



**SECTION 5: INSTRUCTIONS FOR COMPLETING THE FORM**

Type or print using dark ink. Report dates as month-day-year (MM-DD-YYYY). For example, 'January 31, 2009' = '01-31-2009'. An authorized official must either complete Section 4 or attach the institution's own certification listing the required information. If you need help completing this form, contact your loan holder.

Return the completed form and any required documentation to the address shown in Section 8.

**SECTION 6: DEFINITIONS****■ Authorized certifying officials:**

- Authorized Graduate Fellowship Program Official
- Rehabilitation Training Program Official
- Internship/Residency Program Official (for all internships and residencies)
- State Licensing Official (for internships required to begin professional practice or service; certification by a state licensing official, if required, must be provided on a separate statement attached to this form.)
- Chief School Administrator (for borrowers teaching in teacher shortage areas; additional certification may be required if the Chief State School Officer has not provided a list of approved shortage areas to school administrators)

■ **Capitalization** is the addition of unpaid interest to the principal balance of my 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 9% interest rate, of the monthly payments due following a 12-month deferment. It compares the effects of paying the interest as it accrues, capitalizing the interest at the end of the deferment, and capitalizing interest quarterly and at the end of the deferment. My actual loan interest cost will depend on my interest rate, length of the deferment, and frequency of capitalization. Paying interest during the period of deferment lowers the monthly payment by about \$18 and saves about \$772 over the lifetime of the loan, as depicted in the chart below.

Treatment of Interest Accrued During Deferment	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	\$190.01	120	\$24,151.64*	\$9,151.64
Interest is capitalized at the end of deferment	\$15,000.00	\$1,350.00	\$16,350.00	\$207.11	120	\$24,853.79	\$9,853.79
Interest is capitalized quarterly during deferment and at the end of deferment	\$15,000.00	\$1,396.25	\$16,396.25	\$207.70	120	\$24,924.09	\$9,924.09

\*Total amount repaid includes \$1,350 of interest paid during the 12-month period of deferment.

- A **deferment** is a period during which I am entitled to postpone repayment of the principal balance of my loan(s). The federal government pays the interest that accrues during an eligible deferment for all subsidized Federal Stafford Loans and for Federal Consolidation Loans for which the Consolidation Loan application was received by my loan holder (1) on or after January 1, 1993, but before August 10, 1993, (2) on or after August 10, 1993, if it includes **only** Federal Stafford Loans that were eligible for federal interest subsidy, or (3) on or after November 13, 1997, for that portion of the Consolidation Loan that paid a subsidized FFEL Program loan or a subsidized Federal Direct Loan. I am responsible for the interest that accrues during this period on all other FFEL Program loans.
- 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.
- **Forbearance** means permitting the temporary cessation of payments, allowing an extension of time for making payments, or temporarily accepting smaller payments than previously scheduled. I am responsible for paying the interest that accrues on my loan(s) during a forbearance. If I do not pay the interest that accrues, the interest may be capitalized.
- The **holder** of my FFEL Program loan(s) may be a lender, guaranty agency, secondary market, or the U.S. Department of Education.

**SECTION 7: ELIGIBILITY CRITERIA FOR EDUCATION RELATED DEFERMENT REQUEST****GRADUATE FELLOWSHIP and REHABILITATION TRAINING Deferments**

I may defer repayment of my loan(s) while I am:

- Engaged in a full-time course of study in a **GRADUATE FELLOWSHIP** program. To qualify: (1) My graduate fellowship program must (a) provide sufficient financial support to allow for full-time study for a period of at least 6 months; (b) require, prior to the awarding of financial support, a written statement from each applicant which explains the applicant's objectives; (c) require a graduate fellow to submit periodic reports, projects, or other evidence of the graduate fellow's progress, and (d) in the case of a course of study at a foreign university, accept the course of study for completion of the fellowship program. (2) I must (a) hold at least a Bachelor's Degree conferred by an institution of higher education, and (b) have been accepted or recommended by an institution of higher education for acceptance into the graduate fellowship program on a full-time basis. (3) If I am in a medical internship or residency program, I am not eligible for this deferment.
- Engaged in a full-time **REHABILITATION TRAINING** program. To qualify: (1) My training program must (a) be licensed, approved, certified or recognized as providing rehabilitation training to disabled individuals by the Department of Veterans Affairs or a state agency responsible for vocational rehabilitation, drug abuse treatment, mental health services, or alcohol abuse treatment programs; (b) provide services under a written individualized plan that specifies the date the services are expected to end; and (c) be structured in a way that requires a substantial commitment by me to my rehabilitation. ("Substantial commitment" means a commitment of time and effort that would normally prevent a person from being employed 30 or more hours per week in a position expected to last at least three months.) (2) I must be either receiving, or scheduled to receive, these rehabilitation services.

**INTERNSHIP/RESIDENCY Deferments**

To qualify:

- I must have an outstanding balance on a FFEL Program loan, which was made **before July 1, 1993**, or I must have had an outstanding balance on a FFEL Program loan made **before July 1, 1993**, when I obtained a loan **on or after July 1, 1993**. If I am a Federal PLUS Loan borrower, I am eligible for the **INTERNSHIP/RESIDENCY** Deferment only on PLUS loans made **before August 15, 1983**.

I may defer repayment of my loan(s) while I am:

- Engaged in an **INTERNSHIP/RESIDENCY** program. (Maximum eligibility is 2 years; borrowers may request forbearance for the remainder of a medical or dental internship/residency program. Dental Interns/Residents are encouraged to apply for an In-School Deferment.) To qualify: (1) I must have been accepted into an internship/residency program which must (a) be a supervised training program, and (b) require that I hold at least a Bachelor's Degree before acceptance into the program. (2) In addition, my program must either (a) lead to a degree or certificate from an institution of higher education, a hospital, or a health care facility that offers postgraduate training, or (b) be required before I may be certified for professional practice or service. (3) **If my program does not lead to a degree or certificate, but is required before I may be certified for professional practice or service, I must also provide (attached to this form) a separate statement from the appropriate state licensing agency certifying this requirement, in addition to the Authorized Official's Certification in Section 4.**

SECTION 7 CONTINUES ON PAGE 3

**SECTION 7: ELIGIBILITY CRITERIA FOR EDUCATION RELATED DEFERMENT REQUEST (CONTINUED)**

**TEACHER SHORTAGE AREA** Deferments

To qualify :

- I am eligible for the **TEACHER SHORTAGE AREA** deferment only if I am a Federal Stafford or SLS loan borrower whose first FFEL Program loan was made **on or after July 1, 1987, and before July 1, 1993**, or I had an outstanding balance on a loan obtained **on or after July 1, 1987, and before July 1, 1993**, when I obtained a loan **on or after July 1, 1993**. If I am a Federal PLUS Loan borrower, I am not eligible for the Teacher Shortage Area deferment.

I may defer repayment of my loan(s) while I am:

- Teaching in a designated **TEACHER SHORTAGE AREA**. (Maximum eligibility is 3 years; borrowers must reapply each school year.) To qualify, I must teach full time in a public or non-profit private elementary or secondary school in a geographic region or specific grade level, academic, instructional, subject matter or discipline classification that has been designated as a shortage area by the U.S. Department of Education. (I may contact my Chief School Administrator or Chief State School Officer for a list of my state's shortage areas.) I may reapply for a continuation of this deferment even if my teaching area is no longer classified as a shortage area.

**SECTION 8: WHERE TO SEND THE COMPLETED DEFERMENT REQUEST**

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

**Iowa Student Loan  
Ashford II Building  
6775 Vista Drive  
West Des Moines, IA 50266-9305**

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

**SECTION 9: 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 §421 et seq. of the Higher Education Act (HEA) of 1965, as amended (20 U.S.C. 1071 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 Federal Family Education Loan Program (FFELP) 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 FFELP, 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 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, 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 status, 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. The valid OMB control number for this information collection is 1845-0005. The time required to complete this information collection is estimated to average 0.16 hours (10 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 any 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 20202-4537

**If you have questions regarding the status of your individual submission of this form, write directly to the address shown in Section 8.**