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Student Credit Education – Here, you can learn how to manage your credit as a student or recent college graduate. Also, you can read about tips and tricks for avoiding and alleviating bad credit.

How To Get In To College – Review college admissions information as well as standardized test and application specifications.



LOAN DISCHARGE APPLICATION: TOTAL AND PERMANENT DISABILITY

OMB No. 1845-0065
Form Approved
Exp. Date 05/31/2008

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

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

SECTION 1: BORROWER IDENTIFICATION

Please enter or correct the following information.

SSN |__|__|__|_|-|__|__|_|-|__|__|__|__|

Name _____

Address _____

City, State, Zip _____

Telephone - Home () _____

Telephone - Other () _____

E-mail address (optional) _____

SECTION 2: BORROWER DISCHARGE REQUEST

Before signing, carefully read the entire form, including the instructions and other information on the following pages.

Borrower Request, Authorization, Understandings, and Certifications

I request that the U.S. Department of Education (ED) discharge my loan(s) made under the Federal Family Education Loan (FFEL) Program, the Federal Perkins Loan (Perkins Loan) Program, and/or the William D. Ford Federal Direct Loan (Direct Loan) Program.

I authorize any physician, hospital, or other institution having records about the disability that is the basis for my request for a loan discharge to make information from these records available to the holder(s) of my loan(s).

I understand that I must submit a separate discharge application to each holder of the loan(s) that I want to have discharged. I further understand that I am not eligible to receive a final discharge of my loan(s) unless I meet certain requirements during and at the end of a conditional discharge period, as explained in Sections 6 and 7. If I am a veteran, I understand that the certification by a physician on this form is only for the purposes of establishing my eligibility to receive a discharge of a FFEL Program, Perkins Loan Program, or Direct Loan Program loan and is not for purposes of determining my eligibility for or the extent of my eligibility for Department of Veterans Affairs benefits.

I certify that I have a total and permanent disability, as defined in Section 5. In addition, I certify that I have read and understand the information on the loan discharge process, the terms and conditions for discharge, the eligibility requirements for loan discharge, and the eligibility requirements to receive future loans as explained in Sections 6, 7, and 9.

Signature of Borrower or Borrower's Representative _____

Date _____

Printed Name of Borrower's Representative (if applicable) _____

Address of Borrower's Representative (if applicable) _____

Representative's Relationship to Borrower (if applicable) _____

SECTION 3: PHYSICIAN'S CERTIFICATION

Instructions for Physician: The borrower identified above is applying for discharge of his/her federal education loan(s) based on a total and permanent disability. You should complete and sign the certification below only if you are a doctor of medicine or osteopathy legally authorized to practice in a State (see definition in Section 5) and if the borrower's condition meets the definition of total and permanent disability in Section 5. Provide all requested information and attach additional pages if necessary. **Type or print in dark ink. Please return the completed form to the borrower or the borrower's representative.** The holder(s) of the borrower's loan(s) (see definition in Section 5) may contact you for additional information or documentation.

Note: The standard for determining disability for discharge of the borrower's loan(s) may be different from standards used under other programs in connection with occupational disability, or eligibility for social service or veterans benefits.

1. Diagnosis/explanation of the borrower's present medical condition (identify the borrower's condition and explain how it prevents the borrower from working and earning money in any capacity). **Do not use abbreviations or insurance codes.**

2. When did the borrower's medical condition begin? (MM-DD-YYYY) |__|__|_|-|__|__|_|-|__|__|__|__|

3. a. Does this medical condition prevent the borrower from being able to work and earn money in any capacity? Yes No

b. If Yes, when did the borrower become unable to work and earn money in any capacity? (MM-DD-YYYY) |__|__|_|-|__|__|_|-|__|__|__|__|

I certify that, in my best professional judgment, the borrower identified above is unable to work and earn money because of an injury or illness that is expected to continue indefinitely or result in death. I understand that a borrower who is currently able or who is expected to be able to work and earn money, even on a limited basis, is not considered to have a total and permanent disability.

I am a doctor of (check one) medicine osteopathy legally authorized to practice in the state of _____.

My professional license number is _____.

(Subject to verification through State records.)

Physician's Signature (a signature stamp is not acceptable) _____

Date _____

Printed Name of Physician _____

Address _____

City, State, Zip _____

() _____

() _____

Telephone _____

Fax (optional) _____

E-mail address (optional) _____

SECTION 4: INSTRUCTIONS FOR COMPLETING THE FORM

Type or print in dark ink. A representative may sign on your behalf in Section 2 if you are unable to do so because of your disability. Have Section 3 completed and signed by a doctor of medicine or osteopathy. If you are applying for discharge of more than one loan and your loans are held by more than one loan holder, you must submit a separate discharge application (original or copy) with any accompanying attachments to each holder. A "copy" means a photocopy of the original form completed by you (or your representative) and your physician. If you submit copies, each copy must include an original signature from you or your representative.

SECTION 5: DEFINITIONS

- The **Federal Family Education Loan (FFEL) Program** includes Federal Stafford Loans (both subsidized and unsubsidized), Federal Supplemental Loans for Students (SLS), Federal PLUS Loans, and Federal Consolidation Loans.
- The **Federal Perkins Loan (Perkins Loan) Program** includes Federal Perkins Loans, National Direct Student Loans (NDSL), and National Defense Student Loans (NDSL).
- The **William D. Ford Federal Direct Loan (Direct Loan) Program** includes Federal Direct Stafford/Ford Loans (Direct Subsidized Loans), Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans), Federal Direct PLUS Loans (Direct PLUS Loans), and Federal Direct Consolidation Loans (Direct Consolidation Loans).
- A **conditional discharge** due to a total and permanent disability allows you (and, if applicable, any endorser) to stop making payments on your loan(s) during the conditional discharge period (see definition) while ED evaluates your eligibility for a final discharge. A conditional discharge is granted when ED makes an initial determination that you have a total and permanent disability as defined in this section. See also Sections 6 and 7.
- The **conditional discharge period** begins on the date that you became totally and permanently disabled, as certified by the physician who completes Section 3, and lasts for up to three years. The conditional discharge period ends when ED either grants a final discharge or determines that you do not qualify for a final discharge. During the conditional discharge period, ED will monitor your eligibility for a final discharge. See also Sections 6 and 7.
- A **final discharge** due to a total and permanent disability condition cancels your obligation (and, if applicable, any endorser's obligation) to repay the remaining balance on your FFEL Program, Perkins Loan Program, and/or Direct Loan Program loan. ED grants a final discharge if you meet certain conditions during and at the end of the conditional discharge period. See Section 7.
- The **holder** of your FFEL Program loan(s) may be a lender, a guaranty agency, or the U.S. Department of Education (ED). The holder of your Perkins Loan Program loan(s) may be a school you attended or ED. The holder of your Direct Loan Program loan(s) is ED.
- **State** includes the 50 United States, the District of Columbia, American Samoa, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.
- If you have a **total and permanent disability**, this means that you are unable to work and earn money because of an injury or illness that is expected to continue indefinitely or result in death. **NOTE: (1)** This standard may be different from standards used under other programs in connection with occupational disability or eligibility for social service benefits. **(2)** You cannot be considered to have a total and permanent disability if your condition existed at the time your loan(s) was made, unless your condition has substantially deteriorated so that you are now totally and permanently disabled.

SECTION 6: LOAN DISCHARGE PROCESS / TERMS AND CONDITIONS FOR LOAN DISCHARGE

1. If your loan holder (other than ED) determines, based on a review of your loan discharge application, that you appear to meet the eligibility requirements for a loan discharge based on total and permanent disability, your loan(s) will be assigned to ED. For FFEL Program loans currently held by a lender, this determination will be made by both your lender and guaranty agency. ED will be your new loan holder.
2. After receiving your loan(s), ED will review the physician's certification in Section 3 and other information relating to your application for loan discharge. Based on the results of this review, ED will make an initial determination on your application. If ED determines that you have a total and permanent disability, you will be notified that a conditional discharge has been granted for a period of up to three years from the date that you became totally and permanently disabled. If ED determines that you do not have a total and permanent disability, you will be notified of that determination and you must resume repayment of your loan(s).
3. During the conditional discharge period: **(A)** you are not required to make any payments on your loan(s); **(B)** you are not considered to be delinquent or in default on your loan(s), unless you were delinquent or in default at the time the conditional discharge was granted; **(C)** you must promptly notify ED if your annual earnings from employment exceed the poverty line amount for a family of two; **(D)** you must promptly notify ED of any changes in your address or telephone number; and **(E)** if requested, you must provide ED with additional documentation or information related to your eligibility for loan discharge. This may include, but is not limited to, documentation of your annual earnings from employment.
4. If you meet the conditions described in Section 7, Item 4, during and at the end of the conditional discharge period, ED will grant a final discharge of your loan(s) at the end of the conditional discharge period. The discharge will be reported to credit bureaus, and any payments you made after the date you became totally and permanently disabled will be returned to you.
5. If you do not meet the conditions described in Section 7, Item 4, at any time during or at the end of the conditional discharge period, the conditional discharge period will end and you will not receive a final discharge. This means that you will be responsible for repaying your loan(s) in accordance with the terms of your promissory note(s). However, you will not be required to pay interest that accrued on your loan(s) from the date ED made an initial determination that you were totally and permanently disabled until the date the conditional discharge period ended. ED will continue to be your loan holder.

SECTION 7: ELIGIBILITY REQUIREMENTS FOR LOAN DISCHARGE

1. Your condition must not have existed at the time your loan(s) was made, unless your condition has substantially deteriorated so that you are now totally and permanently disabled.
2. If you are applying for discharge of a consolidation loan, your condition must not have existed at the time any of the loan(s) you consolidated were made, unless your condition has substantially deteriorated so that you are now totally and permanently disabled. If requested, you must provide the holder of your consolidation loan(s) or ED with the disbursement dates of the loan(s) you consolidated.
3. To qualify for a **conditional discharge**, you must have a total and permanent disability, as defined in Section 5. This must be certified by a physician in Section 3.
4. To qualify for a **final discharge**, you must meet the following conditions during and at the end of the conditional discharge period described in Section 6: **(A)** your annual earnings from employment must not exceed the poverty line amount (see NOTE below) for a family of two in your state (regardless of your actual family size), and **(B)** you must not receive a new loan under the FFEL Program, the Perkins Loan Program, or the Direct Loan Program.
NOTE: A physician cannot certify that you have a total and permanent disability if, at the time of the physician's certification, you are able to work and earn money in any capacity. However, if you attempt to work during the conditional discharge period, you may earn up to the poverty line amount each year during that period. This standard allows you to try to work without being disqualified from receiving a final discharge. The poverty line amounts are updated annually. ED will notify you of the current poverty line amounts during each year of the conditional discharge period.

SECTION 8: WHERE TO SEND THE COMPLETED LOAN DISCHARGE APPLICATION

Send the completed loan discharge application and any attachments to:
(If no address is shown, return to your loan holder.)

If you need help completing this form, call:

SECTION 9: ELIGIBILITY REQUIREMENTS TO RECEIVE FUTURE LOANS

1. If you are granted a final discharge due to total and permanent disability, you are not eligible to receive future loans under the FFEL, Perkins Loan, or Direct Loan programs unless: **(A)** you obtain a certification from a physician that you are able to engage in substantial gainful activity, and **(B)** you sign a statement acknowledging that the new loan you receive cannot be discharged in the future on the basis of any injury or illness present at the time the new loan is made, unless your condition substantially deteriorates so that you are again totally and permanently disabled.
2. If you are granted a conditional discharge of your loan(s) based on a total and permanent disability and you request a new FFEL, Perkins Loan, or Direct Loan program loan during the conditional discharge period, you are not eligible to receive the new loan unless: **(A)** you obtain a certification from a physician that you are able to engage in substantial gainful activity; **(B)** you sign a statement acknowledging that neither the previous conditionally discharged loan(s) nor the new loan you receive can be discharged in the future on the basis of any injury or illness present when you applied for a total and permanent disability discharge or at the time the new loan is made, unless your condition substantially deteriorates so that you are again totally and permanently disabled; **(C)** you sign a statement acknowledging that the conditionally discharged loan(s) will be removed from conditional discharge status; and **(D)** ED has removed the conditionally discharged loan(s) from conditional discharge status (see Section 6, Item 5).

SECTION 10: 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 §428(b)(2)(A) *et seq.*, §451 *et seq.* and §461 *et seq.* of the Higher Education Act of 1965, as amended (20 U.S.C. 1078(b)(2)(A) *et seq.*, 20 U.S.C. 1087a *et seq.*, and 20 U.S.C. 1087aa *et seq.*) and the authority for collecting and using your Social Security Number (SSN) is §484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)). Participating in the Federal Family Education Loan (FFEL) Program, the William D. Ford Federal Direct Loan (Direct Loan) Program, or the 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 FFEL, Direct Loan, and/or Perkins Loan Programs, to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect on your loan(s) if your loan(s) become delinquent or in default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed to third parties as authorized under routine uses in the appropriate systems of records. The routine uses of this information include its disclosure to federal, state, or local agencies, to other federal agencies under computer matching programs, to agencies that we authorize to assist us in administering our loan programs, to private parties such as relatives, present and former employers, business and personal associates, to credit bureau organizations, to educational institutions, and to contractors 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 counsel you in repayment efforts, 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, to provide financial aid history information, to assist program administrators with tracking refunds and cancellations, or to provide a standardized method for educational institutions efficiently to submit student enrollment status.

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 also be made to qualified researchers under Privacy Act safeguards.

Paperwork Reduction Notice. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0065. The time required to complete this information collection is estimated to average 0.5 hours (30 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, Washington, DC 20202-4651. **Do not send the completed loan discharge application to this address.**

If you have comments or concerns regarding the status of your individual submission of this form, contact your loan holder (see Section 8).