loans that repaid parent PLUS Loans). A borrower must reapply annually by providing AGI and family size information.</p> <p>Monthly payment amount maybe calculated as low as zero (\$0) and repayment may extend up to 25 years. If the borrower has a remaining balance at the end of 25 years and meets other criteria, the remaining principal and interest may be cancelled. Periods of economic hardship deferment are included in the 25-year period.</p> <p>FFELP Consolidation loans that repaid a Parent PLUS loan are not eligible for IBR.</p>	<p><b>Income-Based Repayment Plan</b></p> <p>Under FFELP, defaulted loans are not eligible for IBR; under FDLP, ED may require the borrower to repay defaulted loans under an IBR plan.</p>

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	FDLP	FFELP	Comments
<b>Consolidation Loan Deferment</b>			
<b>1.</b>	<p>[34 CFR §685.202 and §685.207]</p> <p>Borrowers who consolidate a combination of subsidized and unsubsidized loans continue to be eligible for interest subsidy (no interest accrual) during authorized periods of deferment on the portion of the Consolidation loan that repaid subsidized loans.</p> <p>This does not include Perkins loans—see 34 CFR §685.220(c)(1).</p>	<p>[34 CFR §682.102 and §682.209]</p> <p>For FFELP Consolidation loans made prior to July 1, 2010:</p> <p>Borrowers who consolidate a combination of subsidized and unsubsidized loans continue to be eligible for interest subsidy during authorized periods of deferment on the portion of the Consolidation loan that repaid subsidized loans.</p> <p>This does not include Perkins loans—see 34 CFR §682.301(a)(3).</p>	<p>Perkins loans are not eligible for the interest subsidy benefits under FFELP or FDLP consolidation.</p>
<b>2.</b>	<p>[34 CFR §685.204]</p> <p>Borrowers receive the deferment benefits applicable to their oldest loan outstanding or included in the FDLP Consolidation loan.</p>	<p>[34 CFR §682.210]</p> <p>For FFELP Consolidation loans made prior to July 1, 2010:</p> <p>For borrowers who have consolidated FFELP loans, the deferment options available are based on the deferment provisions that are available for the oldest FFELP loan not included in the Consolidation loan. If all loans are consolidated, the borrower is eligible for the deferments currently available to new borrowers.</p>	<p>Both FDLP and FFELP Consolidation loan borrowers should contact their holder regarding possible impact on future deferment eligibility.</p>



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	FDLP	FFELP	Comments
<b>Consolidation Loan Deferment (cont'd.)</b>			
<b>3.</b>	<p>[HEA §455(f)(2)(C)]</p> <p><b>Military Deferments</b></p> <p>Effective for deferments granted or extended on or after October 1, 2007, the 3-year limit on Active Military Service Deferments was eliminated.</p> <p>A 180-day post demobilization deferment has been added effective for deferments granted on or after October 1, 2007. This 180-day deferment is available each time a borrower is demobilized and at the end of qualified active duty service. This deferment is called the Military Service Deferment – 180-day Extension.</p> <p>These deferments are not limited to loans made on or after July 2, 2001 as was the previous Military Deferment, all borrowers meeting the criteria are eligible regardless of the date the borrower’s loans were made.</p>	<p>[HEA §428(b)(1)(M)]</p> <p><b>Military Deferments</b></p> <p>For FFELP Consolidation loans made prior to July 1, 2010:</p> <p>Effective for deferments granted or extended on or after October 1, 2007, the 3-year limit on Active Military Service Deferments was eliminated.</p> <p>A 180-day post demobilization deferment has been added effective for deferments granted on or after October 1, 2007. This 180-day deferment is available each time a borrower is demobilized and at the end of qualified active duty service. This deferment is called the Military Service Deferment – 180-day Extension.</p> <p>These deferments are not limited to loans made on or after July 2, 2001 as was the previous Military Deferment, all borrowers meeting the criteria are eligible regardless of the date the borrower’s loans were made.</p>	<p><b>Active Military Service Deferments</b></p> <p>These deferments are available to both FDLP and FFELP Consolidation loan borrowers.</p>

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	FDLP	FFELP	Comments
<b>Consolidation Loan Deferment (cont'd.)</b>			
4.	<p>[HEA §493]</p> <p><b>Post-Active Duty Student Deferment</b></p> <p>This deferment has been extended to include the 13-month period following military service for borrowers who are members of the National Guard or other Armed Forces reserve (current or retired members) that are called to active duty while enrolled (or enrolled within 6 months of the call to active duty) at an eligible institution. The deferment expires when the borrower returns to enrolled status.</p> <p>Effective for deferment requests granted or extended on or after October 1, 2007.</p>	<p>[HEA §493]</p> <p><b>Post-Active Duty Student Deferment</b></p> <p>For FFELP Consolidation loans made prior to July 1, 2010:</p> <p>This deferment has been extended to include the 13-month period following military service for borrowers who are members of the National Guard or other Armed Forces reserve (current or retired members) that are called to active duty while enrolled (or enrolled within 6 months of the call to active duty) at an eligible institution. The deferment expires when the borrower returns to enrolled status.</p> <p>Effective for deferment requests granted or extended on or after October 1, 2007.</p>	<p><b>Post-Active Duty Student Deferment</b></p> <p>This deferment is available to both FDLP and FFELP Consolidation loan borrowers.</p>
<b>Consolidation Loan Discharge/Forgiveness</b>			
1.	<p>[34 CFR §685.212]</p> <p><b>Death Discharge</b></p> <p>If PLUS loans are consolidated and the student on whose behalf the parent borrowed dies, the parent may have the underlying PLUS loans discharged.</p>	<p>[34 CFR §682.215 and §682.402]</p> <p>For FFELP Consolidation loans made prior to July 1, 2010:</p> <p><b>Death Discharge</b></p> <p>If PLUS loans are consolidated and the student on whose behalf the parent borrowed dies, the parent may have the underlying PLUS loans discharged.</p>	<p><b>Death Discharge</b></p> <p>This discharge is available to both FDLP and FFELP Consolidation loan borrowers.</p>

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	FDLP	FFELP	Comments
<b>Consolidation Loan Discharge/Forgiveness (cont'd.)</b>			
<b>2.</b>	<p>[GEN-06-02] <b>Spousal Consolidation</b></p> <p>For Consolidation loan applications received prior to July 1, 2006: Spousal Consolidation loan borrowers may have underlying loans discharged based on false certification, unpaid refunds, closed school (for loans disbursed on or after January 1, 1986), death, or total and permanent disability. Partial discharge is available for Spousal Consolidation loan borrowers when only one borrower dies or becomes disabled.</p>	<p>[GEN-06-02] <b>Spousal Consolidation</b></p> <p>For Consolidation loan applications received prior to July 1, 2006: Spousal Consolidation loan borrowers may have underlying loans discharged based on false certification, unpaid refunds, closed school (for loans disbursed on or after January 1, 1986), death, or total and permanent disability. Partial discharge is available for Spousal Consolidation loan borrowers when only one borrower dies or becomes disabled.</p>	<p><b>Spousal Consolidation</b></p> <hr/> <p>This discharge is available to both FDLP and FFELP Consolidation loan borrowers.</p>
<b>3.</b>	<p><b>Teacher Loan Forgiveness</b></p> <p>Teacher Loan Forgiveness available up to the amount allowed for the underlying eligible loans.</p>	<p><b>Teacher Loan Forgiveness</b></p> <p>For FFELP Consolidation loans made prior to July 1, 2010: Teacher Loan Forgiveness available up to the amount allowed for the underlying eligible loans.</p>	<p><b>Teacher Loan Forgiveness</b></p> <hr/> <p>This discharge is available to both FDLP and FFELP Consolidation loan borrowers.</p>
<b>4.</b>	<p>[HEA §455(e)(7), §455(m), and §428C] <b>Loan Forgiveness for Public Service Employees</b></p> <p>ED will cancel the balance of principal and interest outstanding at the end of the 10-year repayment period on any eligible Direct loan (Stafford, PLUS and Consolidation):</p> <ul style="list-style-type: none"> <li>• That is not in default,</li> <li>• For borrowers employed full-time in a public service job after they have made 120 separate monthly payments after October 1, 2007 on the Direct loan for which forgiveness is being requested.</li> </ul>	<p><b>Loan Forgiveness for Public Service Employees</b></p> <p>Not available to FFELP borrowers unless they consolidate through FDLP consolidation.</p>	<p><b>Loan Forgiveness for Public Service Employees</b></p> <hr/> <p>This loan forgiveness program is only available to FDLP borrowers. FFELP borrowers are allowed to consolidate their FFELP loans into a FDLP Consolidation loan in order to take advantage of this loan forgiveness.</p>

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	FDLP	FFELP	Comments
<b>Consolidation Loan Discharge/Forgiveness (cont'd.)</b>			
5.	<p>[HEA §428K]  <b>Loan Forgiveness for Service in Areas of National Need</b></p> <p>Note: Although the HEA authorizes appropriations for 2009 through 2014, Congress has not appropriated funds for this forgiveness program.</p> <p>A loan forgiveness program for loan borrowers who are employed full-time in an area of national need, including:</p> <p>early childhood educators, nurses, foreign language specialists, librarians, teachers educating students who are limited English proficient, teachers serving in low-income communities, teachers in underrepresented populations, child welfare workers, speech-language pathologists and audiologists, school counselors, public safety workers, emergency management workers, emergency medical technicians, public health workers, public interest legal services, nutritional specialists, medical specialists, mental health professionals, dentists, applied sciences, technology, engineering, or mathematics employees, physical therapists, school superintendents, principals, or other administrators in low-income areas, and occupational therapists.</p> <p>Loan forgiveness may be up to \$2,000 a year, not to exceed five years of service for a total aggregate forgiveness amount of \$10,000.</p> <p>Authorized to be appropriated by Congress for 2009 through 2014. Forgiveness is granted on a first-come, first-served basis, subject to the availability of funds. There are no refunds of any payments.</p>	<p>[HEA §428K]  <b>Loan Forgiveness for Service in Areas of National Need</b></p> <p>Note: Although the HEA authorizes appropriations for 2009 through 2014, Congress has not appropriated funds for this forgiveness program.</p> <p>A loan forgiveness program for loan borrowers who are employed full-time in an area of national need, including:</p> <p>early childhood educators, nurses, foreign language specialists, librarians, teachers educating students who are limited English proficient, teachers serving in low-income communities, teachers in underrepresented populations, child welfare workers, speech-language pathologists and audiologists, school counselors, public safety workers, emergency management workers, emergency medical technicians, public health workers, public interest legal services, nutritional specialists, medical specialists, mental health professionals, dentists, applied sciences, technology, engineering, or mathematics employees, physical therapists, school superintendents, principals, or other administrators in low-income areas, and occupational therapists.</p> <p>Loan forgiveness may be up to \$2,000 a year, not to exceed five years of service for a total aggregate forgiveness amount of \$10,000.</p> <p>Authorized to be appropriated by Congress for 2009 through 2014. Forgiveness is granted on a first-come, first-served basis, subject to the availability of funds. There are no refunds of any payments.</p>	<p><b>Loan Forgiveness for Service in Areas of National Need</b></p>

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	FDLP	FFELP	Comments
	<b>Consolidation Loan Discharge/Forgiveness (cont'd.)</b>		
<b>6.</b>	<p>[HEA §428L] <b>Loan Repayment for Civil Legal Assistance Attorneys</b></p> <p>Note: The Consolidated Appropriations Act, 2010, enacted on December 16, 2009 (Public Law 111-117) authorized funding for this program in the amount of \$5M for FY 2010. Although the HEA authorizes appropriations for 2009 through 2014, Congress has not appropriated funds for this forgiveness program beyond FY 2010.</p> <p>A forgiveness program for civil legal assistance attorneys who are employed full-time at:</p> <ul style="list-style-type: none"> <li>• A nonprofit organization that provides free civil legal assistance to low-income individuals, or</li> <li>• A protection and advocacy system or client assistance program funded by a qualified federal program.</li> </ul> <p>Loan forgiveness may be up to \$6,000 a year not to exceed \$40,000.</p> <p>Authorized to be appropriated by Congress for 2009 through 2014. Distributed on a first-come first-served basis, with priority given to those:</p> <ul style="list-style-type: none"> <li>• Where 90% or more of legal practice for first 5 years, or less, as an attorney has been spent as a civil legal assistance attorney</li> <li>• Who received this benefit the previous year</li> <li>• Who completed less than 3 years of their service.</li> </ul>	<p>[HEA §428L] <b>Loan Repayment for Civil Legal Assistance Attorneys</b></p> <p>Note: The Consolidated Appropriations Act, 2010, enacted on December 16, 2009 (Public Law 111-117) authorized funding for this program in the amount of \$5M for FY 2010. Although the HEA authorizes appropriations for 2009 through 2014, Congress has not appropriated funds for this forgiveness program beyond FY 2010.</p> <p>A forgiveness program for civil legal assistance attorneys who are employed full-time at:</p> <ul style="list-style-type: none"> <li>• A nonprofit organization that provides free civil legal assistance to low-income individuals, or</li> <li>• A protection and advocacy system or client assistance program funded by a qualified federal program.</li> </ul> <p>Loan forgiveness may be up to \$6,000 a year not to exceed \$40,000.</p> <p>Authorized to be appropriated by Congress for 2009 through 2014. Distributed on a first-come first-served basis, with priority given to those:</p> <ul style="list-style-type: none"> <li>• Where 90% or more of legal practice for first 5 years, or less, as an attorney has been spent as a civil legal assistance attorney</li> <li>• Who received this benefit the previous year</li> <li>• Who completed less than 3 years of their service.</li> </ul>	<p><b>Loan Repayment for Civil Legal Assistance Attorneys</b></p>

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	FDLP	FFELP	Comments
<b>Consolidation Loan Discharge/Forgiveness (cont'd.)</b>			
<b>7.</b>	<p>[HEA §437(c)(1); FP-06-05]  <b>False Certification Discharge due to Identity Theft</b></p> <p>Effective July 1, 2006:                      A new type of false certification discharge was created (for loans disbursed on or after January 1, 1986) authorizing a discharge if the borrower’s loan was falsely certified as a result of a crime of identity theft. All or a portion of a FDLP Consolidation loan is eligible for discharge if it is determined that the borrower’s eligibility for one or more of the loans that were consolidated was falsely certified as a result of a crime of identify theft.</p>	<p>[HEA §437(c)(1); FP-06-05]  <b>False Certification Discharge due to Identity Theft</b></p> <p>Effective July 1, 2006:                      A new type of false certification discharge was created (for loans disbursed on or after January 1, 1986) authorizing a discharge if the borrower’s loan was falsely certified as a result of a crime of identity theft. All or a portion of a FFELP Consolidation loan is eligible for discharge if it is determined that the borrower’s eligibility for one or more of the loans that were consolidated was falsely certified as a result of a crime of identify theft.</p>	<p><b>False Certification Discharge due to Identity Theft</b></p> <p>This discharge is available to both FDLP and FFELP borrowers.</p>
<b>8.</b>	<p>[34 CFR §685.213]  <b>Total and Permanent Disability Discharge</b></p> <p>For a Consolidation loan, a borrower must be certified totally and permanently disabled (TPD) according to FDLP discharge criteria for all underlying loans—including any non-FDLP loans. In other words, all of the underlying loans would be eligible for discharge due to TPD had these loans not been consolidated.</p> <p>If a Consolidation loan is made jointly to a married couple as co-makers, and one of the borrowers becomes totally and permanently disabled, the portion of the Consolidation loan attributable to the disabled borrower may be discharged. However, both borrowers remain jointly and severally liable for any remaining balance after the discharge.</p>	<p>[34 CFR §682.402(c); §682.402(a)]  <b>Total and Permanent Disability Discharge</b></p> <p>For a Consolidation loan, a borrower must be certified totally and permanently disabled (TPD) according to FFELP discharge criteria for all underlying loans—including any non-FFELP loans. In other words, all of the underlying loans would be eligible for discharge due to TPD had these loans not been consolidated.</p> <p>If a Consolidation loan is made jointly to a married couple as co-makers, and one of the borrowers becomes totally and permanently disabled, the portion of the Consolidation loan attributable to the disabled borrower may be discharged. However, both borrowers remain jointly and severally liable for any remaining balance after the discharge.</p>	<p><b>Total and Permanent Disability Discharge</b></p> <p>This discharge is available to both FDLP and FFELP borrowers.</p>

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<b>Consolidation Loan Discharge/Forgiveness (cont'd.)</b>			
<b>9.</b>	<p>[34 CFR §685.212(c)] <b>Bankruptcy</b></p> <p>A borrower’s loan will not be automatically discharged in bankruptcy. In order to discharge a loan in bankruptcy, the borrower (and spouse, if a joint Consolidation co-maker) must prove undue hardship in an adversary proceeding before the bankruptcy court.</p>	<p>[34 CFR §682.402(f)] <b>Bankruptcy</b></p> <p>A borrower’s loan will not be automatically discharged in bankruptcy. In order to discharge a loan in bankruptcy, the borrower (and spouse, if a joint Consolidation co-maker) must prove undue hardship in an adversary proceeding before the bankruptcy court.</p>	<p><b>Bankruptcy</b></p> <p>This discharge is available to both FDLP and FFELP borrowers.</p>
<b>10.</b>	<p><b>H.R. 6138—Third Higher Education Extension Act of 2006 (include 9/11 discharge)</b></p> <p>Signed into law on September 30, 2006.</p> <p>Provides loan cancellation for eligible public servants, victims, and spouses and parents of victims of the September 11, 2001, attacks.</p>	<p><b>H.R. 6138—Third Higher Education Extension Act of 2006 (includes 9/11 discharge)</b></p> <p>Signed into law on September 30, 2006.</p> <p>Provides loan cancellation for eligible public servants, victims, and spouses and parents of victims of the September 11, 2001, attacks.</p>	<p><b>H.R. 6138—Third Higher Education Extension Act of 2006 (includes 9/11 discharge)</b></p> <p>This discharge is available to both FDLP and FFELP borrowers.</p> <p>Note: This discharge is also available to Perkins loan borrowers.</p>