

BECOME A STUDENT LOAN EXPERT: A CRASH COURSE FOR VOLUNTEER PROGRAMS

by Ana K. Carrion

Become a student loan expert and dazzle your volunteers with your in-depth knowledge of the student loan system! This is, I am sure, a familiar topic; one that has been done before, but always good one to revise and revisit. The fact is that the majority of CNVS programs recruit individuals who bear the burden of a couple or more thousand dollars in student loan debt, and student loans can make it or break it for individuals looking to spend time volunteering. The problem is not so much that there are no solutions, but that getting to any solution can be confusing, frustrating, and yes, headache-inducing.

Understanding the student loan system is the first step to unraveling the madness. However, keep in mind that while the program can advise and facilitate, it is ultimately, the applicant or volunteer's responsibility to take the initiative and the steps to temporarily postpone their student loan payments while in service. In this article, we will guide you through the student loan system so that you have information and tools to better advise applicants/volunteers on their options.

FEDERAL AND PRIVATE LOANS

Loans can be federal, state, or private. Federal loans are part of Federal Student Aid programs. Federal Student Aid is an office in the U.S. Dept. of Education charged with the mission "to ensure that all eligible individuals benefit from federal financial assistance—grants, loans, and work-study programs—for education beyond high school."¹ While grants and work-study programs do not require repayment, loans do. Federal loans are generally need-based (except for unsubsidized and PLUS loans) and have borrowing limits, though the interest rate is capped by law and is also lower than commercial loans.

The table on page 2 shows the types of loans available through Federal Student Aid. Note the difference between subsidized and unsubsidized loans!

¹ U.S. Department of Education, Federal Student Aid, Students Channel, *Funding Education Beyond High School: The Guide to Federal Student Aid 2008–09*, Washington, D.C., 2007.

Type of Loan	Description	Grace Period	Repayment
Perkins Loan	Need-based loan made through participating schools to undergraduate, graduate and professional degree students.	9 months after leaving school. If attending less than half-time,* the financial aid office may determine a different grace period.	Payment is owed to the school that made the loan. Loan holder is a bank, credit union or other participating private loan holder. During the grace period, no interest will be charged and the borrower is not responsible for the principal.
Subsidized Direct or FFEL Stafford Loan	U.S. Department of Education pays interest while borrower is in school and during grace and deferment periods; must be at least a half-time* student and have financial need.	6 months after leaving school.	Loan holder is U.S. Dept of Education, bank, credit union or other participating private loan holder. During the grace period, no interest will be charged and the borrower is not responsible for the principal.
Unsubsidized Direct or FFEL Stafford Loan	Borrower is responsible for interest during life of the loan; you must be at least a half-time* student; financial need is not a requirement.	6 months after leaving school.	Loan holder is U.S. Dept of Education, bank, credit union or other participating private loan holder. During the grace period, the borrower is not responsible for the principal, but the interest will be charged. The borrower has the option of paying the interest as they go along or capitalizing it (add it to the principal).
Direct or FFEL PLUS Loan	Available to parents of dependent undergraduate students and graduate and professional students enrolled at least half-time.* Financial need is not a requirement. PLUS Loans are unsubsidized . Borrower is responsible for interest during the life of the loan.	Does not have a grace period.	Loan holder is U.S. Dept of Education, bank, credit union or other participating private loan holder. Repayment begins usually within 60 days of disbursement.
Direct or FFEL Consolidation Loans	Multiple federal education loans that have been combined into one loan with one monthly payment for student or parent borrowers.	Does not have a grace period, and grace period may be lost if the consolidation takes place when the loan being consolidated is in grace period.	Loan holder is U.S. Dept of Education, bank, credit union or other participating private loan holder. Repayment begins usually within 60 days of disbursement.

Information taken from *Funding Education Beyond High School: The Guide to Federal Student Aid*.

Federal Direct and FFEL Loans

Federal Student Aid has two main loan programs: the William D. Ford Federal Direct Loan program, known as “Direct Loans,” and the Federal Family Education Loan Program also known as FFEL. Schools may participate and offer loans in either program or both. Both Direct and FFEL offer “Stafford” loans, which are subsidized and unsubsidized loans for students, and they both offer PLUS loans for parents and graduate/professional students. PLUS loans are usually unsubsidized.

The difference between Direct and FFEL loans lies in the loan holder. With Direct loans, the loan holder is the U.S. Dept. of Education through the Direct program. With FFEL loans, the loan holders are private providers such as banks and credit unions. Private loan holders, like Sallie Mae or Citibank, provide funds for FFEL loans that are guaranteed by the federal government. The interest rates for both Direct and FFEL loans are the same (except for PLUS) and are regulated by the government.

Federal Loans through the U.S. Department of Health and Human Services (HRSA Loans)

In addition to Direct and FFEL loans, there are federal loans available through the U.S. Department of Health and Human Services' Health Resources and Services Administration (HRSA). These loans include Loans for Disadvantaged Students (LDS), Health Professional Student Loans (HPSL), Primary Care Loans, and Nursing Student Loans (NSLP).

Inactive Loan Programs

Finally, some programs are no longer operating but may have outstanding loans. These are programs that are no longer offered or that were replaced by existing loan programs. These remain federally backed loans serviced by a variety of providers.

Auxiliary Loans to Assist Students (ALAS)	Repealed in 1986, replaced by Supplemental Loans for Students and PLUS loan programs.
Supplemental Loans for Students (SLS)	Ended in 1994, gave way to unsubsidized Stafford loans.
Federally Insured Student Loan Program (FISL)	Replaced by FFEL Program.
Health Student Assistance Loans (HEAL)	HRSA loan no longer being offered.
Guaranteed Student Loans (GSL)	Precursor to the Stafford Loan Program, now available through Direct or FFEL programs.
National Direct Student Loans/National Defense Student Loans (NDSL)	Precursor to the Perkins Loan.

Federal Consolidation Loans

Consolidation loans are multiple federal loans that have been combined into one to allow for one monthly payment. Almost all federal loans (subsidized and unsubsidized) are eligible for consolidation under the Direct or FFEL programs. Usually, two kinds of consolidation loans will be generated, one subsidized and one unsubsidized, which allows the borrower to retain the subsidy benefits on the subsidized portion though the borrower receives one monthly statement. Direct or FFEL Consolidation Loans have similar repayment options as Stafford Direct and FFEL loans and are eligible for deferment and forbearance. In some cases, you can re-consolidate a consolidation loan. The Federal Student Aid website provides a list of tools for individuals considering loan consolidation.

Loans Eligible for Direct Loan Consolidation and FFEL Consolidation
✓ Direct Subsidized and Unsubsidized Loans
✓ FFEL Subsidized and Unsubsidized FFEL Stafford Loans
✓ Direct PLUS Loans and FFEL PLUS Loans
✓ Direct Consolidation Loans and FFEL Consolidation Loans
✓ Guaranteed Student Loans (GSL)
✓ Federal Insured Student Loans (FISL)
✓ Supplemental Loans for Students (SLS)
✓ Auxiliary Loans to Assist Students (ALAS)
✓ Federal Perkins Loans or National Direct Student Loans/National Defense Student Loans (NDSL)
✓ Health Education Assistance Loans (HEAL)
✓ Health Professions Student Loans (HPSL)
✓ Loans for Disadvantaged Students (LDS)
✓ Nursing Student Loans (NSLP)

Federal Direct Consolidation Loans Information Center, <http://www.loanconsolidation.ed.gov/borrower/bloans.shtml> and Ed Fund, http://www.edfund.org/students/studentpar.cfm?edfpage=/students/managing/loan_consolidation.html#SubHead3

It is important to note that private loans are not eligible for consolidation under the federal consolidation programs. However, some private loan holders do offer private loan consolidation options. According to the Federal Direct Loans Information Center, the following loans are also not eligible for federal loan consolidation: loans made by a state or private loan holder and not guaranteed by the federal government, primary care loans, law access loans, medical assist loans, and PLATO loans.

State Agencies/State Higher Education Agencies

Under the FFEL Program, state agencies or non-profit private institutions insure student loans for loan holders and help administer the program in that state. They also have information on state-sponsored programs, which in some cases include loan forgiveness.

Private Loans

Non-federal education loans offered by loan holders are used to cover educational expenses up to the cost of attendance of the educational institution. These loans are generally used when a student has maxed out on federal financial assistance, but still needs to cover attendance costs. In general, the interest rates, fees, and/or repayment terms are less favorable than what can be found in federal loan programs. Private education loans are not guaranteed by the federal government and are not need-based. Rather, they depend on credit history, and often a co-signer may be needed (or may be preferable). The interest starts to accrue right away, but repayment is not required until after graduation. Interest rates are also variable, and as some have found out, may climb as high as 18%.

FinAid, a financial aid resources website, notes that private loan volume in the U.S. is growing at 17% more per year than federal loan volume. A 2006 article on USA Today has also warned of growing dependency and risk on private education loans attributed to borrower limits on federally-backed loans given the surging costs of education; aggressive marketing by loan holders that confuse students and parents alike; and financial pressures on parents which leads students to turn to private loans.²

Federal Student Loan	Private student loan
You will not have to start repaying your federal student loans until you leave school, attend less than half time or graduate.	Many private student loans require payments while you are still in school.
The interest rate on a federal student loan is fixed, currently at 6.8 percent, and almost always lower than on a private loan—and much lower than on a credit card!	Private student loans can have variable interest rates greater than 18 percent.
Students with greater financial need might qualify to have the government pay their interest while they are in school. This is called a subsidized loan.	Private student loans are not subsidized. No one pays the interest on your loan but you.
You don't need a credit record to get a federal student loan (except for PLUS Loans for graduate and professional students). Federal student loans help you establish a good credit record.	Private student loans may require an established credit record. The cost of a private student loan depends on your credit score, which you may not yet have as a student.
You don't need a cosigner to get a federal student loan.	You need a cosigner to get the best possible deal.
Free help is available at 1-800-4-FED-AID.	Find out if there is free help.
Interest might be tax deductible.	Interest is not tax deductible.
Loans can be consolidated into the Direct or FFEL Loan Consolidation program that has comfortable repayment plans and other benefits. See www.loanconsolidation.ed.gov for more information.	Private student loans can't be consolidated into Federal Loan Consolidation Program.

Source: *Federal Student Loans: Learn the Basics and Manage your Debt*. Working draft 2007-08, Federal Student Aid, U.S. Department of Education. Online. http://studentaid.ed.gov/students/publications/repaying_loans/index.html

WHAT'S A VOLUNTEER TO DO?

Now that we're better acquainted with the student loan system and know more about the various kinds of student loans, we'll look at ways volunteers can manage their loan responsibilities while in service. We start by looking at the two primary tools volunteers use to postpone payments on student loans: deferment and forbearance.

Deferment

The most important thing to note about these two options is that they are not the same, even if their definitions sound very similar, and this matters when volunteers speak to their loan holders or servicing agencies. Federal

² Sandra Block, "Private student loans pose greater risk," USA Today, October 24, 2006. Online. http://www.usatoday.com/money/perfi/college/2006-10-24-private-student-loans-usat_x.htm

Student Aid defines **deferment** as “a temporary suspension of loan payments for specific situations such as reenrollment in school, unemployment, or economic hardship.” The emphasis here is on **specific** situations, and deferments may have different requirements than forbearances. Usually deferments require meeting certain eligibility criteria and submitting supporting documentation such as W-2s, registration with an employment agency, etc. Different loan holders offer different types of deferment options, up to 14 types according to Student Loan Counseling Service, Inc., so it is best to check with the loan holder. Deferment benefits for federal loans are available up to 36 months, usually granted in 6 months to 12 month increments. When a loan is consolidated, deferment limits may be renewed for that loan.

Below is a list of deferment conditions, which may not be exhaustive:

Loan Deferment Summary Chart			
Deferment Condition	Stafford Loans		Perkins Loans
	Direct Loans ^{a,b}	FFEL Loans ^{a,c}	
At least half-time* study at a postsecondary school	YES	YES	YES
Study in an approved graduate fellowship program or in an approved rehabilitation training program for the disabled	YES	YES	YES
Unable to find full-time employment	Up to 3 Years	Up to 3 Years	Up to 3 Years
Economic hardship (includes Peace Corps Service)	Up to 3 Years	Up to 3 Years	Up to 3 Years
Engages in service listed under discharge/cancellation conditions	NO	NO	YES ^d
Active Military Duty (for loans first disbursed on/after July 1, 2001; while borrower is on active duty during a war or other military operation, or national emergency)	Up to 3 Years	Up to 3 Years	Up to 3 Years

Source: http://studentaid.ed.gov/students/attachments/funding/StudentGuide0708_deferment.pdf

In addition to these, there are some deferment options for “old borrowers,” which are defined as having at least one loan contracted before a certain date as well as meeting other eligibility criteria and time limits. Some of deferment options for “old borrowers” are detailed below.

You are an “old borrower” if you . . .

Internship/Residency	You have an outstanding balance on at least one FFELP loan that was made before July 1, 1993; or, for PLUS loan borrowers, your first Federal PLUS loan was made before August 15, 1983.
Teacher Shortage Area	You are a Federal Stafford or SLS borrower whose first loan was made on or after July 1, 1987, and before July 1, 1993.
Temporary Total Disablement	You have an outstanding balance on at least one FFELP loan that was made before July 1, 1993.
Parental Leave	You have an outstanding balance on at least one FFEL Program loan that was made before July 1, 1993.
Working Mother	You are 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.
Public Service Deferments: Military, Public Health Service, National Oceanic & Atmospheric Administration, Peace Corps, and Volunteer.	You have an outstanding balance on at least one FFELP loan that was made before July 1, 1993, or are PLUS loan borrower and your first loan was made before August 15, 1983.

Forbearance

Federal Student Aid defines **forbearance** as “a temporary postponement or reduction of payments for a period of time because you are experiencing financial difficulty.” Forbearance is generally used when borrowers experience **temporary** financial difficulty and postponement allows them time to catch up to their payment schedule, or when they have exhausted their deferment options. Forbearance may reduce payments, extend the billing period, or postpone them for a short-term period altogether. For federal loans, there are no limits on how many forbearances a borrower can request, and they are granted up to 12 months at a time. In general, forbearances are categorized as mandatory, administrative, or discretionary. Below is a list from CollegeZone.com:

Forbearances

Discretionary – can be granted for any reason agreed upon between the borrower and the loan holder (example, going back to school less than half time and no deferment eligibility).

Administrative – can be granted by the loan holder for specific reasons without written authorization (example, loan payments were behind at the time a deferment was granted).

Mandatory – must be granted by the loan holder for specific reasons if the borrower requests, for a specific length of time (example, total monthly educational loan payment is equal to or greater than 20% of the borrower's monthly gross income). This type can be granted for no more than 12 months.

Mandatory Administrative – must be granted by the loan holder for specific reasons (example, the borrower is not able to repay using an income-sensitive repayment schedule within 10 years due to changes in the variable interest rate). This type can be granted for no more than 36 months.

Interest Accrual in Deferment and Forbearance

When a federal loan is in deferment or forbearance, the interest continues to accrue on the loan with the exception of **subsidized Direct or FFEL loans in deferment**. Subsidized loans means the government pays the interest while the borrower is in school or when the loan is in deferment. Subsidized loans in forbearance will continue to accrue interest. The borrower can continue to pay the interest on the loan or have the interest capitalized (added to the principal amount of the loan).



AmeriCorps: Loan Forbearance

One of the advantages of the CNVS AmeriCorps Education Awards Program (or any other AmeriCorps program) is that AmeriCorps members are eligible for a **mandatory** loan forbearance based on National Service. Forbearance based on National Service is available for most federal and state-backed loans. The following loans are eligible for forbearance based on National Service, but also may be available for Federal Perkins Loans and loans made by a state agency.

- FFEL (Subsidized and Unsubsidized Stafford Loans, Supplemental Loans to Students (SLS), Consolidation Loans)
- William D. Ford Federal Direct Loans (Direct Subsidized and Unsubsidized Stafford/Ford Loans, and Direct Consolidation Loans),
- Federally Insured Student Loans (FISL)
- Health Education Assistance Loans (HEAL)
- Health Professions Student Loans (HPSL)
- Loans for Disadvantaged Students (LDS)
- Nursing Student Loans (NSL)
- Primary Care Loans (PCL)

In addition, the National Service Trust will pay up to 100% of interest that accrues on loans in National Service forbearance.

Deferment and Forbearance for Private Loans

Private loan holders may also offer forbearance and deferment, though they are not required to do so and eligibility, criteria, and rules may be different (and less favorable) than what is required for federal loans. With private loans, applicants/volunteers unfortunately are subject to the terms and conditions set by their loan holder and they seem to have little recourse otherwise. In some cases, the loan holder will charge additional fees for

putting the loan in forbearance, up to \$150 in one case. If feasible, CNVS programs may consider providing additional support to volunteers with private loans.

Also, Check Out Loan Forgiveness!

Volunteers in certain professional fields may be eligible to receive loan forgiveness for some federal loans. Below are two tables that summarize discharge and cancellations for Perkins and Direct/FFEL loans. Volunteers should apply directly to their loan holder.

Perkins Loan Discharge and Cancellation Summary Chart	
Cancellation Conditions ^a	Amount Forgiven
Bankruptcy (in rare cases—cancellation is possible only if the bankruptcy court rules that repayment would cause undue hardship)	100 percent
Closed school (before student could complete program of study)—applies to loans received on or after Jan. 1, 1986	100 percent
Borrower's total and permanent disability or death ^b	100 percent
Full-time teacher in a designated elementary or secondary school serving students from low-income families ^c	Up to 100 percent
Full-time special education teacher (includes teaching children with disabilities in a public or other nonprofit elementary or secondary school)	Up to 100 percent
Full-time qualified professional provider of early intervention services for the disabled	Up to 100 percent
Full-time teacher of math, science, foreign languages, bilingual education, or other fields designated as teacher shortage areas	Up to 100 percent
Full-time employee of a public or nonprofit child- or family-services agency providing services to high-risk children and their families from low-income communities	Up to 100 percent
Full-time nurse or medical technician	Up to 100 percent
Full-time law enforcement or corrections officer	Up to 100 percent
Full-time staff member in the education component of a Head Start Program	Up to 100 percent
Vista or Peace Corps volunteer	Up to 70 percent
Service in the U.S. Armed Forces	Up to 50 percent in areas of hostilities or imminent danger

Information taken from *Funding Education Beyond High School: The Guide to Federal Student Aid*.

Stafford and PLUS Loan Discharge and Cancellation Summary Chart		
Discharge/Forgiveness Condition	Amount Discharged/Forgiven	Notes
Borrower's total and permanent disability or death ^a	100 percent	For a PLUS Loan, includes the death, but not disability, of the student for whom the parent borrowed.
Full-time teacher for five consecutive years in a designated elementary or secondary school serving students from low-income families. Must meet additional eligibility requirements	Up to \$5,000 (up to \$17,500 for teachers in certain specialties) of the total loan amount outstanding after completion of the fifth year of teaching. Under the Direct and FFEL Consolidation loan programs, only the portion of the consolidation loan used to repay eligible Direct loans or FFEL Loans qualifies for loan forgiveness.	For Direct and FFEL Stafford Loan borrowers with no outstanding balance on a Direct or FFEL loan on the date they received a loan, PLUS Loans are not eligible. At least one of the five consecutive years of teaching must occur after the 1997-98 academic year. ^b To find out whether your school is considered a low-income school go to www.FederalStudentAid.gov . Click on the "Students, Parents and Counselors" tab. Or call 1-800-4-FED-AID (1-800-433-3243).
Bankruptcy (in rare cases)	100 percent	Cancellation is possible only if the bankruptcy court rules that repayment would cause undue hardship.
Closed school (before student could complete program of study) or false loan certification.	100 percent	For loans received on or after Jan. 1, 1986.
False loan certification now includes identity theft.	100 percent	Effective July 1, 2006.
School does not make required return of loan funds to the lender	Up to the amount that the school was required to return.	For loans received on or after Jan. 1, 1986.

Teacher Loan Forgiveness Program

Volunteers serving as teachers in low-income areas or subject-matter shortage areas may be able to apply for cancellation of eligible student loans. Information on terms and eligibility can be found on the Federal Student Aid Website.

- Direct and FFEL <http://www.studentaid.ed.gov/PORTALSWebApp/students/english/cancelstaff.jsp>
- Perkins <http://studentaid.ed.gov/PORTALSWebApp/students/english/cancelperk.jsp?tab=repaying>

Other loan forgiveness programs

Some schools, hospitals and healthcare facilities, and state and federal agencies may offer loan forgiveness in exchange for service to a particular field or profession. Here are a few to check out:

- Child Care Provider Loan Forgiveness Program
<http://studentaid.ed.gov/PORTALSWebApp/students/english/childcare.jsp?tab=repaying>
- Nursing Education Loan Repayment Program
<http://bhpr.hrsa.gov/nursing/loanrepay.htm>
- National Health Service Corps Program
<http://nhsc.bhpr.hrsa.gov/applications/lrp/default.htm>
- Federal Student Loan Repayment Program (for federal employees)
<http://www.opm.gov/oca/pay/studentloan/>



For more information on loan forgiveness/repayment programs, visit [FinAid.org](http://www.finaid.org) at <http://www.finaid.org/loans/forgiveness.phtml>

Using the Segal AmeriCorps Education Award

AmeriCorps members who are successfully exited with an award may use the award to pay for *qualified* student loans. Qualified student loans refer to most federally-backed student loans such as Direct and FFEL, as well as loans made by a state agency or state higher education agency.

From AmeriCorps.Gov



The national service legislation defines *qualified student loan* as a loan backed by the federal government under Title IV of the Higher Education Act (except PLUS Loans to parents of students), or under Titles VII or VIII of the Public Health Service Act. You may also use your Segal AmeriCorps Education Award to repay a student loan made by a state agency, including state institutions of higher education.

Segal AmeriCorps Education Awards may not be used to repay any other type of loan, even if the loan was obtained for educational purposes. You can use your Segal AmeriCorps Education Award to repay defaulted student loans as long as the loans meet the definition of *qualified student loan*.

TO DO'S FOR YOUR APPLICANTS/VOLUNTEERS

The first step for volunteers interested in temporarily postponing payment of their loans while in service is to call their loan holder(s) or servicing agency to check their loan status, inform them of their intention to volunteer, and review their options for deferment or forbearance. Volunteers with federal and state-backed loans have various options for deferment and forbearance. Unfortunately, for volunteers with private loans the options are limited to what their private lenders may offer.

Here are a few things volunteers should consider:

1. What kind of loan do I have? Is it subsidized or unsubsidized?	Direct and FFEL offer subsidized or unsubsidized loans. With subsidized loans, the government pays the interest in deferment.
2. When did I acquire my loans? Am I an “old borrower”?	Some volunteers may be eligible for Public Service Deferments.
3. Am I eligible for AmeriCorps and also participating in an AmeriCorps program?	AmeriCorps are eligible for mandatory forbearance based on National Service and have all or a portion of the accrued interest paid by the government.
4. Which is better for me, given my situation and the kinds of loans I have, deferment or forbearance? And what type of deferment or forbearance would be best?	Volunteers not eligible for AmeriCorps forbearance can usually apply for economic hardship deferment or forbearance.

Volunteers should know who their loan holder or servicing agency is, their contact information, and where to send deferment or forbearance requests (which is usually different than the address where payments are processed).

When to submit a deferment or forbearance request?

Request for forbearances and deferments should be submitted to the loan holder or servicing agency within 30 days from the desired start date. Renewals for forbearances and deferments should be submitted within 60 days of the desired start date.

Faxes get lost, mail gets lost, and requests may be swallowed up by the office cat . . .



Volunteers should always follow up with the loan holder to verify that forbearance or deferment requests have been received.

Volunteers enrolling in **CNVS AmeriCorps** programs can fill out the **National Service Forbearance Form** included in their member handbooks or request forbearance online through My AmeriCorps once they have been enrolled. Only certain qualified student loans will be eligible, and no private loans are eligible for National Service Forbearance. If a paper form is sent, CNVS AEAP will certify the enrollment and fax or mail the form to the loan holder or servicing agency. In order to avoid delays in processing National Service Forbearances, we suggest that applicants:

1. Call their loan holder prior to enrollment. Volunteers should know about **forbearance based on national service** or they may end up getting routed to less favorable deferment options. Remember forbearance and deferments are not the same thing!
2. Make sure the form is the National Service Forbearance Form (provided by CNVS or by your lender, no other will apply) and information in the form is accurate and completely filled out.
3. Provide the correct fax or mailing address for the loan holder or servicing agency where forbearances are processed.
4. Call their loan holder a week or two after the form has been submitted to CNVS AEAP. CNVS AEAP does not receive confirmation from the loan holder as to whether the forms were received or the forbearance granted. It is the AmeriCorps member's responsibility to follow-up.
5. If a loan is in its grace period, it should be submitted to CNVS AEAP within 90 days prior to the end of the grace period.

Any delays in submitting the forms to CNVS will result in delays in the processing of forbearances.



Volunteers are responsible for any payments due until the loan holder or servicing agency has processed and approved the forbearance or deferment request.

WANT MORE?

One can never stop learning! Here are a few must-reads for you and your volunteers.

- Funding Education Beyond High School—*GREAT OVERVIEW* by U.S. Dept of Education!
http://studentaid.ed.gov/students/attachments/sitesources/FundingEduBeyondHighSchool_0708.pdf

- Your Federal Student Loans: Learn the Basics and Manage your Debt—A *COMPLETEMENT TO THE BOOKLET ABOVE (Working Draft)*
<http://studentaid.ed.gov/students/attachments/siteresources/Loan-pub-working-draft-updated.pdf>
- Visit Federal Student Aid
<http://studentaid.ed.gov/PORTALSWebApp/students/english/index.jsp>
- Visit FAQs on deferment and forbearance for various lenders.
- College Cost Reduction And Access Act (H.R. 2669)
<http://www.nasfaa.org/Publications/2007/G2669summary091007.html#benefits>
- Protect Families from Private Student Loans
http://www.change.org/actions?event_id=15811

References and Resources:

Article discusses best way to deal with private loans
<http://www.globaleconomist.org/?p=387>

AmeriCorps: Loan Postponements, Interest Payments, and Financial Aid
http://www.americorps.org/for_individuals/benefits/benefits_ed_award_repayment.asp

Block, Sandra. "Private student loans pose greater risk," USA Today, October 24, 2006. Online.
http://www.usatoday.com/money/perfi/college/2006-10-24-private-student-loans-usat_x.htm

Citibank: Deferment and Forbearance FAQs
<http://studentloan.citibank.com/slcsite/repay/defer/1a6b.asp>

CollegeZone.Com
<http://www.collegezone.com/>

EdFed.Com: Deferment and Forbearances FAQ
<http://www.edfed.com/federal-loan-consolidation/deferment-forbearance-faq.php#2>

EdFed.Com: Loan Consolidation
http://www.edfund.org/students/studentpar.cfm?edfpage=/students/managing/loan_consolidation.html#SubHead3

Federal Direct Consolidation Loans Information Center
<http://www.loanconsolidation.ed.gov/borrower/loans.shtml>

Federal Student Aid
<http://www.federalstudentaid.ed.gov/>

FinAid.org
<http://www.finaid.org/>

Funding Education Beyond High School
http://studentaid.ed.gov/students/attachments/siteresources/FundingEduBeyondHighSchool_0708.pdf

State Education Agencies (by state)
http://wdcrobcop01.ed.gov/Programs/EROD/org_list.cfm?category_ID=SHE

Student Loan Counseling Service, Inc.
<http://www.slcsloanhelp.com/>