

Discretionary Forbearance Agreement

Forbearance is an arrangement to postpone or reduce the amount of a borrower's monthly payment for a limited, specified time period. **The borrower's loan continues to accrue interest during a period of forbearance.** Forbearance is available to a borrower or endorser who is willing but unable to make currently scheduled payments due to a temporary financial hardship. **Forbearance requests are subject to lender approval.**



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1. Borrower Information

Please correct, or if information is missing, enter below:

SSN _____

Name _____

Address _____

City, State, Zip _____

Home Phone _____

Cell Phone _____

Email Address _____

Employer Name _____

Employer Phone _____

2. Forbearance Terms

I am willing but unable to make my current loan payments due to a temporary financial hardship. I request the following forbearance (check one):

No pay forbearance - no payments are required (Refer to Section 3, Items 4 & 5 below.)

Reduced payment forbearance - interest-only payments are required (Refer to Section 3, Items 5-8 below.)

Please provide the reason you are requesting forbearance, for example, unemployment, you are enrolled in school and are not eligible for in-school deferment, financial hardship, etc.

I request forbearance on all my loans effective upon receipt of this form or with the beginning of my delinquency. This forbearance will be for a 12-month period unless I indicate a shorter forbearance period below:

Requested forbearance ending date: mm/yy _____

3. Borrower Understandings and Certifications

I understand that: The cumulative maximum for this type of forbearance is 48 months for Federal Family Education Loans (FFEL), SC Teachers Loan Program loans, and Palmetto Assistance Loans (PAL) first disbursed before July 1, 2009. The cumulative maximum for PAL loans first disbursed on or after July 1, 2009 is 36 months. PAL borrowers may only receive 12 months of Discretionary Forbearance within a 24-month period. (1) I must pay my current scheduled payment amount until I am notified by my lender that my forbearance request has been granted; (2) This forbearance request will not be granted unless all items on this form are completed and any additional required documentation is provided; (3) During the forbearance period, principal and interest payments may be forborne, but interest will continue to accrue on both subsidized and unsubsidized monies; (4) If I requested a temporary suspension of payments (no pay forbearance), interest that accrues during the forbearance will be capitalized according to the Higher Education Act, unless the full interest amount is paid before the ending date of the forbearance; (5) Any period of delinquency that exists prior to the received date of this forbearance request will not be removed from my credit history; (6) If I requested a reduced payment forbearance, I will receive notification of the required payment amount, and the accrued interest may be capitalized before adding the forbearance; (7) If I receive a reduced-payment forbearance, and do not make my scheduled monthly payments, my loan may become delinquent, and my lender may perform collection activities; (8) If my loan should become delinquent during this period, my lender has the option to cancel the reduced-payment forbearance and place a no pay forbearance on my account. (9) Capitalization of any and all interest that accrues during a forbearance period could increase my monthly payment amount after the forbearance expires, unless the full interest amount is paid before the ending date of the forbearance; (10) I will be sent a new Repayment Schedule and Disclosure at least 30 days before my regular payments are to resume if my monthly payment amount increases once the forbearance ends; and (11) If I am on Automatic Bankdraft, then the Bankdraft will stop as soon as my forbearance is effective.

I certify that: The information I have provided above is true and correct; I will provide additional documentation, as required, to my lender to support my continued forbearance status; I will notify my lender immediately when the conditions that qualified me for the forbearance ends; I have read, understand and meet the terms and conditions of the forbearance for which I have applied; and I agree, upon termination of this forbearance, to repay this loan according to the terms of my promissory note and repayment schedule.

After you complete the requested information, read, understand and agree to the Borrower Understandings and Certifications and the Privacy Act Disclosure Notice on the back of this form, sign and date the form below and send your completed form to the lender named at the top of this form.

Signature of Borrower _____ Date _____

Discretionary Forbearance Agreement (continued)

Privacy Act Disclosure 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 §428(b) (2) (A) et seq. of the Higher Education Act of 1965, as amended (20 U.S.C. 1078(b) (2) (A) et seq.) and the authority for collecting and using your Social Security Number (SSN) is §484(a) (4) of the HEA (20 U.S.C. 1091 (a) (4)). Participating in the Federal Family Education Loan Program (FFELP) and giving us your SSN is 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 collect on your loan(s) if your loan(s) become 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 to third parties as authorized under routine uses in the appropriate systems of records. The routine uses of this information include its disclosure to federal, state, or local agencies, to other federal agencies under computer matching programs, to agencies that we authorize to assist us in administering our loan programs, to private parties such as relatives, present and former employers, business and personal associates, to credit bureau organizations, to educational and financial institutions, to guaranty agencies and to contractors in order to verify your identity, to determine your eligibility to receive a loan(s) or a benefit on a loan(s), to permit the servicing or collection of your loan(s), to counsel you in repayment efforts, to enforce the terms of the loan(s), to investigate possible fraud and to verify compliance with federal student financial aid program regulations, to locate you if you become delinquent in your loan payments or if you default, to provide default rate calculations, to provide financial aid history information, to assist program administrators with tracking refunds and cancellations, or to provide a standardized method for educational institutions efficiently to submit student enrollment status.

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 also be made to qualified researchers under Privacy Act safeguards.