

ECONOMIC HARDSHIP FORBEARANCE REQUEST

Borrower Information: Home Phone Number: Work Phone Number:	Please Make Any Corrections Here: Home Phone Number: Work Phone Number: SSN# :
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Dear Borrower:

If you are having financial difficulty because your monthly student loan payment is a significant portion of your income, you may be able to receive temporary financial relief through **Economic Hardship Forbearance**. This benefit allows you to postpone your student loan payments for up to 12 months at a time and 36 months over the life of your loan.

To qualify for an Economic Hardship Forbearance, you must provide documentation showing that **the total monthly payment on all of your outstanding Title IV education loans** (see list on reverse) **is greater than or equal to 20% of your total monthly gross income**. This documentation is listed as follows:

- ✓ Copies of monthly statements, coupons, or cancelled checks which confirm your most recent monthly student loan payments, AND...
- ✓ Copies of pay stubs from within the last 30 days or W-2 forms which confirm your most recent monthly gross income from all sources. If you had received no income for the requested forbearance period, you must provide a written statement indicating that fact.

During a period of Economic Hardship Forbearance, you will be charged with the interest that accrues, and we will send you an interest statement at the end of each quarter. We will add (capitalize) any unpaid interest to your principal balance at the end of the forbearance period; however, you can minimize this increase by paying the interest as it accrues.

If you would like to apply for Economic Hardship Forbearance, please fill out this form completely, attach the required documentation, and return everything to us as soon as possible. (If you cannot provide the required documentation or do not qualify based on that documentation, you can, by signing below, be considered for a standard Hardship Forbearance, which is also granted up to 12 months at a time but at the lender's discretion.) Completion and submission of this form does not guarantee approval. You will receive official notification of the approval/denial of this forbearance request. If your request is approved, this forbearance will be applied to ALL of your ACS-serviced student loans, unless you provide instructions to the contrary.

IF YOU ARE PAST DUE ON YOUR PAYMENTS, IT IS ESPECIALLY IMPORTANT THAT YOU RETURN THIS FORM TO US AS SOON AS POSSIBLE! Collection activities will continue until we have received and approved the request form; i.e., late notices will be sent and phone calls will be made.

Section 1: Borrower Request

I request an Economic Hardship Forbearance to cover any amount currently past due on my loan(s) and to end on _____ (month/year), not to exceed a total of 12 months.

The TOTAL MONTHLY PAYMENT on my eligible Title IV education loans is \$ _____ . _____ (documentation enclosed)

My TOTAL MONTHLY GROSS INCOME from all sources is \$ _____ . _____ (documentation enclosed)

Understanding and Certification:

I understand that: (1) My lender will not consider this request unless all applicable sections are completed. (2) If I do not qualify for Economic Hardship Forbearance, my lender will apply a standard Hardship Forbearance for the same period, if I am eligible. (3) If I am requesting forbearance on a federal PLUS or Consolidation Loan with joint borrowers (co-makers), each borrower must qualify and sign below. (4) If I am past due on payments not covered by the forbearance request in Section 1, my lender will include the past due amount in the forbearance period. (5) The number of days I am past due plus the period of time I am unable to make payments cannot exceed 12 months. (6) I am willing but currently unable to repay this past due amount. (7) I intend to repay my loan(s) and understand interest continues to accrue during the forbearance period. (8) I have the option of making interest payments during the forbearance; however, any accrued interest which I do not pay may be capitalized by my lender as permitted by law. I also have the option of making additional payments during the forbearance period to reduce the total amount I owe on my student loan(s).

I certify, under penalty of perjury, that: (1) Information I provided is true and correct, (2) I have read, and I understand, the terms and conditions of the forbearance for which I am applying, and (3) I agree, upon termination of this forbearance, to repay this loan(s) according to the terms of my promissory note and repayment schedule. I understand that I will be notified of my next payment due date and payment amount when this forbearance ends.

Borrower Signature	Date
Co-maker Signature (if applicable)	Date

(See other side for Definitions and Policy)

(FORBEARANCE REQUEST CONTINUED)

Definitions:

- ☛ A forbearance is a temporary reduction or suspension of payments. During a period of forbearance, interest charges continue to accrue.
- ☛ Capitalization is a process through which a lender adds unpaid interest to the principal balance of the loan, resulting in increased interest charges over the life of the loan.
- ☛ A co-maker is one of the two individuals who are joint borrowers on a Parent Loan for Undergraduate Students (PLUS) or Consolidation Loan and are equally responsible for repaying the loan.
- ☛ Title IV education loans include the following:

Federal Stafford Loans (subsidized and unsubsidized)	Federal Direct PLUS Loans
Federal Supplemental Loans for Students (SLS)	Federal Direct Consolidation Loans
Federal Parental Loans for Undergraduate Students (PLUS)	Federal Perkins Loans
Federal Consolidation Loans	National Direct Student Loans
Federal Direct Stafford/Ford Loans (subsidized and unsubsidized)	National Defense Student Loans

Policy:

- ☛ The forbearance period will cover the number of days the borrower is delinquent plus the number of days the borrower is unable to make payments on the loan (not to exceed 12 months).
- ☛ The beginning date of the forbearance will be no later than the borrower's next payment due date (not to exceed 60 days).
- ☛ The ending date of the forbearance will be no later than 12 months into the future from the beginning date.
- ☛ Any unpaid interest will be capitalized at the end of the forbearance period. An interest statement will be sent to the borrower quarterly during the forbearance period.
- ☛ An approved forbearance is routinely processed up to the point the borrower defaults (270 days delinquent). After default, the processing of an otherwise approved forbearance is at the lender's discretion.
- ☛ A completed forbearance request form will be processed within 10 days of receipt. Notification of approval/denial will be sent to the borrower.

Return the Completed Form to:

Mail To:
ACS
P.O. Box 7051
Utica, NY 13504-7051

Website Address
www.acs-education.com

Telephone Number
(800)835-3411

Fax Number
(315)738-2232