



GENERAL FORBEARANCE REQUEST

William D. Ford Federal Direct Loan Program

OMB No. 1845-0031
Form Approved
Exp. Date 12/31/2015

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

GFB

SECTION 1: BORROWER IDENTIFICATION

Please enter or correct the following information.

Check this box if any of your information has changed.

SSN - -

Name

Address

City, State, Zip Code

Telephone - Primary ()

Telephone - Alternate ()

E-mail Address (Optional)

SECTION 2: FORBEARANCE REQUEST

Before completing this form, carefully read the entire form, including the instructions and other information in Sections 3, 4, and 5.

I am willing but unable to make my current Direct Loan payments due to a temporary hardship. I am requesting this forbearance because I am experiencing a temporary hardship related to one of the following situations (check one):

Financial difficulties

Change in employment

Medical circumstances

Other (explain):

If this forbearance request is approved, I want to (check one):

Temporarily stop making payments; or

Temporarily make smaller payments of \$ _____ per month.

If this forbearance request is approved, I am requesting that the U.S. Department of Education (ED) grant a forbearance on my loan(s) beginning (MM-DD-YYYY)

|_|_|-|_|_|-|_|_| and ending (MM-DD-YYYY) |_|_|-|_|_|-|_|_| for a period not to exceed 12 months.

SECTION 3: BORROWER/ENDORSER UNDERSTANDINGS AND CERTIFICATIONS

I understand that the following terms and conditions apply to this forbearance request:

- (1) ED will not grant this forbearance request unless this form is completed and any required supporting documentation is provided.
- (2) ED may grant a forbearance on my loans for up to 60 days, if necessary, for the collection and processing of documentation related to my forbearance request. ED will not capitalize interest that accrues during this forbearance.
- (3) If I am past due on payments not covered by this forbearance, ED may grant an additional forbearance on my loan(s) to resolve all payments due when my request is processed, and all unpaid interest may be capitalized.
- (4) At the end of the forbearance, I may apply to renew the forbearance if I am still experiencing a financial hardship.
- (5) I will continue to receive billing statements for my current payment amount, which I must pay until I am notified by my servicer that my forbearance request has been granted.
- (6) During the forbearance period, I am not required to make payments of loan principal and interest, but interest will be charged on all of my loans.
- (7) If I requested to temporarily stop making payments, I will receive an interest notice, and I may pay the interest at any time. If I do not pay the interest that accrues on my loan(s), it will be capitalized at the end of the forbearance period.
- (8) If I requested to temporarily make smaller payments, I will receive a monthly notice for the requested payment amount until the forbearance ends, and any unpaid interest that has accrued during the period will be capitalized at the end of the forbearance period.

I certify that:

- (1) The information I have provided on this form is true and correct.
- (2) I will provide any additional documentation to ED, as required, to support my continued forbearance status.
- (3) I will notify ED immediately when the condition that qualified me for the forbearance ends.
- (4) I agree to repay my loan(s) according to the terms of my promissory note, regardless of whether the forbearance is granted.

I authorize the entity to which I submit this request (i.e., the school, the lender, the guaranty agency, ED, and their respective agents and contractors) to contact me regarding my request or my loan(s), including repayment of my loan(s), at the number that I provide on this form or any future number that I provide for my cellular telephone or other wireless device using automated dialing equipment or artificial or prerecorded voice or text messages.

BORROWER'S OR ENDORSER'S SIGNATURE: _____ DATE: _____

SECTION 4: INSTRUCTIONS FOR COMPLETING THE GENERAL FORBEARANCE REQUEST FORM

Type or print using dark ink. Enter dates as month-day-year (mm-dd-yyyy). Example: January 31, 2012 = 01-31-2012. Include your name and account number on any supporting documentation that you are required to submit with this form. If you need help completing this form, contact your loan servicer.

Note to Endorsers/Co-makers: (1) If you are an endorser of a Direct PLUS Loan, you may request forbearance only when you are required to repay the loan because the borrower is not making payments; (2) if you are requesting forbearance on a Direct Consolidation Loan that was made jointly to you and your spouse as co-makers (joint borrowers), each of you must complete a separate forbearance request.

Send the completed form and any required supporting documentation to:

CornerStone Education Loan Services
PO Box 145122
Salt Lake City, UT 84114-5122
or Fax to: 801-366-8400

If you need help completing this form, call:

1-800-663-1662

SECTION 5: DEFINITIONS

■ **Capitalization** is the addition of unpaid interest to the principal balance of your loan. The principal balance of a loan increases when payments are postponed during periods of deferment or forbearance and unpaid interest is capitalized. As a result, more interest may accrue over the life of the loan, the monthly payment amount may be higher, or more payments may be required. The chart below provides estimates, for a \$15,000 unsubsidized loan balance at a 6.8% interest rate, of the monthly payments due following a 12-month forbearance that started when the loan entered repayment. It compares the effects of paying the interest as it accrues and capitalizing the interest at the end of the forbearance. The actual loan interest cost will depend on your principal balance, interest rate, and length of the forbearance. Paying interest during the period of forbearance lowers the monthly payment by about \$12 and saves about \$389 over the lifetime of the loan, as depicted in the chart below.

Treatment of Interest Accrued During Forbearance	Loan Amount	Capitalized Interest for 12 Months	Principal to Be Repaid	Monthly Payment	Number of Payments	Total Amount Repaid	Total Interest Paid
Interest is paid	\$15,000.00	\$0.00	\$15,000.00	\$172.62	120	\$21,736.55*	\$6,730.66
Interest is capitalized at the end of forbearance	\$15,000.00	\$1,022.09	\$16,022.09	\$184.38	120	\$22,125.94	\$7,119.64

*Total amount repaid includes \$1,022.09 of interest paid during the 12-month period of forbearance.

- A **co-maker** is one of two individuals who are joint borrowers on a Direct Consolidation Loan. Both co-makers are equally responsible for repaying the full amount of the loan.
- An **endorser** is someone who promises to repay a Direct PLUS Loan if the borrower does not repay the loan.
- A **forbearance** is a period during which you are allowed to temporarily postpone making payments, allowed an extension of time for making payments, or temporarily allowed to make smaller payments than previously scheduled. Interest is charged during a forbearance on all types of Direct Loans.
- The **William D. Ford Federal Direct Loan (Direct Loan) Program** includes Federal Direct Stafford/Ford (Direct Subsidized) Loans, Federal Direct Unsubsidized Stafford/Ford (Direct Unsubsidized) Loans, Federal Direct PLUS (Direct PLUS) Loans, and Federal Direct Consolidation (Direct Consolidation) Loans.

SECTION 6: 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 authority for collecting the requested information from and about you is §451 *et seq.* of the Higher Education Act of 1965, as amended (20 U.S.C. 1087a *et seq.*) and the authorities for collecting and using your Social Security Number (SSN) are §484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) and 31 U.S.C. 7701(b). Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

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

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

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

Paperwork Reduction Notice. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to average 0.2 hours (12 minutes) per response, including the time for reviewing instructions, searching existing data resources, gathering and maintaining the data needed, and completing and reviewing the information collection. Individuals are obligated to respond to this collection to obtain a benefit in accordance with 34 CFR 685.205. Send comments regarding the burden estimate(s) or any other aspect of this collection of information, including suggestions for reducing this burden to the U.S. Department of Education, 400 Maryland Avenue, SW, Washington, DC 20210-4537 or e-mail ICDOcketMgr@ed.gov and reference OMB Control Number 1845-0031. **Note: Please do not return the completed form to this address.**

If you have questions regarding the status of your individual submission of this form, contact your servicer (see Section 4).