





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

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.