

Student Loans

Collections Guide to Defaulted Student Loan

Student loan borrowers in default have more options to repay their defaulted student loans. The U.S. Department of Education's Collection Department assists those in default by making a repayment of their debts a simple process.

NELA – Northwest Education Loan Association

1-800-979-4441

www.nela.net

U.S. DEPARTMENT of EDUCATION FEDERAL STUDENT AID

1-800-4-FED-AID (1-800-433-3243);

Borrower Advocates for the Dept of Education 1-877-557-2575

or for Government Loans 1-800-979-4441

www.ed.gov/offices/OSFAP/DCS/index.html

This site will provide you with information on the following loan programs:

- Federal Family Education Loans (FFEL), which include Federal Stafford and Federal PLUS loans. When placed in default, these loans are first assigned to a guaranty agency (an organization that administers the FFEL Program for your state) for collection. Periodically, guaranty agencies assign loans to the Department for collection.
- Direct Loans. Federal Stafford and PLUS loans are also offered through the [William D. Ford Direct Loan Program](#). When placed in default, these loans are assigned to the Department's Debt Collection Service.
- Federal Perkins Loans. When placed in default, Perkins Loans may remain with the school or be assigned to the Department for collection.
- Federal Pell Grants and Federal Supplemental Educational Opportunity Grants (FSEOG). In certain instances, you may have to [repay part of a Federal grant](#) that was awarded to you.
- All guaranty agencies and the U.S. Department of Education (ED) will accept regular monthly payments that are both reasonable to the agency and affordable to you. You should call us at 1-800-621-3115 and one of customer service representatives will assist you with determining a repayment amount that is right for you.

Student Loans

Getting a student loan

Federal Student Aid Information Center

(800) 433-3243 or www.fafsa.gov

Free information on ways to gain money for college. Includes information on several types of loans, grants and work study money.

If you have a student loan

Direct Loans – CURRENT LOANS

Current Borrowers (800) 848-0979 or www.dlsvicer.ed.gov

Help with: Questions about loans,
Address/Name Changes,
Repayment Estimates,
Repayment Plan Changes,
Deferment and Forbearance Forms

Direct Loans – DEFAULT LOANS

Defaulted Student Loans

(800) 621-3115

Provides information to avoid default, resolve disputes and loan cancellation or discharge request forms

Direct Loans; – CONSOLIDATION OF STUDENT LOANS

(800) 557-7392 or

<http://loanconsolidation.ed.gov>

Provides information and applications for consolidating student loans

Scholarship information

www.fastweb.com

Student Loans

Student Loan - Quick Reference Guide

Federal Student Aid Program	Types of Aid	Program Details	Annual Award Amounts
Federal Pell Grant	Grant: Does not have to be repaid	Available almost exclusively to undergrads; all eligible students will receive the Federal Pell Grant amount they qualify for	\$400 to \$4,050 for 2005-2006
Federal Supplemental Educational Opportunity Grant (FSEOG)	Grant: Does not have to be repaid	For undergrads w/ exceptional financial need; priority given to Federal Pell Grant recipients; funds depend on availability of school	\$100 to \$4,000
Federal Work-Study	Money is earned while attending school; does not have to be repaid	For undergrads & grad students; jobs can be done on campus or off campus; students are paid at least minimum wage	No annual minimum or maximum award amounts
Federal Perkins Loan	Loan: must be repaid	5% loans for both undergrad and grad students; payment is owed to the school that made the loan	\$4,000 maximum for undergrad students; \$6,000 maximum for grad students; no minimum award amount
Subsidized FFEL¹ or Direct² Stafford Loan	Loan: must be repaid; you must be at least a half-time student	Subsidized: US Dept of Education pays interest while the borrower is in school & during grace & deferment periods	\$2,625 to \$18,500, depending on grade level (includes any subsidized amounts received for the same period)
Unsubsidized FFEL¹ or Direct² Stafford Loan	Loan: must be repaid; you must be at least a half-time student	Unsubsidized: Borrower is responsible for interest during the life of the loan; financial need is not a requirement	\$2,625 to \$18,500, depending on grade level (includes any subsidized amounts received for the same period)
FFEL or Direct PLUS Loan	Loan: Must be repaid	Available to parents of dependent undergrad students enrolled at least half-time	Maximum amount is cost of attendance minus any other financial aid the student receives; no minimum award amount

Deferment: A deferment is a period of time during which no payments are required and interest does not accrue unless you have an unsubsidized Stafford Loan. In that case, you must pay the interest.

To Qualify for a Deferment: The most typical loan deferment conditions are enrollment in school @ least 1/2 time, inability to find full-time employment (for up to 3 years), and economic hardship (for up to 3 years). Other deferment conditions are loan specific.

Forbearance: Your lender may grant a forbearance if you do not qualify for a deferment. During forbearance, your loan payments are postponed or reduced. Interest continues to accrue however; you are responsible for paying it, no matter what kind of loan you have. Generally, you can receive forbearance for periods of up to 12 months at a time for a maximum of three years. You'll provide documentation to the holder of your loan to show you should be granted forbearance.

Applying for Forbearance: Receiving deferment or forbearance is not automatic. You or your parents must apply for it.

- ▶ Contact the lender or loan servicer