

Repayment Guide for Your IU Student Loans

Indiana University Student Loan Administration

www.indiana.edu/~iuloans



This book is designed to help you understand the student loan programs administered by Indiana University and your responsibilities as a borrower.

The information in this booklet is not a substitute for federal regulations or the terms of any promissory note.

The federal government updates guidelines on a continual basis. Some of the entitlements in this book may already have changed at the date of publication. For up-to-date information, contact Indiana University Student Loan Administration at 1-866-IULOANS (866-485-6267), e-mail iuloans@indiana.edu, or see our Web site at www.indiana.edu/~iuloans

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Written by Barbara Bright; edited and designed by the Indiana University Office of Publications.

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Debt Management Services
Financial Management Support
Student Information and Fiscal Services

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Introduction

Indiana University, in conjunction with the federal government, provides student loans for eligible students. Funds for the university loan programs are donated by various philanthropists. These loan programs make it possible for students who need financial support to attend Indiana University.

As loans are repaid, new loans can be provided to other students. Failure to repay these loans jeopardizes other students' opportunities to pursue their educations at Indiana University.

What Loan Programs Are Administered by the IU Student Loan Administration?

National Direct/Perkins/Federal Perkins Student Loans

Health Profession Student Loans

- Medical loans
- Dental loans
- Optometry loans

Health Profession Loans for Disadvantaged Students

- Medical loans
- Dental loans

Health Profession Primary Care Loans

Nursing Student Loans

- Associate Degree loans
- Bachelor of Science Degree loans
- Graduate Degree loans

Henry Strong Loan Program

International Loan Program

Judge & Mrs. Ira C. Batman Student Loans

Mabel Sledd Cunnison Student Loans

Fred E. & Helen Miholich Student Loans

Robert Wood Johnson Student Loans

- Medical loans
- Dental loans

Crowder-Wear Loan Program

Della Crowder Miller Loan Program

Lucas Loan Program

Munns Loan Program

Orville & Dorothy Miller Loan Program

What Are the Distinguishing Features of the Loan Programs?

National Direct/Perkins/Federal Perkins Student Loans have provisions in the promissory notes that allow portions of the original loan amount to be cancelled for certain types of employment, including teaching, Head Start, Early Intervention, Child Family Services, Nursing/Medical Technician, law enforcement, military service, and Peace Corps service. This benefit was first provided to help reduce the shortage of teachers in the workforce in the early 1960s. As the workforce across the nation has changed, so have the provisions of this loan program. See the section on cancellations, page 20, for more information. Also provided in the promissory note is a six-month post-deferment grace period.

Health Profession Student Loans are specifically for medical, dental, and optometry students.

Health Profession Loans for Disadvantaged Students are loans available only to disadvantaged students pursuing a degree in medicine or dentistry.

The **Health Profession Primary Care Loan** is the newest loan program. As the name implies, these loans are established for students who are studying to be primary care physicians. Students who receive these loans must sign a service agreement to practice primary care. The United States Department of Health and Human Services established these loans to help reduce the shortage of primary care physicians.

The **Nursing Student Loan Program** was established by the U.S. Department of Health and Human Services for nursing students. This program helps fund students who are pursuing an associate degree, a bachelor's degree, or a graduate degree in nursing.

The **Henry Strong Loan Program** was established by the Henry Strong Foundation for eligible junior, senior, and graduate students of the Bloomington and IUPUI campuses.

The **Crowder-Wear Loans, Munns Loans, and the Orville & Dorothy Miller Loan Programs** are for eligible seniors at the Indiana University IUPUI, South Bend, Northwest and Southeast campuses.

The **Della Crowder Miller Loans and Lucas Loan Programs** are for Masters degree students at the Indiana University IUPUI, South Bend, Northwest and Southeast campuses.

International Loan Programs are provided to eligible international students on the Indiana University Bloomington and South Bend campuses.

Judge & Mrs. Ira C. Batman Student Loans are for students attending the Indiana University School of Law.

Mabel Sledd Cunnison Student Loans are for eligible medical students.

The **Fred E. & Helen Miholich Student Loans** are for eligible students at Indiana University South Bend.

Robert Wood Johnson Student Loans are for eligible medical and dental students.

Communications

It is your responsibility to inform the Indiana University Student Loan Administration of any name and address changes; to submit deferment, cancellation, and postponement forms in a timely manner; and to meet regularly scheduled payments. You must initiate requests for the appropriate forms. It is important that you remain in contact with our office. If for any reason you are unable to make the scheduled payments, contact us and we will assign you to one of our debt management counselors.

Debt management counselors will review all of the options that are available to you concerning your loan. Working with these counselors often prevents delinquency on your account. It may be that you are eligible for a benefit in your loan program and the delinquency can be removed.

How Can I Get More Information?

Please contact the Indiana University Student Loan Administration using any one of the following options.

Visit:

400 E. Seventh Street, Room 206
Bloomington, IN

Mail:

Indiana University
Student Loan Administration
P.O. Box 1609
Bloomington, IN 47402-1609

Telephone:

1-866-IULOANS (866-485-6267)
or 812-855-4511

Fax:

812-855-5848

E-mail:

iuloans@indiana.edu

Web site:

www.indiana.edu/~iuloans

Many of the forms referenced in this booklet are also available on this Web site.

How Do I Read My Billing Statement?

Statements are mailed around the 20th day of each month. All loans administered by the Indiana University Student Loan Administration are combined in one statement. Return the top portion of the statement with your payment. The back of each statement allows you to request forms to update your name and address. A sample of a monthly statement follows on the next page.

How Can I get Information About My Other Loans?

Visit:

www.nsls.ed.gov
select financial aid review

Sample Monthly Statement

Side One

Top portion, which you'll return with your payment. Be sure to fill in the amount enclosed and include your student ID number on your check.

Indiana University
 Student Loan Administration
 P.O. Box 6210
 Indianapolis, IN 46206-6210

Phone: (866) 485-6267
 (812) 855-4511

Payoff Balance

Date 05/15/2004
 Due date 06/15/2004
 SID# 0123456789
 \$7,436
 if received by 06/15/2004
 Amount invoiced \$40.00

Check here and fill out the reverse for name/address change

Jane Hoosier
 400 E. Seventh Street
 Bloomington, IN 47405

Amount enclosed (U.S. dollars only, please)
 \$ _____
 Please include your SID# on remittance
 Payable to Indiana University

This part of your statement indicates the status of each loan; interest, principal, late charges, and other costs; and the total due.

INVOICE Please pay \$40.00 by 06/15/2004

	Status	Prin+Interest	Late Charges	Collection Costs	Total Due
Coll Fees		0.00	0.00	0.00	0.00
Perkins	Current	40.00	0.00	0.00	40.00
HPSL MD	Deferred	0.00	0.00	0.00	0.00
Cunnison	Current	0.00	0.00	0.00	0.00
Total		40.00	0.00	0.00	40.00

This part of your statement contains important messages.

Date and amount of last payment received 6/02/04 \$40
 Thank you for paying promptly.

This part of your statement details the installment due date(s), annual percentage rate (APR) of interest and principal for each loan, and payoff amount(s).

	Installment is/was due	APR	Borrowed	Principal Paid	C'xid	Balance	Interest Due	Late Chrgs Due	Coll Costs Due	To Pay Off
Coll Fees		0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Perkins	01/15/2000	5.00%	3,000.00	315.77	0.00	2,684.23	11.40	0.00	0.00	2,696
HPSL MD	01/15/2001	9.00%	2,000.00	0.00	600.00	1,400.00	0.00	0.00	0.00	1,400
Cunnison	02/15/2000	5.00%	4,000.00	672.78	0.00	3,327.22	13.22	0.00	0.00	3,340
Total			9,000.00	988.55	600.00	7,411.45	24.62	0.00	0.00	7,436

STATEMENT for Jane Hoosier

This side of your monthly statement shows the total amount you have borrowed, the types of loans you have taken out, the status of the loans, what you've paid, the balance and interest due on each loan, and the payoff balance. The statement format may change but its elements will remain the same.

Sample Monthly Statement

Side Two

NOTICE OF CORRECTION OF NAME, BILLING ADDRESS, OR TELEPHONE NUMBER ONLY

ACCOUNT NUMBER										DAYTIME TELEPHONE NUMBER									
NAME																			
CITY					STATE					ZIP + 4									

IF CHANGE OF NAME, ADDRESS, OR TELEPHONE NUMBER IS NECESSARY, PLEASE CORRECT HERE
AND CHECK THE ADDRESS CHANGE BOX ON THE REVERSE SIDE

Fill this in if you have any change of name, billing address, or telephone number. Be sure to check the box on the front of the statement if appropriate.

COMPLETE AND RETURN TO STUDENT LOAN ADMINISTRATION IF APPLICABLE

I REQUEST DEFERMENT OR CANCELLATION FORMS FOR THE FOLLOWING REASON(S):

- On full-time duty with armed forces or serving as an officer in commission corps of U.S. Public Health Service
- Serving with Peace Corps or under Domestic Volunteer Act of 1973
- Serving with volunteer tax-exempt organization comparable to Peace Corps or ACTION programs
- Enrolled as at least a half-time student in an institution of higher education
- Studying in a rehabilitation training program designed for disabled individuals
- Serving in an internship or residency
- Member of the Oceanic and Atmospheric Administration Corps
- Temporarily totally disabled or unable to work due to providing care for a dependent or spouse who is disabled
- Mother of preschool age children who entered/re-entered the work force and is making \$1.00 or less above the minimum wage
- Enrolled as a half-time student in a school of nursing
- Employed as a full-time teacher in an elementary or secondary school designated as a low-income school
- Employed as a full-time staff member in the education of a preschool program under Head Start
- Employed as a full-time teacher of handicapped/special education
- Employed as a full-time teacher of math, science, foreign languages, bilingual education, or field of expertise in shortage area
- Employed as a full-time nurse or medical technician
- Employed as a full-time law enforcement or corrections officer
- Employed full-time as a qualified professional provider of early intervention services
- A full-time employee of a child or family service agency providing services to high-risk children from low income communities and the families of such children
- Please forward information regarding monthly electronic debit (ACH) for payment of my account
- Deferment due to unemployment
- Deferment due to economic hardship
- Forbearance due to illness or other reasons
- Other _____

Check the appropriate box if you need to request a deferment or cancellation of your loan(s).

Please provide a daytime telephone number in case we have questions regarding your request: _____

*****NOTE:** All requests for forms, correspondence, or inquiries regarding your account should be directed to:
Indiana University, Student Loan Administration, P.O. Box 1609, Bloomington, IN 47402-1609
Telephone: 1-866-IULOANS (866-485-6267) or 812-855-4511

All payments should be mailed to the remittance address on the front of the statement.

DATE _____ NAME _____ SID# _____
(PLEASE PRINT)

You can use this side of the monthly statement to request deferment or cancellation forms or to notify the IU Student Loan Administration of a name, billing address, or telephone number change.

This legend appears on billing statements and will help you understand what each abbreviation stands for:

Loan Programs	Legend
National Direct Student Loans	NDSL
Federal Perkins/Perkins	Perkins
Health Profession Student Loans	
Medical	HPSL MD
Dental	HPSL DN
Optometry	HPSL OD
Health Profession Loans	
Loans to Disadvantaged Medical	HPSL DIS MD
Loans to Disadvantaged Dental	HPSL DIS DN
Health Profession Loans	
Primary Care Loans	HPSL PCL
Nursing Student Loans	
Associate	Nursing AD
Baccalaureate	Nursing BS
Graduate	Nursing GR
Henry Strong Loans	H Strong 3
International Loan Program	International
Judge & Mrs. Ira C. Batman Student Loans	Batman
Mabel Sledd Cunnison Student Loans	Cunnison
Fred E. & Helen Miholich Student Loans	Miholich
Robert Wood Johnson Medical Student Loans	Rwood Jn MD
Robert Wood Johnson Dental Student Loans	Rwood Jn DN
Crowder-Wear Loan Program	CrowderWea
Della Crowder Miller Loan Program	CrowderMil
Lucas Loan Program	Lucas
Munns Loan Program	Munns
Orville & Dorothy Miller Loan Program	Miller

Payments must be received before the due date indicated on the statement. Make all checks or money orders payable to Indiana University in U.S. currency. Postdated checks will not be accepted. Send all payments to the following address:

Payment Processing Center

Indiana University
 IU Student Loan Administration
 P.O. Box 6210
 Indianapolis, IN 46206-6210

Other Important Addresses

If your account becomes delinquent, collection fees will accrue and your account will be forwarded to the Indiana University Debt Management department for collection.

Mail and Office Address:

Indiana University
 Debt Management Services
 Student Loan Administration
 400 E. Seventh Street, Room 206
 Bloomington, IN 47405-3085

Telephone:

1-800-822-4840
 or 812-855-5703

Fax:

812-855-2516

Web site:

www.indiana.edu/~iuloans

If you are unable to resolve a National Direct/Perkins/Federal Perkins loan issue with the Indiana University Student Loan Administration or Debt Management Services, you may contact the U.S. Department of Education Ombudsman’s Office.

Mail Address:

U.S. Department of Education
 SFA Ombudsman
 830 First Street, NE
 Washington, D.C. 20202-5144

Telephone:

1-877-557-2575

Fax:

202-275-0549

E-mail:

fsaombudsmanoffice@ed.gov

Web site:

www.ed.gov or ombudsman.ed.gov

Repaying Student Loans

Prepayment

You may, without penalty, prepay all or any part of the principal, plus accrued interest, at any time.

What Is a Grace Period?

The grace period is the period of time after you cease your enrollment and before repayment of the loan begins. During the grace period, you will receive a notice advising that the loans have been set up for repayment and listing dates when payments are to begin. You will receive various notices during your grace period advising when payments will be due. In the final month of the grace period, a notice will be sent informing you that payments should begin the following month.

The grace period for each loan is as follows:

National Direct/Perkins/Federal Perkins Student Loans

National Direct: nine months if the loan was received prior to October 1, 1980. If the loan was received on or after October 1, 1980, the grace period is six months.

Perkins and Federal Perkins: nine months for loans received after July 1, 1987.

(Effective October 1, 1998, members of the Armed Forces reserve called or ordered to active duty for a period of at least 30 days are excluded from the initial grace period. Any such period cannot exceed three years.)

Health Profession Student Loans: 12 months.

Health Profession Loans for Disadvantaged Students: 12 months.

Health Profession Primary Care Loans: 12 months if you continue with the agreement to practice as a primary care physician. If this agreement is broken, there is no grace period.

Nursing Student Loans: 9 months.

Henry Strong Loan Program: There is a six-month grace period on these loans, and interest accrues.

International Loan Program: There is no grace period on these loans.

Judge & Mrs. Ira C. Batman Student Loans: There is no grace period on these loans.

Mabel Sledd Cunnison Student Loans: 12 months from date of graduation from Indiana University School of Medicine. If you cease enrollment and do not graduate, the grace period is 60 days.

Fred E. & Helen Miholich Student Loans: 6 months.

Robert Wood Johnson Student Loans: 12 months.

Crowder-Wear Loan Program: There is no grace period on these loans.

Della Crowder Miller Loan Program: There is no grace period on these loans.

Lucas Loan Program: There is no grace period on these loans.

Munns Loan Program: There is no grace period on these loans.

Orville & Dorothy Miller Loan Program: There is no grace period on these loans.

What Interest Rates Will I Pay?

The interest rates charged for each loan program are:

National Direct/Perkins/Federal Perkins Student Loans

National Direct: Loans made prior to July 1, 1981, have an interest rate of 3% per annum. Loans made after June 30, 1981, and prior to October 1, 1981, have an interest rate of 4% per annum. Loans made after September 30, 1981, have an interest rate of 5% per annum.

Perkins and Federal Perkins: Loans made on or after July 1, 1987, have an interest rate of 5% per annum.

Health Profession Student Loans: Loans made on or after October 1, 1977, and prior to August 13, 1981, have an interest rate of 7% per annum. Loans made on or after August 13, 1981, have an interest rate of 9%

per annum. Loans made on or after November 4, 1988, have an interest rate of 5% per annum.

Health Profession Loans for Disadvantaged Students: The interest rate is 5% per annum.

Health Profession Primary Care Loans: Loans made on or after July 1, 1993, have an interest rate of 5% per annum. For noncompliance with the service obligation agreement, the interest rate is 12% compounded annually beginning with the date of disbursement of each loan. For loans made on or after November 13, 1998, for noncompliance with the service obligation agreement the interest rate is 18% per annum, beginning with the date of non-compliance.

Nursing Student Loans: Loans made prior to August 13, 1981, have an interest rate of 3% per annum. Loans made on or after August 13, 1981, have an interest rate of 6% per annum. Loans made on or after November 4, 1988, have an interest rate of 5% per annum.

Henry Strong Loan Program: The interest rate is 5% per annum.

International Loan Program: There is no interest charged on these loans.

Judge & Mrs. Ira C. Batman Student Loans: The interest rate is 3% per annum.

Mabel Sledd Cunnison Student Loans: The interest rate is 5% per annum.

Fred E. & Helen Miholich Student Loans: The interest rate is 6% per annum.

Robert Wood Johnson Student Loans: The interest rate is 3% per annum.

Crowder-Wear Loan Program, Della Crowder Miller Loan Program, Lucas Loan Program, Munns Loan Program, and the Orville & Dorothy Miller Loan Program Loans: The interest rate is 0% the first and second year and the prevailing interest rate for unsecured loans as of July 1st of the current fiscal year the third year.

What about Income Tax Deductibility?

In August of 1997, the Taxpayer Relief Act of 1997 (TRA '97) was passed by Congress. Within this act is a provision that allows borrowers of student loans to claim interest paid on qualified student loans as a tax deduction if the loan was used for postsecondary expenses such as tuition, fees, books, equipment, and/or room and board.

The above information is not intended to be legal or tax advice. Talk to your tax preparer or tax consultant for further information. If you have questions, contact Indiana University Financial Management Services:

Mail:

Financial Management Services
Indiana University
400 E. Seventh Street, Room 509
Bloomington, IN 47405-3085

Telephone:

812-855-5657

Web site:

taxpayer.fms.indiana.edu

You can also obtain IRS information at:

Telephone:

1-800-829-1040

Web site:

www.irs.ustreas.gov

What Will My Repayment Period Be?

The repayment period for each loan is as follows:

National Direct/Perkins/Federal Perkins Student Loans, Nursing Student Loans, Mabel Sledd Cunnison Student Loans, and Robert Wood Johnson Student Loans are amortized over a 10-year period, subject to minimum installment.

Health Profession Student Loans, Health Profession Loans for Disadvantaged Students, and Health Profession Primary Care Loans are amortized over 10 years. Effective November 13, 1998, the period may be from 10 to 25 years.

The Henry Strong Loan Program is amortized over five years.

The International Loan Program is amortized over three years.

Judge & Mrs. Ira C. Batman Student Loans have a one- to three-year repayment period, based upon the amount of money borrowed and subject to the terms of the promissory notes.

Fred E. & Helen Miholich Student Loans are amortized over a period of three years, subject to the minimum installment.

The International Loan Program, Crowder-Wear Loan Program, Della Crowder Miller Loan Program, Lucas Loan Program, Munns Loan Program, and the Orville & Dorothy Miller Loan Program are amortized over three years.

What Is My Minimum Installment?

The minimum monthly installment for each loan is as follows:

Perkins/Federal Perkins Student Loans: \$30–\$40.

National Direct Student Loans, Henry Strong Loan Program, and Mabel Sledd Cunnison Student Loans: \$30.

Health Profession Student Loans and Nursing Student Loans: For loans prior to November 13, 1998, the minimum monthly installment is \$15. After November 13, 1998, the minimum installment is \$40.

Health Profession Loans for Disadvantaged Students and Health Profession Primary Care Loans: For loans prior to November 13, 1998, the minimum installment is \$30. After November 13, 1998, the minimum installment is \$40. The minimum monthly installment for **Primary Care Loans** is also subject to the service obligation agreement. If you are in noncompliance with the service agreement for Primary Care, the minimum monthly installment will be calculated on the remaining balance of the loan.

Robert Wood Johnson Student Loans: \$15.

Fred E. & Helen Miholich Student Loans: \$50.

Judge & Mrs. Ira C. Batman Student Loans, International Loan Program, Crowder-Wear Loan Program, Della Crowder Miller Loan Program, Lucas Loan Program, Munns Loan Program, Orville & Dorothy Miller Loan Program are based upon the

amount of money borrowed and subject to the terms of the promissory notes.

What Are My Third Party Repayment Agreement Options?

HHS: If you sign an agreement with the Secretary of Health and Human Services, a portion of the **Health Profession Student Loans, Health Profession Loans for Disadvantaged Students, and Nursing Student Loans** will be repaid. The agreement is subject to the availability of funds. *Funding has not been available. Loans are no longer eligible for the repayment agreement after November 13, 1998.*

Military: The U.S. Armed Forces offer a repayment program for eligible personnel serving in certain military occupational specialities. Further information on the repayment program can be obtained from
CDR: Human Resources Command
Attn: PACT-PDE (EICB)
200 Stovall St. Ste 3N17
Alexandria, VA 22332-0472
or from military education or recruitment centers.

Americorp: The National and Community Service Trust Act of 1993 offers a repayment program for eligible personnel serving in Americorp. Further information can be obtained from The National Service Trust ICNCS, 1201 New York Avenue N.W., Washington, DC 20525. Phone 202-606-5000.

How Do I Make Payments?

Payments: Payments are due by the date indicated on each monthly statement. Make all checks or money orders payable to Indiana University and in U. S. currency. Postdated checks will not be accepted. Please do not send cash through the mail. Send payments to the payment processing center, Indiana University Student Loan Administration Office, P.O. Box 6210, Indianapolis, IN 46206-6210.

Credit Card: Master Card, VISA, American Express, Diners Club, Discover, and NOVUS are accepted. Please call IU Student Loan Administration with your credit card information. A convenience fee is charged.

Internet: The IU Student Loan Administration Web site currently is under construction. As of the printing of this booklet, payments cannot be made over the Internet. We hope to have this capacity soon.

Preauthorized Debit or ACH: Regular payments automatically can be deducted from your checking or

savings account on a monthly basis. This service continues until the loan is paid in full or until you notify IU Student Loan Administration in writing to discontinue the automatic debits to the account.

To participate in the program:

- Your account must be current.
- You must submit a signed authorization form and a voided check (used to verify account information) for checking accounts, or your Transit/ABA number for savings accounts.
- The authorization form and voided check must reach the IU Student Loan Administration office by the 10th of the month to be effective on the 15th of the following month.

An authorization form is included on page 11. To participate, please follow the instructions on the form or call the IU Student Loan Administration office for additional information.

How Do I Pay by Pre-authorized Electronic Debit?

To authorize IU Student Loan Administration to automatically deduct monthly student loan payments from either a checking or savings account, follow these instructions:

- Complete the form on page 11 and return to IU Student Loan Administration. Be sure to designate the debit from either checking or savings.
- If you are requesting that the debit be deducted from a joint account, two signatures are required.
- If you are requesting that the debit be deducted from a checking account, please return a voided check along with the authorization form.

Loan Consolidation

What Loans Are Eligible for Consolidation?

All **National Direct/Perkins/Federal Perkins Student Loans, Health Profession Student Loans, Health Profession Loans for Disadvantaged Students, and Nursing Student Loans** are eligible for loan consolidation.

To consolidate your loan, you must contact an institution that consolidates Federal Loans. The following are a few of the agencies that have consolidated loans for our borrowers:

Sallie Mae Servicing
P.O. Box 7039
Indianapolis, IN 46207-7039
Telephone: 1-800-824-7044
Web site: www.salliemae.com

U.S. Department of Education Consolidation
Loan Division
P.O. Box 1723
Montgomery, AL 36102-1723
Telephone: 1-800-557-7392
Web site: www.ed.gov/directloan

NelNet *a.k.a.*
EFS, Inc.
Attn: Consolidations
P.O. Box 2304
Indianapolis, IN 46206-2304
Telephone: 1-800-635-1867
Web site: www.efsservices.com

Real World *a.k.a.*
SunTech Loan Servicing *a.k.a.*
Collegiate Fund Servicing
4343 Plank Road
Suite 115
Fredericksburg, VA 22407
Telephone: 540-786-0666
or 888-423-7562
Fax: 540-786-0893
Web site: www.cfsloans.com

Note:

Be aware of the consequences of consolidating your loan! If you consolidate your **National Direct/Perkins/Federal Perkins Student Loans**, you will no longer be eligible for deferment or cancellation benefits and the consolidated loan may be at a higher interest rate.

Primary Health Care Service Obligation

Health Profession Primary Care Loans

- ▶ You must enter and complete residency training no later than four years after date of graduation.
- ▶ You must practice primary health care until the loan is repaid.
- ▶ You must submit the *self-certification* form annually to indicate compliance with the service obligation of practicing primary health care.

When you have completed your residency, a *self-certification* form will be sent to you. After the initial form is submitted, forms will be automatically sent to you on an annual basis. These forms will be handled by the IU Student Loan Administration.

If you do not receive a form you should contact the Student Loan Administration at 1-866-IULOANS or 812-855-4511.

Primary Health Care Break in Service

Health Profession Primary Care Loans

A break in service obligation may be allowed for a period not to exceed 12 months for the following reasons:

- ▶ If you are in an allowable deferment; or
- ▶ If it is determined by the institution that due to extenuating circumstances a break is appropriate,

such as illness, maternity leave, or time to establish practice or secure employment

This is not a deferment. Interest accrues, and payments continue to be due. This is just a break in service allowance to avoid default of the service obligation.

Deferment of Payments

What Student Loans Are Eligible for Deferment and Have Special Requirements?

The following are different types of deferments that may be granted for the various loan programs. Each type of deferment, its requirements, and the loans eligible for the deferment are listed below.

All deferments for **National Direct/Perkins/Federal Perkins Student Loans** are followed by a six-month postdeferment grace period. At the end of the post-deferment grace period, payments will be due to begin.

There are no eligible deferments for the International, Crowder-Wear, Della Crowder Miller, Lucas, Munns, or Orville & Dorothy Miller Loan Programs.

Student Deferment

National Direct/Perkins/Federal Perkins Student Loans and Fred E. & Helen Miholich Student Loans: You must be enrolled half time. Medical students in internship or residency may not be deferred as students. Deferment may be granted for dental students.

Health Profession Student Loans, Health Profession Loans for Disadvantaged Students, and Health Profession Primary Care Loans: You are eligible for deferment only for advanced professional training beyond the first professional degree. Loans after November 4, 1988, are eligible for deferment if you pursue a full-time course of study at a Health Profession school eligible for participation in HPSL.

Nursing Student Loans: You must be enrolled in a school of nursing as a full-time student leading to a baccalaureate degree or equivalent, or to a graduate degree in nursing, or a half-time student for loans made on or after November 4, 1988. A maximum of five years' deferment may be granted on loans made on or after October 1, 1985, to November 4, 1988. For loans made on or after November 4, 1988, a maximum of 10 years' deferment may be granted. For loans prior to October 1, 1985, see your promissory note.

Henry Strong Loan Program: You must be enrolled full time.

Judge & Mrs. Ira C. Batman Loans: You must be enrolled in the Indiana University School of Law.

Mabel Sledd Cunnison Student Loans: You must be enrolled in continuous full-time graduate medical training.

Robert Wood Johnson Student Loans: You must be pursuing a bonafide postgraduate medical or dental education.

Deferment

- A student deferment form must be submitted for each semester enrolled to request deferment of your loan payments. The form is normally submitted at the beginning of each semester.
- The student deferment form must be certified by your college registrar.

Health Profession Primary Care Loans

- If you are in noncompliance with the service agreement, you will not be eligible for deferment.

Interruption of Studies

Loans Eligible for Deferment

Health Profession Student Loans: Loans received after October 12, 1985.

**Health Profession Loans for Disadvantaged Students
Health Profession Primary Care Loans**

Special Requirements

Health Profession Student Loans, Health Profession Loans for Disadvantaged Students, and Health Profession Primary Care Loans: a maximum of two years' deferment may be granted.

Deferment

A deferment form must be submitted for each year of full-time educational activity. The deferment form must be certified by an authorized official.

Health Profession Primary Care Loans

If you are in noncompliance with the service agreement, you will not be eligible for deferment.

Military

Loans Eligible for Deferment

National Direct/Perkins/Federal Perkins Student Loans

Health Profession Student Loans

Health Profession Loans for Disadvantaged Students

Health Profession Primary Care Student Loans

Nursing Student Loans

Robert Wood Johnson Student Loans

Special Requirements

National Direct/Federal Perkins Students Loans are eligible for a maximum of three years' deferment.

National Direct/Federal Perkins Student Loans after July 1, 1993, are only eligible for deferment with the anticipation of cancellation for eligible service. As of October 7, 1998, all **National Direct/Perkins/Federal Perkins Student Loans** are eligible for deferment to cancel for qualifying service. (See cancellation section.)

Health Profession Student Loans, Health Profession Loans for Disadvantaged Students, and Health Profession Primary Care Loans are eligible for three years' deferment for uniformed service.

Nursing Student Loans and **Robert Wood Johnson Student Loans** are eligible for a maximum of three years' deferment for service in the Armed Forces.

Deferment

- ▶ A military deferment form must be submitted for each year of military service.
- ▶ The form must be certified by your commanding officer.

Health Profession Primary Care Loans

- ▶ If you are in noncompliance with the service agreement, you will not be eligible for deferment.

Peace Corps/VISTA (ACTION)

Loans Eligible for Deferment

National Direct/Perkins/Federal Perkins Student Loans

Health Profession Student Loans

Health Profession Loans for Disadvantaged Students

Health Profession Primary Care Loans

Robert Wood Johnson Student Loans

Special Requirements

National Direct/Perkins/Federal Perkins Student Loans are all eligible to defer with the anticipation of cancellation for a year of service on these loans as of October 7, 1998. (See cancellation section.)

Health Profession Student Loans, Health Profession Loans for Disadvantaged Students, Health Profession Primary Care Loans, and Nursing Student Loans are eligible for three years' deferment. The total period of deferment for Uniformed Service and as a Peace Corps volunteer may not exceed six years combined. VISTA is not eligible for deferment on these loans.

Robert Wood Johnson Student Loans are eligible for three years' deferment.

Deferment

- ▶ The deferment form must be submitted for each year of service. The form must be certified by a Peace Corps official.

Health Profession Primary Care Loans

- ▶ If you are in noncompliance with the service agreement, you will not be eligible for deferment.

National Oceanic and Atmospheric Administration Corps

Loans Eligible for Deferment

Perkins/Federal Perkins Student Loans received on or after July 1, 1987, to July 1, 1993.

Health Profession Student Loans

Health Profession Loans for Disadvantaged Students

Health Profession Primary Care Loans

Nursing Student Loans

Special Requirements

Perkins/Federal Perkins Student Loans are eligible for a maximum of three years' deferment.

Health Profession Student Loans, Health Profession Loans for Disadvantaged Students, Health Profession Primary Care Loans, and Nursing Student Loans are eligible for three years' deferment. The total period of deferment for Uniformed Service and as a Peace Corps volunteer may not exceed six years combined.

Deferment

- The deferment form must be submitted for each year of full-time duty. The form must be certified by an official of the National Oceanic and Atmospheric Administration Corps.

Health Profession Primary Care Loans

- If you are in noncompliance with the service agreement, you will not be eligible for deferment.

Volunteer Tax Exempt Organization Comparable to Peace Corps or Action Approved by the Secretary

Loans Eligible for Deferment

National Direct/Perkins Student Loans received after October 1, 1980, to July 1, 1993.

Special Requirements

- The organization cannot be engaged in religious proselytizing or support of religious activities.
- The total period of deferment may not exceed three years.

Deferment

- The deferment form must be submitted for each year of service. The form must be certified by a designated official of the organization.

Enrolled in a Course for Rehabilitation for the Disabled

Loans Eligible for Deferment

National Direct/Perkins/Federal Perkins Student Loans are eligible for this deferment effective October 7, 1998. Prior to October 1, 1998, only **National Direct/Perkins/Federal Perkins Student Loans** made on or after July 1, 1993, were eligible for this deferment.

Special Requirements

- You must be enrolled in a course for rehabilitation for the disabled.
- The agency you are enrolled in must be licensed, approved, or certified by a state or federal agency.
- A maximum of three years may be deferred.

Deferment

- You must submit a request for deferment.
- The form must be certified by the organization or institution in which you are enrolled.
- The agency must certify that the rehabilitation meets your needs, the expected length of time that services are required, and that the enrollment in the course requires a substantial commitment of your time.

Economic Hardship

Loans Eligible for Deferment

National Direct/Perkins/Federal Perkins Student Loans are eligible for this deferment effective October 7, 1998. Prior to October 1, 1998, only **National Direct/Perkins/Federal Perkins Student Loans** made on or after July 1, 1993, are eligible for this deferment.

Special Requirements

- You must have an economic hardship.
- You must currently have an economic hardship deferment on FFELP and FDSL Student Loan Programs at another institution and you must provide:
 - Proof that the deferment has been granted.
 - Proof of monthly payment(s) and balance(s) on all federal postsecondary educational loans, or
- You must currently be receiving payment under a federal or state public program, such as AFDC, SSI, TANF, food stamps, or public assistance. You must provide proof of assistance, or
- Currently must be working full time (at least 30 hours per week) and earning no more than minimum wage.
- A maximum of three years may be deferred.

Deferment

- You must submit a request for economic hardship. Include the following additional information:

A completed financial statement.

Copy of the previous year's tax return, where available.

Copies of your last three pay stubs.

Internship or Residency

Loans Eligible for Deferment

National Direct/Perkins Student Loans: Loans received after October 1, 1980.

Health Profession Student Loans

Health Profession Loans for Disadvantaged Students

Health Profession Primary Care Loans

Robert Wood Johnson Student Loans

Mabel Sledd Cunnison Student Loans

Special Requirements

National Direct/Perkins/Federal Perkins Student Loans: the maximum of two years' deferment may be granted. For loans received after July 1, 1993, only dental internships qualify for deferment and will be deferred as a student.

Health Profession Student Loans and Health Profession Loans for Disadvantaged Students: any number of deferments may be granted.

Health Profession Primary Care Loans: residency must be in allopathic or osteopathic family medicine, internal medicine, pediatrics, combined medicine/pediatrics, or preventive medicine, approved by the Accreditation Council of Graduate Medical Education (ACGME), the American Osteopathic Association (AOA), or a general practice residency program approved by the AOA. This may include participation in a rotating or primary health care internship approved by the AOA. The residency must be completed within four years after date of graduation.

Robert Wood Johnson Student Loans and Mabel Sledd Cunnison Student Loans: any number of deferments may be granted.

Deferment

- A deferment form must be submitted for each year of the internship or residency.
- The deferment form must be certified by a designated official of the institution where the borrower is pursuing the internship or residency.

Health Profession Primary Care Loans

- If you are in noncompliance with the service agreement, you will not be eligible for deferment.

Fellowship/Full-Time Educational Activity

Loans Eligible for Deferment

National Direct/Perkins/Federal Perkins Student Loans

Health Profession Student Loans

Health Profession Loans for Disadvantaged Students

Health Profession Primary Care Loans

Special Requirements

National Direct/Perkins/Federal Perkins Student Loans are eligible for this deferment effective October 7, 1998. Prior to October 1, 1998, only **National Direct/Perkins/Federal Perkins Student Loans** made on or after July 1, 1993, were eligible for this deferment.

Health Profession Student Loans and Health Profession Loans for Disadvantaged Students are eligible for two years' deferment.

Health Profession Primary Care Loans are eligible for two years' deferment as long as service obligations are being fulfilled.

Deferment

- Deferment forms must be submitted for each year of training. The deferment form must be certified by an authorized official of the institution.

Health Profession Primary Care Loans

- If you are in noncompliance with the service agreement, you will not be eligible for deferment.

Caring for a Temporarily Totally Disabled Dependent

Loans Eligible for Deferment

Perkins/Federal Perkins Student Loans for loans received on or after July 1, 1987, until July 1, 1993.

Special Requirements

- A maximum of three years may be deferred.

Deferment

- A request for deferment form must be submitted.
- You must provide an affidavit completed by a qualified physician.
- The affidavit must be provided at least once annually.

Temporarily Totally Disabled or Unable to Secure Employment Because of Providing Care Required by a Spouse Who Is Disabled

Loans Eligible for Deferment

National Direct/Perkins/Federal Perkins Student Loans received after October 1, 1980, to July 1, 1993.

Special Requirements

National Direct/Perkins/Federal Perkins Student Loans are eligible for a maximum of three years' deferment.

Deferment

- A request for deferment form must be submitted.
- You must provide an affidavit completed by a qualified physician.
- The affidavit must be provided at least once annually.

Commissioned Officer in the U.S. Public Health Service

Loans Eligible for Deferment

National Direct/Perkins/Federal Perkins Student Loans received after October 1, 1980, to July 1, 1993.

Health Profession Student Loans

Health Profession Loans for Disadvantaged Students

Health Profession Primary Care Loans

Nursing Student Loans

Special Requirements

National Direct/Perkins/Federal Perkins Student Loans are eligible for maximum of three years' deferment.

Health Profession Student Loans, Health Profession Loans for Disadvantaged Students, Health Profession Primary Care Loans, and Nursing Student

Loans are all eligible for a maximum of three years' deferment. You must be a commissioned officer of the U.S. Public Health Service to qualify. U.S. Public Health Service qualifies under the provision for uniformed (military) service.

Deferments

- A deferment form must be requested.
- The form must be certified by an official of the U.S. Public Health Service.
- A form must be submitted for each year of service.

Health Profession Primary Care Loans

- If you are in noncompliance with the service agreement, you will not be eligible for deferment.

Mother of Preschool Children, Re-entering the Workforce

Loans Eligible for Deferment

Perkins Student Loans received after June 30, 1978, to July 1, 1993.

Special Requirements

- You must be a mother of a preschool child, re-entering the workforce.
- Your rate of pay must be less than one dollar more per hour than the federal minimum wage.
- A maximum of 12 months' deferment may be granted.

Deferment

- Submit a deferment form for mother of a preschool child.
- A copy of the child's birth certificate must be attached.
- The form must be certified by your employer.

Pregnant or Caring for a Newborn Baby or a Child after Placement through Adoption

Loans Eligible for Deferment

Perkins/Federal Perkins Student Loans for loans received after July 1, 1987, to July 1, 1993.

Special Requirements

- A request for deferment must be made within six months of leaving school or dropping below half-time status.
- Must be pregnant, caring for a newborn, or caring for a child after placement through adoption.
- A maximum of six months' deferment may be granted.

Deferment

- You must request a deferment form.
- The form must include an affidavit by a qualified physician concerning the pregnancy.
- If you are caring for a newborn, a copy of the birth certificate is required.
- You must complete an affidavit stating you are not gainfully employed.

Unemployment

Loans Eligible for Deferment

National Direct/Perkins/Federal Perkins Student Loans are eligible for this deferment effective October 7, 1998. Prior to October 7, 1998, only **National Direct/Perkins/Federal Perkins Student Loans** made on or after July 1, 1993, are eligible for this deferment.

Special Requirements

- You must be actively seeking employment.
- A maximum of three years may be deferred.

Deferment

- Submit a request for an unemployment deferment.
- You must certify that you are actively seeking employment.
- Inform Indiana University Student Loan Administration of any change of employment.
- Provide other pertinent information that may be requested by the institution to determine eligibility.

Hardship

Loans Eligible for Deferment

National Direct Student Loans made on or after October 1, 1980, to July 1, 1993, and **Perkins/Federal Perkins Student Loans** made before July 1, 1993.

Special Requirements

- You are unemployed, or
- You are facing a prolonged illness.
- A maximum of two years may be deferred.

Deferment

- You must request a deferment.
- You must provide documentation to support your request.

The deferment will defer payments on the loan; however, interest will continue to accrue and be due during this period. The deferment period is considered part of the repayment period; therefore, the installments due following the deferment may be increased.

Postponement of Payments

The following are postponements that may be granted for borrowers of various loans. During the postponement, interest will continue to accrue. Listed with loans eligible for postponement are the special requirements each kind of loan has for postponement.

Forbearance

Loans Eligible for Postponement

National Direct/Perkins/Federal Perkins Student Loans

Health Profession Student Loans

Health Profession Loans for Disadvantaged Students

Health Profession Primary Care Loans

Nursing Student Loans

Special Requirements

National Direct/Perkins/Federal Perkins Student Loans

- Your Title IV payments exceed 20% of your monthly gross income (as defined by U.S. Department of Education),
- You are in poor health, or
- Other reasons.

Health Profession Student Loans, Health Profession Loans for Disadvantaged Students, Nursing Student Loans, and Health Profession Primary Care Loans

- You are having an economic hardship,
- You are in poor health, or
- Other reasons.

Health Profession Primary Care Loans

If you are in noncompliance with the service agreement, you will not be eligible for deferment.

Postponement

- You must request a forbearance.
- You must provide documentation to support the reason why the forbearance is requested.
- You must provide a financial statement.

Special Note

A forbearance will postpone payments on the loan. However, interest will continue to accrue and be due during this period. For **National Direct/Perkins/Federal Perkins Student Loans**, the postponement period is excluded from the repayment period. For all other eligible loans the postponement period is considered part of the repayment period. Therefore, the installments due following the postponement may be increased.

Cancellations

How Do I Request Service Cancellations?

This is what to expect when you request deferment of your loan in anticipation of cancelling a portion of your loan for qualifying service. Each loan has specific requirements and rates of cancellation.

Forms

At the beginning of your year of qualifying service, submit a request for deferment. This form, when approved, will defer payments on the loan until the completion of the year of service. Once the service is completed, submit a request for cancellation. Follow this same procedure for each year of eligible service.

Deferment

- Complete the form and include the beginning date of employment.
- Attach a job description.
- The form must be certified by the appropriate official of the employing agency.

Cancellation

- Complete the form for the dates of completed employment.
- The form must be certified by the proper official of the employing agency.

Cessation of Employment

If for some reason your employment should cease, inform the IU Student Loan Administration as soon as possible. The following will occur:

- The period of deferment will end as of the date employment ceased, followed by a six-month post-deferment grace period.
- Eligibility for partial cancellation of the loan for this year of interrupted service will no longer be valid.
- Payments will become due following the expiration of the postdeferment grace period.

Notices

- During the deferment period, various notices will be sent to you about the status of your loan.

- Prior to the expiration of the deferment period, the request for cancellation forms will be mailed.
- A letter will be sent to you advising you of approval or disapproval of your application.
- If, for some reason, you do not receive the forms, call or write the IU Student Loan Administration and request the proper forms.

Teacher

Loans Eligible for Partial Cancellation

National Direct/Perkins/Federal Perkins Student Loans

Special Requirements

You must be a full-time teacher in an elementary or secondary school for a complete academic year (or its equivalent) and meet one of the following qualifications:

- Teaching in a school that has been designated a shortage area in the Federal Directory. See <https://www.tcli.ed.gov>. Select "Search" and select the proper "State" for the school listings.
- Teaching as a full-time special education teacher of infants, toddlers, children, or youth with disabilities.
- Teaching as a full-time teacher in a field of expertise in which your state has determined there is a shortage of qualified teachers (e.g., mathematics, science, foreign languages, or bilingual education).

Rate of Cancellation

100% of the loan may be cancelled for qualifying service at the following rates:

- 15% of the original loan amount for the first and second year of service.
- 20% of the original loan amount for the third and fourth year of service.
- 30% of the original loan amount for the fifth year of service.

Special Note

- The Federal Directory lists names of schools within each state that have been designated as shortage areas. The list is in alphabetical sequence by state, county, and name of school. It is important when

submitting your request for cancellation benefits to include this information. If you are teaching at a school that is listed in the directory but is omitted in subsequent years, you may continue to teach in that school and remain eligible for cancellation on your loan.

Head Start

Loans Eligible for Partial Cancellation

National Direct/Perkins/Federal Perkins Student Loans

Special Requirements

- You must be a full-time staff member in a Head Start program.
- Your service must be for a complete academic year or its equivalent.
- Your salary may not exceed the salary of a comparable employee working in the local educational agency served by the local Head Start program.

Rate of Cancellation

100% of the loan may be cancelled for qualifying service at the following rate:

- 15% of the original loan amount for each complete year of service.

Military Service

Loans Eligible for Partial Cancellation

National Direct/Perkins/Federal Loans

Special Requirements

- To qualify, you must be serving as a member of the Armed Forces of the United States in an area of hostilities or an area of imminent danger and drawing hazardous duty pay.

Rate of Cancellation

50% of the loan may be cancelled for qualifying service at the following rate:

- 12.5% of the original loan amount for each complete year of service.

Peace Corps/VISTA

Loans Eligible for Cancellation

National Direct/ Perkins/Federal Perkins Student Loans

Special Requirements

- You must be serving as a member of the Peace Corps or a volunteer under the Domestic Volunteer Service Act (ACTION).

Rate of Cancellation

70% of the loan may be cancelled for qualifying service at the following rates:

- 15% of the original loan amount the first and second year of service.
- 20% of the original loan amount the third and fourth year of service.

Law Enforcement

Loans Eligible for Cancellation

National Direct/Perkins/Federal Perkins Student Loans

Eligibility Requirements

- You must be working full time as a law enforcement officer for a publicly funded local, state, or federal law enforcement agency whose activities pertain to crime prevention, control, reduction, or enforcement of criminal law.
- The agency must be able to document your functions in the criminal justice system.

Rate of Cancellation

100% of the loan may be cancelled for qualifying service at the following rates:

- 15% of the original loan amount the first and second year of service.
- 20% of the original loan amount the third and fourth year of service.
- 30% of the original loan amount the fifth year of service.

Nurse/Medical Technician

Loans Eligible for Cancellation

National Direct/Perkins/Federal Perkins Student Loans

Eligibility Requirements

- You must be working as a full-time registered nurse/licensed practical nurse, or
- You must be a full-time licensed medical technician.

Rate of Cancellation

100% of the loan may be cancelled for qualifying service at the following rates:

- 15% of the original loan amount the first and second year of service.
- 20% of the original loan amount the third and fourth year of service.
- 30% of the original loan amount the fifth year of service.

Early Intervention

Loans Eligible for Cancellation

National Direct/Perkins/Federal Perkins Student Loans

Eligibility Requirements

- You must be employed full time as a professional provider of early intervention service in a public or other nonprofit program under public supervision.
- The program must be designed to meet the needs of handicapped infants or toddlers as adopted by Section 677 of the Individuals with Disabilities Education Act, ages birth through two years of age.

Rate of Cancellation

100% of the loan may be cancelled for qualifying service at the following rates:

- 15% of the original loan amount the first and second year of service.
- 20% of the original loan amount the third and fourth year of service.
- 30% of the original loan amount the fifth year of service.

Child/Family Service Agency Employee

Loans Eligible for Cancellation

National Direct/Perkins/Federal Perkins Student Loans

Eligibility Requirements

- You must be employed full time at a child/family service agency that is providing or supervising services to high-risk children and their families from low-income communities in which there is a high concentration of children eligible to be counted under Title I of the Elementary and Secondary Education Act of 1965 as amended.

Rate of Cancellation

100% of the loan may be cancelled for qualifying service at the following rates:

- 15% of the original loan amount the first and second year of service.
- 20% of the original loan amount the third and fourth year of service.
- 30% of the original loan amount the fifth year of service.

Permanent and Total Disability

Loans Eligible for Cancellation

All loans except **Judge & Mrs. Ira C. Batman** and **Henry Strong** loans have this provision.

Special Requirements

- You must provide the IU Student Loan Administration with evidence of permanent and total disability from your physician(s).
- Permanent and total disability means that you are unable to engage in any substantial gainful activity, because impairment is expected to continue for a long and indefinite period of time.

Rate of Cancellation

- The remaining balance of the loan will be cancelled.

Death

Loans Eligible for Cancellation

All loans except **Judge & Mrs. Ira C. Batman** and **Henry Strong** loans have this provision.

Special Requirements

- Your survivor should provide a copy of your death certificate to the IU Student Loan Administration.

Rate of Cancellation

- The remaining balance of the loan will be cancelled.

Credit Bureaus

Indiana University Student Loan Administration reports all loans to the major credit bureau networks every month. To avoid having your account reported as delinquent, be certain you pay before the due date shown on your monthly statement.

A delinquent balance on your student loan *will* be reported to the credit bureau. Serious delinquency may result in legal action, your loan being turned over to a collection agency, and/or your loan being returned to the federal government for collection.

If you have any questions concerning the reporting of your account to credit bureaus, you may contact:

Indiana University
Debt Management Services
Student Loan Administration
P.O. Box 1609
Bloomington, IN 47402-1609
Telephone: 1-800-822-4840
or 812-855-5703

Late Fees/Penalty Charges

National Direct/Perkins/Federal Perkins Student Loans made on or after July 1, 1987: You may be assessed a late charge no more than 20% of the monthly installment, if a payment is more than a day late due to either failure to make a scheduled payment when due or failure to submit documentation that qualifies for deferment or cancellation on or before the due date.

Health Profession Student Loans, Health Profession Loans for Disadvantaged Students, and Health Profession Primary Care Student Loans made on or after October 22, 1985: You may be assessed a late penalty charge due to either failure to pay all or any part of an installment when due or failure to file satisfactory evidence of entitlement to a deferment, if so entitled. The late penalty may not exceed an amount equal to 6% of the installment, on loans more than 60 days past due.

Nursing Student Loans: For loans made on or after October 1, 1985, a late penalty charge will be assessed if a payment is more than 60 days past due because of either failure to pay all or any part of an installment when due, or failure to file satisfactory evidence of entitlement to a deferment, if so entitled. The penalty is not to exceed an amount equal to 6% of the installment, on loans more than 60 days past due.

International Loan Program, Crowder-Wear Loan Program, Della Crowder Miller Loan Program, Lucas Loan Program, Munns Loan Program, and Orville & Dorothy Miller Loan Program loans: A late penalty charge shall be assessed if a payment is more than a day late, due to failure to pay all or any part of an installment when due. The charge may not exceed 10% of the installment.

The following loans *do not* have provisions for penalty charges:

Fred E. & Helen Miholich Student Loans

Henry Strong Loan Program

Judge & Mrs. Ira C. Batman Student Loans

Mabel Sledd Cunnison Student Loans

Robert Wood Johnson Student Loans

Collection Cost

If your account becomes delinquent and is forwarded to Indiana University Debt Management Services for

collection, you will be assessed a monthly collection fee.

Delinquency

If you cannot make the scheduled payments, you should contact the IU Student Loan Administration immediately.

Telephone:
1-800-822-4840
or 812-855-5703

Mail Address:

Indiana University
Debt Management Services
Student Loan Administration
P.O. Box 1609
Bloomington, IN 47402-1609

Default

In the event of default of payment of any of the installments of these loans, the entire unpaid balance, including interest, shall at the option of Indiana University become immediately due and payable, with all attorney's fees and other costs and charges necessary for collection. This process applies to following student loans:

National Direct/Perkins/Federal Perkins Student Loans

Health Profession Student Loans

Health Profession Loans for Disadvantaged Students

Health Profession Primary Care Student Loans

Nursing Student Loans

Henry Strong Loan Program

International Loan Program

Judge & Mrs. Ira C. Batman Student Loans

Mabel Sledd Cunnison Student Loans

Fred E. & Helen Miholich Student Loans

Robert Wood Johnson Student Loans

Crowder-Wear Loan Program

Della Crowder Miller Loan Program

Lucas Loan Program

Munns Loan Program

Orville & Dorothy Miller Loan Program

Rehabilitation

Rehabilitation is the process in which a defaulted borrower may be returned to regular repayment status. The following rehabilitation option is only available for **National Direct/Perkins/Federal Perkins Student Loans**.

To qualify for rehabilitation of your loan:

- You must request loan rehabilitation, and
- You must make 12 consecutive, on-time monthly payments, as determined by Indiana University.

When you meet the above qualifications:

- You have the option to rehabilitate your loan only once.
- You must sign a new repayment agreement.
- Payments will be amortized over nine years.
- All eligible benefits will remain.
- All credit bureau history of the default will be removed.
- Your loan will return to "regular repayment status."
- You will no longer be considered ineligible for federal student financial assistance because of the default.

Once the loan has been rehabilitated, the terms and conditions of the promissory note remain.

For information regarding rehabilitation contact:

Mail and Office Address:

Indiana University
Debt Management Services
Student Loan Administration
400 E. Seventh Street, Room 206
Bloomington, IN 47405-3085

Telephone:

1-800-822-4840
or 812-855-5703

Fax:

812-855-5848

E-mail:

iuloans@indiana.edu

Web site:

www.indiana.edu/~iuloans

Renegotiation

Renegotiation is the process by which, as a defaulted borrower, you may be returned to regular repayment status.

Only **Health Profession Student Loans, Health Profession Loans for Disadvantaged Students, Health Profession Primary Care Loans, and Nursing Student Loans** are eligible for renegotiation.

To qualify:

- You must request loan renegotiation, and
- You must make 12 consecutive, on-time monthly payments, as determined by Indiana University.

To renegotiate your loan:

- You must sign a new repayment agreement.
- Payments will be amortized over the remaining repayment period.
- All eligible benefits will remain.
- Your loan will return to “regular repayment status.”
- Your loan will be reported to credit bureaus as current.

Once the loan has been renegotiated the terms and conditions of the promissory note remain.

For further information regarding renegotiation, contact:

Indiana University
Debt Management Services
Student Loan Administration
400 E. Seventh Street, Room 206
Bloomington, IN 47405-3085

Telephone:

1-800-822-4840
812-855-5703

Fax:

812-855-5848

E-mail:

iuloans@indiana.edu

Web site:

www.indiana.edu/~iuloans

Important Addresses

INDIANA UNIVERSITY Student Loan Administration

Mail Address:

Student Loan Administration
P.O. Box 1609
Bloomington, IN 47402-1609

Office Address:

Indiana University
Student Loan Administration
400 E. Seventh Street, Room 206
Bloomington, IN 47405-3085

Telephone:

1-866-IULOANS (866-485-6267)
or 812-855-4511

Fax:

812-855-5848
or 812-856-4800

E-mail:

iuloans@indiana.edu

Web site:

www.indiana.edu/~iuloans

Debt Management Services:

Debt Management Services
Student Loan Administration
P.O. Box 1609
Bloomington, IN 47402-1609

Payment Processing Center:

Student Loan Administration
P.O. Box 6210
Indianapolis, IN 46206-6210

Telephone:

1-800-822-4840
or 812-855-5703

Fax:

812-855-5848

E-mail:

iuloans@indiana.edu

Web site:

www.indiana.edu/~iuloans

U.S. DEPARTMENT OF EDUCATION Student Loan Ombudsman's Office

Mail Address:

U.S. Department of Education
FSA Ombudsman
830 First Street, NE
Washington, DC 20202-5144

E-mail:

fsaombudsmanoffice@ed.gov

Fax:

202-275-0549

Telephone:

1-877-557-2575

Web site:

www.ed.gov or ombudsman.ed.gov

Glossary of Terms

Amortization: The period of time over which a loan is to be repaid, and the amount of each monthly installment.

ACH: The Automatic Clearing House (ACH) handles the automatic electronic debt to a checking or savings account for loan repayment.

Borrower: The person responsible for repaying the loan who has signed and agreed to the terms of the promissory note.

Cancellation: Action taken to reduce the amount of the loan for eligible benefits. These provisions are sometimes provided by Congress to alleviate shortages of skilled persons in certain occupations.

Children and Youth with Disabilities: For cancellation purposes special education includes teachers of children and youth from ages 3 through 21, inclusive, who require special education and related services because they have disabilities as defined in section 602(a) (1) of the Individuals with Disabilities Education Act. Section 602(a)(1) of the Act defines “handicapped children” as children who are mentally retarded, hard of hearing, deaf, speech or language impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, or other health impaired children or children with specific learning disabilities who by reason thereof require special education and related services.

Collection Fees: The actual amount of fees charged by a collection agency for collecting a loan.

Consolidation: The process of combining loans into one single loan.

Credit Bureau Reporting: Federal regulations require that all loans be reported to credit bureaus from the time of disbursement until paid in full. All accounts are reported monthly.

Deferment: Action taken in which payments on the loan are postponed for a period of time. Interest also is deferred.

Default: Default is defined as the failure of a borrower to make an installment payment when due or to comply with other terms of the promissory note or written repayment agreement.

Delinquency: If payment is not made or forms are not filed in a timely manner on or before the scheduled due date, the loan is considered delinquent or past due.

Early Intervention Services: For cancellation purposes early intervention services as defined in section 672(2) of the Individuals with Disabilities Education Act, are provided to infants and toddlers with disabilities ages birth through age two.

Forbearance: An arrangement to postpone payments for a period of time. Interest continues to accrue and must be paid.

Grace Period: The period of time when a borrower is no longer enrolled as a student prior to repayment of a loan. The length of the grace period is determined by the type of loan.

High-Risk Children: Individuals under the age of 21 who are low income and at risk of abuse or neglect; have been abused or neglected; have serious emotional, mental, or behavioral disturbances; reside in placements outside their homes; or are involved in the juvenile justice system.

HPSL: This is an abbreviation for Health Profession Student Loan.

Infants and Toddlers with Disabilities: Infants and toddlers from birth to age two, inclusive, who need early intervention services for specified reasons as defined in section 672(1) of the Individuals with Disabilities Education Act.

Interest Rate: A percentage of interest that is charged on a loan when the loan is being repayed.

Late Fee: An amount of money charged to offset the extra costs associated with late payments.

Law Enforcement or Correction Officer: For cancellation purposes, this person is defined as an officer whose employing agency must be publicly funded and whose activities pertain to crime prevention, control, or reduction or the enforcement of the criminal law. To have part of your loan cancelled, you must be a full-time employee of an eligible agency whose principal responsibilities are unique to the criminal justice system and are essential in the performance of the agency's primary mission.

Loan: The specific amount of money that has been loaned to a borrower.

Low-Income Communities: Communities in which there is a high concentration of children eligible to be counted under Title I of the Elementary and Secondary Education Act of 1965, as amended.

Medical Technician: For cancellation purposes, a medical technician is defined as an allied health professional (working in fields such as therapy, dental hygiene, medical technology, or nutrition) who is certified, registered, or licensed by the appropriate state agency in the state in which he or she provides health care services. An allied health professional is someone who assists, facilitates, or complements the work of physicians and other specialists in the health care system.

NDSL: This is an abbreviation for National Direct Student Loan.

NOAAC: An abbreviation for National Oceanic Atmospheric Administration Corps.

NSL-AD: This is an abbreviation for Nursing Student Loan-Associate Degree.

NSL-BS: This is an abbreviation for Nursing Student Loan-Bachelor of Science Degree.

NSL-GR: This is an abbreviation for Nursing Student Loan-Graduate Degree.

NSLDS: This is the abbreviation for the National Student Loan Data System.

Nurse: Defined for cancellation purposes as a licensed practical nurse, a registered nurse, or other individual who is licensed by the appropriate state agency to provide nursing services.

PCL: This is an abbreviation for Health Profession Primary Care Loan.

Penalty: An amount of money charged for late payment of a loan.

Prepayment: Repayment of loan prior to the loan entering the repayment period or making installment payments ahead of time.

Rehabilitation: The process in which defaulted borrowers may make their accounts current and no longer be considered delinquent or in default.

Renegotiation: The process in which defaulted borrowers may make their accounts current and no longer be considered delinquent or in default.

Repayment Period: The period of time over which the loan is amortized for payment.

Student Loan Ombudsman's Office: Office established by the U.S. Department of Education to mediate borrower disputes with the loan holder.

Teaching in a Field of Expertise: For cancellation purposes the field of expertise is defined as teaching in the field of math, science, foreign language, or bilingual education.

Volunteer Service Cancellation: Service as a Peace Corps volunteer or volunteer under the Domestic Volunteer Service Act (ACTION program) for loan cancellation.

National Direct/Perkins/Federal Perkins Student Loans

	NDSL (3) National Direct Loans after 6/30/87	PERKINS Perkins Loans after 6/30/87	NDSL Direct Loans after 11/29/90	PERKINS Perkins Loans after 11/29/90
GRACE PERIOD (1)	6 months	9 months	6 months	9 months
INTEREST RATE	5%	5%	5%	5%
MINIMUM INSTALLMENT	\$30	\$30	\$30	\$30
REPAYMENT PERIOD	10 years	10 years	10 years	10 years
REHABILITATION (2)	yes	yes	yes	yes
DEFERMENTS				
Student at least half time	yes *	yes *	yes *	yes *
Military (4)	3 years *	3 years *	3 years *	3 years *
Peace Corps (4)	3 years *	3 years *	3 years *	3 years *
U. S. Public Health Service (3)	3 years *	3 years *	3 years *	3 years *
Volunteer Tax Exempt Organization (3)	3 years *	3 years *	3 years *	3 years *
Temporarily Disabled (3)	3 years *	3 years *	3 years *	3 years *
Temporarily Disabled Spouse (3)	3 years *	3 years *	3 years *	3 years *
Temporarily Disabled Dependent (3)	no	3 years *	no	3 years *
Internship	2 years *	2 years *	2 years *	2 years *
Pregnant or Caring for Newborn or Adopted Child (3)	no	6 months *	no	6 months *
NOAAC—National Oceanic and Atmosphere Admin. Corp (3)	no	3 years *	no	3 years *
Mother of Preschool Child Re-entering Workforce (3)	no	1 year *	no	1 year *
Enrolled in Course for Rehabilitation for the Disabled (4)	no	no	no	no
Graduate/Postgraduate Fellowship (4)	no	no	no	no
Hardship (3)	2 years **	2 years **	2 years **	2 years **
Economic Hardship (4)	no	no	no	no
Unemployment (4)	no	no	no	no
POSTPONEMENT				
Forbearance	3 years ***	3 years ***	3 years ***	3 years ***
CANCELLATIONS (9)				
Teaching				
Teacher Low-Income Shortage Area (5)	yes	yes	yes	yes
Teacher Special Education (5)	yes	yes	yes	yes
Teaching Field of Expertise Math/Science/Bilingual (4), (5)	no	no	no	no
Head Start (4), (6)	yes	yes	yes	yes
Employment				
Military Service Area of Hostilities or Imminent Danger (4), (7)	yes	yes	yes	yes
Peace Corps (4), (8)	no	yes	no	yes
Law Enforcement (4), (5)	no	no	yes	yes
Nurse/Medical Technician (4), (5)	no	no	no	no
Child/Family Service Agency Employee (4), (5)	no	no	no	no
Early Intervention (4), (5)	no	no	no	no
Other				
Death or Disability (100% of the loan may be cancelled)	yes	yes	yes	yes
LOAN CONSOLIDATION	yes	yes	yes	yes

(1) Beginning 10/1/98, the nine-month grace period excludes any period (not to exceed three years) in which a borrower is: a member of a reserve component of the armed forces (section 10101 of Title 10, United States Code) and is called to active duty for a period of more than 30 days (section 101 (d)(2)). Such a period of exclusion shall include the time that elapses between the end of reserve service and the next regular enrollment period.

(2) Eligible on all loans beginning 7/1/00.

(3) For loans prior to 6/30/87. See promissory note.

(4) All loans are eligible beginning 10/1/98.

(5) 100% of the loan may be cancelled at the rate of 15% the 1st and 2nd year of teaching or service, 20% the 3rd and 4th year of service, 30% the 5th year of service.

**Health Profession Student Loans
Medical, Dental, and Optometry
HPSL MD, HPSL DN, and HPSL OD**

	Loans Prior to 10/22/85	Loans Made on or after 10/22/85	Loans Made on or after 11/04/88	Loans Made on or after 11/13/98
GRACE PERIOD	see promissory note	1 year	1 year	1 year
INTEREST RATE	see promissory note	9%	5%	5%
MINIMUM INSTALLMENT	\$15	\$15	\$15	\$40
REPAYMENT PERIOD	10–25 years	10–25 years	10–25 years	10–25 years
DEFERMENTS				
Military or Uniformed Service (1)	3 years	3 years	3 years	3 years
Peace Corps	3 years	3 years	3 years	3 years
Advanced professional training including internship and residency (Training beyond the first professional degree)	no max.	no max.	no max.	no max.
Pursuing full-time course of study at a health profession school eligible for participation in HPSL program	no max.	no max.	no max.	no max.
Interruption of studies	2 years	2 years	2 years	2 years
Fellowship/full-time educational activity	2 years	2 years	2 years	2 years
FORBEARANCE (2)	yes	yes	yes	yes
CANCELLATIONS				
Professional service in a shortage area	see promissory note	no	no	no
Professional service in a rural shortage area	see promissory note	no	no	no
Disability	yes	yes	yes	yes
Death	yes	yes	yes	yes
REPAYMENT AGREEMENT (3)				
Repayment agreement with the U.S. Secretary of Health and Human Services	yes	yes	yes	no
LOAN CONSOLIDATION	yes	yes	yes	yes
RENEGOTIATION	yes	yes	yes	yes

(1) Uniformed Service includes U.S. Public Health Commissioned Corps and NOAAC.

(2) Payments are postponed. Interest continues to accrue. Period of deferment is not excluded for the period of repayment.

(3) Agreements are subject to the availability of funds. Funds are no longer available.

**Health Profession Loans for Disadvantaged Students
Medical and Dental
HPSL LDS MD and HPSL LDS DN**

	Loans Made on or after 9/30/91	Loans Made on or after 11/13/98
GRACE PERIOD	1 year	1 year
INTEREST RATE	5%	5%
MINIMUM INSTALLMENT	\$30	\$40
REPAYMENT PERIOD	10–25 years	10–25 years
DEFERMENTS		
Military or Uniformed Service (1)	3 years	3 years
Peace Corps	3 years	3 years
Advanced professional training including internship and residency (training beyond the first professional degree)	no max.	no max.
Pursuing full-time course of study at a health profession school eligible for participation in HPSL program	no max.	no max.
Interruption of studies	2 years	2 years
Fellowship/full-time educational activity	2 years	2 years
FORBEARANCE (2)	yes	yes
CANCELLATIONS		
Professional service in a shortage area	no	no
Professional service in a rural shortage area	no	no
Disability	yes	yes
Death	yes	yes
REPAYMENT AGREEMENT (3)		
Repayment agreement with the U.S. Secretary of Health and Human Services	yes	no
LOAN CONSOLIDATION	yes	yes
RENEGOTIATION	yes	yes
(1) Uniformed Service includes U.S. Public Health Commissioned Corps and NOAAC. (2) Payments are postponed. Interest continues to accrue. Period of deferment is not excluded for the period of repayment. (3) Agreements are subject to the availability of funds. Funds are no longer available.		

**Health Profession Student Loan
Primary Care Loans
HPSL PCL**

	Loans Made on or after 7/1/93 Compliance with Agreement	Loans Made on or after 7/1/93 Noncompliance with Agreement	Loans Made on or after 11/13/98 Compliance with Agreement	Loans Made on or after 11/13/98 Noncompliance with Agreement (1)
GRACE PERIOD	1 year	no	1 year	no
INTEREST RATE	5%	12% compounded	5%	18%
MINIMUM INSTALLMENT	\$30	See promissory note	\$40	See promissory note
REPAYMENT PERIOD	10–25 years	10–25 years	10–25 years	10–25 years
DEFERMENTS				
Military or Uniformed Service (2)	3 years	no	3 years	no
Peace Corps	3 years	no	3 years	no
Advanced professional training including internship and residency (training beyond the first professional degree). Primary health care includes allopathic, osteopathic family medicine, internal medicine, pediatrics, combined medicine/pediatrics, or preventive medicine	yes	no	yes	no
Pursuing full-time course of study at a health profession school eligible for participation in HPSL program	yes	no	yes	no
Interruption of studies	2 years	no	2 years	no
Fellowship/full-time educational activity	2 years	no	2 years	no
FORBEARANCE (3)	yes	no	yes	no
CANCELLATIONS				
Disability	yes	yes	yes	yes
Death	yes	yes	yes	yes
LOAN CONSOLIDATION	no	no	no	no
RENEGOTIATION	yes	no	yes	no

(1) If borrower drops out of medical school the noncompliance is waived.
(2) Uniformed Service includes U.S. Public Health Commissioned Corps and NOAAC.
(3) Payments are postponed. Interest continues to accrue. Period of deferment is not excluded for the period of repayment.

Nursing Student Loans

Nursing AD, Nursing BS, and Nursing GR

	Loans Made on (1) or after 10/01/85	Loan Made on or after 11/04/88	Loans Made on or after 11/13/98
GRACE PERIOD	9 months	9 months	9 months
INTEREST RATE	6%	5%	5%
MINIMUM INSTALLMENT	\$15	\$15	\$40
REPAYMENT PERIOD	10 years	10 years	10 years
DEFERMENTS			
Military or Uniformed Service (2)	3 years	3 years	3 years
Peace Corps	3 years	3 years	3 years
Advanced professional training in nursing or training to become a nurse anesthetist. Full-time or half-time enrollment in a collegiate nursing program leading to a B.S. or graduate degree	5 years	10 years	10 years
FORBEARANCE (3)	yes	yes	yes
CANCELLATIONS			
Professional service	no	no	no
Professional service in a shortage area	no	no	no
Disability	yes	yes	yes
Death	yes	yes	yes
REPAYMENT AGREEMENT (4)			
Repayment agreement with the U.S. Secretary of Health and Human Services	yes	yes	no
LOAN CONSOLIDATION	yes	yes	yes
RENEGOTIATION	yes	yes	yes

(1) For loans made prior to 10/1/85, see promissory note.

(2) Uniformed Service includes U.S. Public Health Commissioned Corps and NOAC.

(3) Payments are postponed. Interest continues to accrue. Period of deferment is not excluded from the period of repayment.

(4) Agreements are subject to the availability of funds. Funds are no longer available.

University Student Loans

LOAN PROGRAM (1)	Grace Period	Interest Rate	Minimum Installment	Repayment Period
Henry Strong Loan (H Strong 4)	6 months (4)	5%	\$30	5 years
International Loan Program (International)	no	0%	Based on amount of loan	3 years
Judge & Mrs. Ira C. Batman Student Loans (Batman)	no	3%	Based on amount of loan	1–3 years
Mabel Sledd Cunnison Student Loans (Cunnison)	60 days–1 year	5%	\$30	10 years
Fred E. & Helen Miholich Student Loans (Miholich)	6 months	6%	\$50	3 years
Robert Wood Johnson Medical Student Loans (Rwood Jn MD)	12 months	3%	\$15	10 years
Robert Wood Johnson Dental Student Loans (Rwood Jn DN)	12 months	3%	\$15	10 years
Crowder-Wear Loan Program (CrowderWea)	no	0% 1st & 2nd yr 3rd yr (3)	Based on Amount of Loan	3 years
Della Crowder Miller Loan Program (CrowderMil)	no	0% 1st & 2nd yr 3rd yr (3)	Based on Amount of Loan	3 years
Lucas Loan Program (Lucas)	no	0% 1st & 2nd yr 3rd yr (3)	Based on Amount of Loan	3 years
Munns Loan Program (Munns)	no	0% 1st & 2nd yr 3rd yr (3)	Based on Amount of Loan	3 years
Orville & Dorothy Miller Loan Program (Miller)	no	0% 1st & 2nd yr 3rd yr (3)	Based on Amount of Loan	3 years
<p>(1) These loans are usually not eligible for loan consolidation.</p> <p>(2) Payments are postponed, but interest continues to accrue. Period is not excluded from the period of repayment.</p> <p>(3) The interest rate is the prevailing interest rate for unsecured loans as of July 1st of the current fiscal year.</p> <p>(4) Interest will accrue during the grace period.</p>				

University Student Loans, *continued*

Student Deferment	Peace Corps Deferment	Military Deferment	Internship/Residency Deferment	Hardship (2) Deferment	Disability Cancellation	Death Cancellation
Full-Time	no	no	no	yes	no	no
no	no	no	no	no	yes	yes
IU—Law School only	no	no	no	no	no	no
Full-Time Medical Graduate	no	no	yes	yes	yes	yes
Half Time	no	no	no	yes	yes	yes
Postgraduate Training	3 years	3 years	any number	yes	yes	yes
Postgraduate Training	3 years	3 years	any number	yes	yes	yes
no	no	no	no	no	yes	yes
no	no	no	no	no	yes	yes
no	no	no	no	no	yes	yes
no	no	no	no	no	yes	yes
no	no	no	no	no	yes	yes

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Information for this booklet was also obtained from presentations by the U.S. Department of Education and the U.S. Health and Human Services Policy Division, at conferences sponsored by the Coalition of Higher Education Assistance Organization and the National Association of College and University Business Officers.

INDIANA UNIVERSITY