



<b>Institutional action of school from which loan was made:</b> <input type="checkbox"/> <b>Approved</b> <input type="checkbox"/> <b>Disapproved</b>	Signature
	Date

### DEFERMENT PROVISIONS

#### HEALTH PROFESSIONS/PRIMARY CARE LOANS AND LOANS FOR DISADVANTAGED STUDENTS

##### 1. Grace Period

- A. The grace period is a period of time immediately following completion of studies as a full-time student during which repayment of principal is not required and interest does not accrue. This grace period must be granted to all students who cease to be a full-time student pursuing an eligible course of study at a health professions school.
- B. The grace period is one year on loans made after June 30, 1969, and three years on loans made prior to July 1, 1969.

##### 2. Deferment

- A. If, during the grace period, the borrower re-enters the same or another health professions school, then the interrupted grace period is treated as if it did not begin at all.

Students with loans made before November 4, 1988, who cease to pursue a full-time course of study at a health professions school, but who re-enter the same or another health professions school after the grace period expires, are not eligible for deferment.

**For loans signed on or after November 4, 1988:** The borrower may defer payment during full-time study at a Health Profession school even if the grace period has expired. This type of deferment will not renew the grace period.

- B. When the grace period ends, the 10-year repayment period begins, during which the borrower must repay principal and accrued interest according to the borrower's repayment schedule.

If during the repayment period, the borrower engages in any of the activities identified under (1) and (2), the repayment may be deferred until such time as the borrower ceases to engage in a deferrable activity or has exhausted the maximum allowable time established for each such activity.

Such service performed during the grace period does not extend the length of the grace period. No additional grace period is permitted after these deferments.

- (1) Students who enter advanced professional training will qualify for deferment if the training will advance the borrower's knowledge and skills in the health professions discipline for which the loan was received and the training is one of the following:
- (a) internship or residency program;\*
  - (b) full-time training beyond the first professional degree; or
  - (c) training fellowships by hospitals which are affiliated with health professions schools.
- (2) Students who perform up to three years activity duty as a member of a uniformed service such as Army, Navy, Marine Corps, Air Force or Coast Guard. Service in the National Oceanic and Atmospheric Administration Corps and the U.S. Public Health Service also is eligible for deferment. Students who perform up to three years as a volunteer under the Peace Corps Act are eligible for deferment.

\*For borrowers under the Primary Care Loan program, residency means: A three-year residency program in allopathic or osteopathic family medicine, internal medicine, pediatrics, combined medicine/pediatrics, or preventive medicine approved by the Accreditation Council or Graduate Medical Education (ACGME) or by the American Osteopathic Association (AOA), or in a rotating or primary health care internship and general practice residency program approved by the AOA.

#### NURSING LOANS

##### 1. Grace Period

- A. The grace period is a period of time immediately following completion of studies as a full-time student during which repayment of principal is not required and interest does not accrue. This grace period must be granted to all students upon completion of studies. Half-time students who received loans after November 17, 1971, are also eligible for a grace period.
- B. The grace period is nine consecutive months on loans made after June 30, 1969, or 12 consecutive months on loans made before July 1, 1969.

##### 2. Deferment

- A. If the borrower resumes full-time or half-time studies at the same or another nursing school during the grace period, then the interrupted grace period is treated as if it did not begin at all. The borrower who re-enters the same or another nursing school during the grace period must file a Certification of Deferment Status and will later be given a full nine-month grace period when no longer pursuing an eligible course of study as either a full-time or half-time student.
- B. A borrower who withdraws or graduates from a nursing program and re-enters the same or another nursing program after the grace period has expired must meet the scheduled repayments when due unless the individual qualifies for deferment. Deferment after expiration of the grace period is only possible if the borrower pursues at least half-time training in nursing beyond the first diploma or degree in nursing. The training must be at least one academic year, must be provided by an accredited institution or an affiliate, and must advance the borrower's knowledge and strengthen his or her skills in nursing.

**For loans signed on or after November 4, 1988:** The borrower may have a maximum of 10 years of deferment for full-time or half-time study in a collegiate nursing program or advanced nursing study. For loans made before November 4, 1988, the maximum is 5 years.

Students who perform up to three years active duty as a member of a uniformed service such as Army, Navy, Marine Corps, Air Force or Coast Guard, or for the National Oceanic and Atmospheric Administration Corps and the U.S. Public Health Service are eligible for deferment. Such service performed during the grace period does not extend the length of the grace period.

Students who perform up to three years as a volunteer under the Peace Corps Act are eligible for deferment. The total period of deferment for uniformed service or service as a Peace Corps volunteer may not exceed three years.