



## ACTIVE DUTY MILITARY MOBILIZATION How it Affects Current and Past Financial Aid Recipients

As a result of the terrorist attacks, the United States has called members of the National Guard and the Ready Reserves to active duty and has reassigned regular active duty Armed Force members to other duty stations. Students and their family members are being directly impacted at the university by this call to service.

Western and the federal government have modified numerous regulations and policies that are related to students needing to completely withdraw from their university classes as a result of the military mobilization

### **Federal Financial Aid Recipients – Present and Past.**

Financial Service Specialists are available to counsel, direct and/or process the appropriate information for the student. Student Financial Aid may be contacted at (269) 387-6000 or email at [finaid-info@wmich.edu](mailto:finaid-info@wmich.edu).

Students who have received Federal Perkins, Federal Direct Loan or FFELP loans are eligible for extended grace periods, military deferments, forbearance and/or cancellation options.

Students will need to contact the agencies, servicing centers, lenders or guaranty agencies to request these options. Contacts are:

→ Federal Perkins Loan: University Accounting Services (UAS) at 1-800-999-6227.

→ Federal Direct Loan: Direct Loan Servicer at 1-800-848-0979, [www.dlservicer.ed.gov](http://www.dlservicer.ed.gov) or fax at 1-800-848-0984.

→ FFELP loan: Respective guaranty agencies, loan servicers or lenders for guidance.

The following situations identify how current and past students may be affected and the relevant guidance for each situation.

### **Completely withdrawing from classes:**

#### All Students:

✓ Students who completely withdraw after the first days of classes are still subject to the Return of Title IV funds policy to determine the amount of unearned aid that needs to be returned to the federal programs. However, if any portion of the Federal Pell or Federal SEOG is required to be returned by the student as an overpayment, the amount can be waived. Any portion of the federal funds that are the school's responsibility to return may cause a bill on the student's account.

✓ Students who completely withdraw may not meet the standards of satisfactory academic progress and upon receipt of the student's activation papers; the office will waive their deficient hours and/or attempted hours.

✓ Students who have pending financial aid will need to be reviewed on a case by case basis to assist them with their documentation, accounts receivable charges, and other issues.

✓ Depending on the term the student returns back to school, exemption from the financial aid and scholarship deadlines may be permitted. Contact the Student Financial Aid Office.

#### For Federal loan borrowers:

✓ For Federal Perkins borrowers who have been in an in-school deferment status based on their half time enrollment, their grace period will not begin until borrower is released from active duty. The grace period delay may not exceed 3 years and includes up to 12 months for the borrower to reenroll in school (even if it is in a different program).

✓ For Federal Perkins borrowers who are already in a grace period, the period of time the borrower serves in active duty is excluded and they could receive a full grace period when they return. The grace period delay may not exceed 3 years and includes



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up to 12 months for the borrower to reenroll in school (even if it is in a different program).

✓For Federal Direct Loan/FFELP borrowers who are serving in the U.S. Armed Forces, they can defer their loan for up to three years through a military deferment.

**Currently in federal loan repayment and has been in good standing:**

✓For Federal Direct Loan/FFELP borrowers who are serving in the U.S. Armed Forces, Commissioned Corps of the Public Health Service or in the Peace Corps, they can defer their loan repayments for up to three years through a military deferment.

✓For Federal Direct Loan/FFELP/Federal Perkins borrowers they are eligible to be granted a forbearance (delay of payments) beginning on the first day of active duty, not to exceed one year. The forbearance must be granted based upon the request of the borrower, the borrower's family or another reliable source. The request need not be in writing nor will a written agreement be created and can be granted without supporting documentation. Forbearance beyond the initial 12-month period will require supporting documentation and a written agreement. Some borrowers may be eligible for the military deferment noted in the paragraph above.

✓For Federal Perkins or National Direct Student Loan (NDSL) borrowers who are serving full time active duty in the U.S. armed forces, (Army, Navy, Air Force, Marine Corps or Coast Guard), National Guard or Reserves are entitled to cancellation of up to 50% in an area of hostilities or an area of imminent danger that qualifies for special pay under Section 310 Title 37 of the U.S. Code. The cancellation rate for every complete year of qualifying service is 12.5% of the original principal loan amount plus any interest that accrued during the year.

✓ For National Defense Student Loan borrowers who are in service full time active duty in the U.S. armed forces, (Army, Navy, Air Force, Marine Corps or Coast Guard), National Guard or Reserves are entitled to cancellation of up to 50%- the area does not have to be of hostilities or imminent danger. The cancellation rate for every complete year (no pro-ration if partial year) of qualifying service is 12.5% of the original principal loan amount plus any interest that accrued during the year.

✓For new Federal Direct Loan/FFELP borrowers with loans first borrowed after 10/1/1998 and who have taught for a designated period of time in a school that qualifies for loan cancellation under the Federal Perkins Loan Program, they can have their loans forgiven up to \$5000. When determining the "required five consecutive years of qualifying teaching in school", a break for active duty status for more than 30 days as a member of a reserve component of the Armed Forces does not constitute a break in the required five consecutive years of qualifying teaching service.

**Currently in default on their federal loans:**

✓For Federal Direct Loan/FFELP/Federal Perkins borrowers they can have all collection activities ceased for the expected period of the borrower's military service, through September 14, 2002. Collection activities must resume no later than 30 days after the end of the borrower's military service or September 14, 2002 whichever is earlier.

✓For FFELP borrowers who are being sued by a lender or guaranty agency they can not have a default judgment entered against them by lender or guaranty agency if they meet the criteria of the Soldier's and Sailor's Civil Relief Act of 1940.