



Can't make your payments?

If you're having trouble repaying your student loans, whether you're in-between jobs, returning to school or simply in a financial bind, the last thing you should do is give up. You'll just be inviting even tougher times ahead. Instead, contact your lender or guarantor immediately to learn about your options until you're able to get your monthly payments back on track.

Keep in mind that when you apply for a deferment or forbearance, you must still continue to make your monthly loan payments until the lender approves your request. Otherwise, your loan could become delinquent or go into default.

DEFERMENT

A deferment allows you to postpone your loan payments for up to one year at a time, for up to a total of three years. Everyone who has taken out a federal Stafford or PLUS loan is entitled to a deferment—if they qualify.

Are there different types of deferment?

Yes, you may qualify for one of the following:

- Unemployment
- Economic Hardship
- In-school
- Military

For more information, ask your lender or visit our Web site at www.edfund.org.

**Deferment &
forbearance forms
are available
online at
www.edfund.org.**

Do I still pay interest?

It depends on whether your loans are subsidized or unsubsidized. If you have subsidized loans—federal Stafford loans or the subsidized portion of your federal Consolidation loan—the government pays the interest for you during deferment.

www.edfund.org
1.877.2EDFUND (877.233.3863)



For unsubsidized loans, you're responsible for paying all the interest that accumulates, with the option to make interest-only payments during deferment. But if that's not possible, the interest will be added to your loan balance (capitalized) and future interest will be based on the larger loan balance.

How do I get a deferment?

You must request a deferment from your lender. They will determine if you're eligible and must inform you in writing within 30 days of receiving your request whether you've been granted a deferment.

FORBEARANCE

If you don't qualify for a deferment, ask your lender for a forbearance to temporarily postpone or reduce your payments, or to extend your repayment term.

How do I qualify?

Forbearances are given for a number of reasons, including financial difficulties due to poor health or an unexpected personal problem. You're automatically eligible for forbearance if you've been called to active duty in the military or live in a designated disaster area, or during a local or national emergency. You may also qualify if you're in a medical or dental residency or internship, or serving as an AmeriCorps volunteer. To learn more about the ways to qualify for forbearance and the time limits for each, contact your lender for details.

How long do forbearances last?

In most cases, forbearances last for up to one year at a time. If you're still having financial problems when your forbearance is scheduled to end, your lender may grant you another one for up to 12 months. You're still responsible for repaying your loan when the forbearance ends.

Do I still pay interest?

Yes, you're still responsible for all the interest that accrues on the balance of both subsidized and unsubsidized loans and the PLUS loan for graduate/professional students. You're encouraged to pay the interest while your loan is in forbearance. But if that's not possible, the interest will be added to your loan balance (capitalized) at the end of the forbearance period.

How do I get a forbearance?

You must request a forbearance from your lender, and receive approval. You may need to provide documentation, such as information about your financial situation, including income and expense records.



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