



Expanded Deferment and Cancellation Provisions

On October 7, 1998, the Higher Education Amendments of 1998 (H.R.6) were signed into law. These amendments expand the deferment and partial loan cancellation benefits for older Federal Perkins, National Direct, and National Defense Loans (William D. Ford Direct Subsidized and Unsubsidized Loans are not included in this provision). Partial loan cancellation provisions have been expanded for loans received prior to July 23, 1992 and deferment provisions for loans received prior to July 1, 1993 to equal provisions granted to loan recipients with loans made after those respective dates. Borrowers who received loans on or after those dates are not affected.

The provisions of the law became effective October 7, 1998. The law is not retroactive and covers only eligible deferment and cancellation service you may have since October 7, 1998.

Deferments: In addition to the deferment provisions in their promissory note, borrowers with an outstanding balance on a Federal Perkins, National Direct, or National Defense loan made prior to July 1, 1993 may now be eligible to receive deferment of repayment for periods of:

- Unemployment (to request this deferment, contact the school where you received your loan);
- Economic hardship (to request this deferment, contact the school where you received your loan);
- Enrollment in graduate/post-graduate fellowship or rehabilitation training programs; or
- Service that will be eligible for partial loan cancellation (see below).

Cancellations: In addition to the cancellation provisions in their promissory note, borrowers with an outstanding balance on a Federal Perkins, National Direct, or National Defense loan made prior to July 23, 1992, may be eligible for **partial** cancellation of their loan for each qualified year of service for: *

- Full-time teaching in a field of expertise such as mathematics, science, foreign languages, bilingual education or other fields where the State education agency determines there is a shortage of qualified teachers;
- Full-time employment as a nurse or medical technician providing health care services;
- Full-time employment in a public or private nonprofit child or family service agency providing or supervising the provision of services to high-risk children from low-income communities and families of such children;
- Full-time employment as a qualified professional provider of early intervention services in a public or other nonprofit program under public supervision by the lead agency as authorized in Sect. 676 (b)(9) of the Individuals with Disabilities Education Act;
- Volunteer service in the Peace Corps Act or Domestic Volunteer Service Act of 1973 (VISTA);
- Employment as a law enforcement or corrections officer in an eligible local, state, or federal agency which is publicly funded and if its principal activities pertain to crime prevention, control or reduction of enforcement of criminal law, and principal responsibilities are unique to the criminal justice system; or
- Full-time educational staff member in a pre-school program carried out under the Head Start Act.

* Additional requirements apply.

If you feel you may qualify for a deferment of payments or partial cancellation of your loan, you may request an application from our voice response unit by calling our toll-free number listed on your billing statement. Please have your sixteen-digit account number available and select option #2 to request a form.