

Closed School Loan Discharge Packet

- If you attended a school that closed before you were able to complete your diploma or degree, you may be eligible for a cancellation, or “discharge,” of the federal student loans you used to pay for your education.
- Use this packet to determine your eligibility for Closed School Loan Discharge and for a 6-Step Guide to submitting your application.

What Happens If Your Federal Student Loans Are Discharged?

- **Your federal loans will be cancelled and you will not have to repay the loan or any loan fees.**
- **You will receive a refund of any payments you made on your federal loans.**
- **Any negative information on your credit report related to your federal loans will be removed.**

6 Steps to Discharge

To figure out if you are eligible and to submit an application, follow these six steps:

- ☐ Step 1: Figure Out If You Have Qualifying Federal Loans
- ☐ Step 2: Determine If You Are Eligible Based On Your Personal Situation
- ☐ Step 3: Complete A Close School Discharge Application
- ☐ Step 4: Gather Important Documents To Submit With Your Application
- ☐ Step 5: Submit Your Application And Follow-Up
- ☐ Step 6: Information About Your Private Loans Or Cash Payments

This packet was created on October 14, 2014.

**THIS PACKET IS NOT MEANT TO PROVIDE A LEGAL OPINION, OFFER ADVICE, OR
SUBSTITUTE FOR THE ADVICE OF A LICENSED ATTORNEY.**

**If you believe you need legal assistance,
find contact information for your local Legal Aid office at:**

lsc.gov/find-legal-aid

□ Step 1: Do I Have Loans Eligible For Discharge?

- **Only federal loans from the Department of Education are eligible. These loans must have been used to pay for education at the school that closed.**

Eligible Loans	Non-Eligible Loans/Grants
□ Federal Family Education Loan Program (FFEL) loans □ Direct loans □ Stafford loans □ Parent PLUS loans □ Graduate PLUS loans □ Perkins loans □ Federal Consolidation loans: If any of the underlying loans were used to pay for enrollment at the school that closed, you can apply for a discharge of the underlying loans. If granted, you will receive a credit for the amount of the underlying loans related to the closed school.	• Loans from the closed school • Private student loans from a bank or other private lender • State government loans • Pell Grants • State government grants • GI Bill funds • Any other funds from Department of Defense or Veterans Administration • Private consolidation loans

If you are unsure which loans you have, you can find out using these resources:

- Call 1-800-4-FED-AID (1-800-730-8913); or
- Check your account on the National Student Loan Data System (NSLDS) at: https://www.nsls.ed.gov/nsls_SA/SaFinLoginPage.do
 - If you have a Personal Identification Number (PIN) you used for your FAFSA application, you may use this to log into your NSLDS account.
 - If you cannot remember your PIN, you may request a duplicate PIN or a new PIN at: <http://www.pin.ed.gov/PINWebApp/pinindex.jsp>.
 - If you get a new PIN number, you should be able to log on to your NSLDS account in about one week after you request it.

Remember, only your federal loans will be listed on the NSLDS or by 1-800-4-FED-AID.

- If you have any loans that are *not* listed, they are probably private loans that are *not* eligible for loan discharge. Only the listed loans will be eligible.

□ Step 2: Am I Eligible Based on My Personal Situation?

- If you have determined that you have eligible federal loans, the next step is to determine whether you are eligible for a discharge based on your circumstances.

Borrowers Who Are Eligible	Borrowers Who Are <i>not</i> Eligible
□ You attended a school that closed before you were able to complete your program (including classes and required externships). □ You withdrew from the school within 120 days before it closed. □ You were on an approved leave of absence when the school closed. □ You are a parent of an eligible student and have a Parent PLUS loan.	• You <i>completed</i> your program before the school closed. • You <i>completed</i> a comparable program at another school that accepted one or more credits from the closed school. • You <i>completed</i> your program through a “teach-out.” • You completed your program (including externships and classes), but didn’t receive your diploma or degree. • You have a Parent PLUS loan, but the student you helped does not meet the eligibility requirements.

Key Issue:

Your eligibility may depend on whether you decide to:

- Participate in a Teach-Out; or
- Transfer credits to another school

Teach-Outs

What is a Teach-Out?

- Teach-outs are arrangements that allow students to complete their programs, approved by your school's accreditor.
- You will not be required to make any payments to finish the term that you already paid for.
- You may be required to pay for any new terms that you did not pay the closed school for.
- Teach-outs may be offered by the school that is closing or by a different school.

If the Teach-Out is offered at your current campus by the school that is closing:

- You will **not** qualify for a closed school discharge, even if you choose not to participate in the teach-out.

If the Teach-Out is offered by the school that is closing at a *different* campus or is offered by a *different* school:

- You do **not have to participate** in teach-out.
- If you choose not to participate, you are **eligible for a discharge** of your federal loans.
- If you give the teach-out a try, but drop out before completing, you will also be eligible for a discharge.
- If you participate and *complete* your program, you will you **not** be eligible for a discharge.

Credit Transfers

- If another school accepts one or more of your credits, you will **not** qualify for the discharge of your federal loans if:
 - You *complete* the program.
 - Note: Although this is not in the federal law, the Department has stated that you are not eligible for a loan discharge only if your new program is the same or comparable to the program you were enrolled in at your closed school.
- **Beware:** If a new school agrees to accept some or all of your credits, ask the school to agree to this in writing, for example by specifying how many credits will transfer on your new enrollment agreement, *before* you enroll or agree to take out student loans.

You Are Eligible for a Discharge of your Federal Loans if:

- ☐ You (or the student, if you have a Parent PLUS loan) meet **one** of the following:
 - Your school closed **before** you were able to complete your program (including classes and required externships).
 - You withdrew from the school within 120 days before it closed (or some longer period if the Department determines there were “exceptional circumstances related to the school’s closing,” see below).
 - You were on an approved leave of absence when the school closed.
- ☐ And you (or the student, if you have a Parent PLUS loan) meet **all** of the following:
 - You are not currently enrolled in a Teach-Out.
 - You are not currently enrolled in the same or comparable program at a school that accepted one or more credits from the closed school.
 - You did **not** complete your program through a Teach-Out.
 - You did **not** complete the same or comparable program after transferring one or more credits to another school.

How to Seek and Extension of the 120-Day Withdrawal Period:

- If you withdrew over 120 days before the school closed, you may ask the Department of Education to extend the 120-day period and grant you a discharge if you can show there were “exceptional circumstances related to the school’s closing.”
- Exceptional circumstances include:
 - The school’s loss of accreditation.
 - The discontinuation of a majority of the school’s programs.
 - An action by a state to revoke the school’s license to operate or award credentials.
 - A finding by a state or federal government agency that the school violated state or federal law.
- To seek an extension, you must submit proof of the above to the Department, or proof of any other irregularities that you think may constitute exceptional circumstances. For example, you may submit:
 - Your own declaration describing any irregularities you witnessed, such as frequent changes of teachers, your school not being open when it was supposed to be, or broken instructional equipment that was not fixed, etc.
 - Declarations from other students and/or staff of the school.
- However, **there is no guaranty** that the Department will find exceptional circumstances based on the evidence you submit.

Students Beware

Many other for-profit schools will tell you that they are offering teach-outs or will accept your credits and will promise to let you finish your education for free.

- Before agreeing to participate in a teach-out, make sure the teach-out is approved by the accreditor.
- Make sure the school provides an agreement in writing that (1) you will be **not** be charged any further money to complete the term you already paid for or (2) states how many credits it is accepting from the closed school.
- Ask for information about the success of the schools' students.
 - What percentage of students graduate?
 - What percentage are employed in their area of study?
 - What percentage pass certification or licensure exams, when these are required for employment?
 - If any of these rates are low, *think twice about participating in the teach-out or otherwise enrolling.*
 - Check out the College Score Card to compare schools in your area:
<http://collegecost.ed.gov/scorecard/index.aspx>.
- Talk to professionals in the field you are studying to find out (1) whether they hire students from the school and (2) how much they would pay a graduate from the school.
- Make sure the school is licensed (if required by state law) by checking the website of the government agency in your state that oversees for-profits schools.
- Ask to sit in on a class for free, and talk to students and teachers about the school.
- **If the school won't let you sit in a class, refuses to provide information, refuses to put anything in writing, or pressures you to enroll first, it is probably not a place you want to attend.**

☐ Step 3: How to Complete Your Discharge Application

- Please follow the step-by-step instructions in the following chart to complete the “Loan Discharge Application: School Closure.” A copy of this form (exp. date of 08/31/2017) is included as Attachment A.

Your complete Closed School Discharge Application package should include:

- ☐ Completed Application Form
- ☐ Cover letter
- ☐ If you were on an approved leave of absence when the school closed, a copy of the school document approving your leave of absence or your own declaration (see below)
- ☐ A copy of your Enrollment Agreement with your closed school
- ☐ Any evidence of your school’s closure, such as a newspaper article
- ☐ Any notices you have received from the school about its closure
- ☐ Any notices from your State stating that the school has officially closed

Filling out your Closed-School Discharge Application

- You may download additional copies of this form at:
<http://ifap.ed.gov/dpccletters/attachments/GEN1418AttachLoanDischargeAppSchoolClosure.pdf>
- Complete all required sections of the form. If you do not, your application may be rejected. Where the form indicates, you can skip certain questions that do not apply to you.
- You may submit your application at any time, there is no deadline for submission.

Section	Number	Instructions
Section 1: Borrower Identification		Check the box if you have a new address or phone number. Enter all the following information for the person seeking discharge (for Parent PLUS loan borrowers seeking discharge, enter your own information here): • Social Security Number • Name • Address • City, State, Zip Code • Telephone – Primary • Telephone – Alternate: You do not have to provide an alternate telephone number. If you do not, enter “N/A” which means “Not Applicable.” • Email (optional): You also do not have to provide an email address. If you do not, enter “N/A.”

Section	Number	Instructions
Section 2: School Closure Information	1. Are you a student borrower or a parent borrower?	Check the first box if you are a student with federal loans that you used to attend the school that closed. Skip to Question 4. Check the second box if you are a parent who took loans to pay for your child's tuition. Continue to Question 2.
	2. Student's Name	If you are a parent borrower, enter the last name, first name, and middle initial of the student. If you are the student, skip this question.
	3. Student's Social Security Number	If you are a parent borrower, enter the student's social security number. If you are the student, skip this question.
	4. Closed School Name	Enter the closed school's name.
	5. Closed School Address	Enter the address of the closed school. This information should be available on the student's enrollment agreement or other documents from the school.
	6. Dates of Attendance	Enter: - The month, day and year the student first attended class. This information should be on the enrollment agreement. If you don't have a copy of it, approximate the date. - To: The month, day and year the school closed. This is the date the student could no longer attend class due to the school's closure.
	7. Name of Program	Enter the name of the program the student was enrolled in when the school closed. For example, if the student was enrolled in a Medical Assisting program, enter "Medical Assisting."

Section	Number	Instructions
Section 2: School Closure Information (cont'd)	8. Did the student complete the program at the closed school?	Check the YES or NO box to answer whether the student completed his/her program of study before the school closed. • If the student had additional classes to complete before he/she could graduate, enter NO. • If the school required the student to complete an externship or internship before he/she was allowed to graduate, and if the student was unable to do so because of the school closure, then enter NO. • If, however, the student completed all the requirements to graduate, enter YES even if he/she did not get a diploma, certificate, or degree. <u>(If this is the case, you will not qualify for the discharge of your federal loans and there is no need to submit this form.)</u>
	9. Approved Leave of Absence	If the student was on an approved leave of absence when the school closed: • Check YES. Enter the dates of the approved leave, which should be included on a written document the school provided when the student obtained approval for the leave of absence. If you do not have a document showing the approved leave of absence, enter the dates if you know them, or the month and year if you know those. If you are estimating, write “estimated dates” next to these dates. • If you do not have the paperwork, include a declaration with your cover letter describing the circumstances of the leave, when approved by the school, and whether you tried to obtain documentation after the school closed and what happened. A sample is included as Attachment C. • You can skip to Question 13 If the student was not on an approved leave of absence: • Check NO, and continue to Question 10.
	10. Was the student enrolled when the school closed?	Check YES if the student was enrolled when the school closed. Skip to Question 13. Check NO if the student was no longer enrolled when the school closed. Continue to Question 11.

Section	Number	Instructions
Section 2: School Closure Information (cont'd)	11. Did the student withdraw from the school before it closed?	Check YES if the student withdrew before the school closed. Continue to Question 12. Check NO if the student did not withdraw from the school before it closed. Skip to Question 13.
	12. Date the Student Withdrew	Enter the month, day and year the student withdrew from the school. The date should not be after the day that the school closed. - As long as this date is within 120 days before the school closed, you should be eligible for a discharge. - If you have any documents showing the date you withdrew, you should include a copy with your application.
	13. Did the student continue the program at a different campus or another school?	Check YES if the student is currently completing or completed the same or comparable program at a different campus or at another school. Continue to Question 14. Check NO if the student is not currently completing and did not complete the same or comparable program after the school closed. Skip to Question 16.
	14. Is the student enrolled at another campus or school through a “teach-out” program?	Check YES if the student is currently completing or completed the same or comparable program through an approved teach-out. <u>(The student will not qualify for the discharge of federal loans and there is no need to submit this form.)</u> Check NO if the student did <u>not</u> continue the same or comparable program through an approved teach-out. Continue to Question 15.
	15. Did the student enroll in a different school that accepted any credits awarded by the closed school?	Check YES if the new school accepted <i>any</i> of the closed school’s credits. <u>(The student will not qualify for the discharge of federal loans and there is no need to submit this form.)</u> Check NO if the new school did <u>not</u> accept any of the closed school’s credits and made the student start his/her education over from the beginning. Continue to Question 16.

Section	Number	Instructions
Section 2: School Closure Information (cont'd)	16. Did the closed school make any refunds to your lenders?	Check YES if you know that the closed school refunded any money to any of your lenders or people collecting on your loans (including the government). Continue to Question 17. Check NO if you know that no refunds were made. Skip to Question 19. If you don't know, check DON'T KNOW. Skip to Question 19.
	17. How much did the closed school refund to your lenders?	Enter the amount the closed school paid to the holder of your student loans (i.e., to your federal student loan servicers, or to a bank that made you a private loan), if you know the amount.
	18. Why did the closed school pay a refund?	If you know why the school paid a refund to your lender, write that explanation here. For example, if the school paid the government a partial refund because you withdrew, you may write that here. If you don't know, write DON'T KNOW.
	19. Have you made a claim for tuition reimbursement?	Check YES if you filed a claim for reimbursement with a state tuition recovery fund or anyone else. Continue to Question 20. Check NO if you have not filed a state tuition recovery fund claim or a claim with anyone else. Skip Questions 20, 21 and 22 and continue to Section 3. Check DON'T KNOW if you do not know if you have made a claim. Skip Questions 20, 21 and 22 and continue to Section 3.
	20. Information about your claim for tuition reimbursement	If you answered YES to question 19, enter the information about the person or agency that received your claim for tuition reimbursement: a) Enter the name of the person or agency to whom you submitted your claim. b) Enter the address where you sent your claim. c) Enter the telephone number of the person or agency you sent your claim to.

Section	Number	Instructions
Section 2: School Closure Information (cont'd)	21. Amount of tuition you requested and your claim's status	If you answered YES to question 19, enter the information about your claim for tuition reimbursement: a) Enter how much money you requested in tuition reimbursement. b) Enter the current status of your claim. For example, if you are still waiting to hear about your claim, write "Pending,"
	22. What is the amount of tuition reimbursement that you have received?	If you answered YES to question 19, enter how much tuition reimbursement you have received. If you have not received any money for your tuition reimbursement, write "none."
Section 3: Certification, Assignment, and Authorization		• Please read the section carefully and note that you are signing under penalty of perjury. Therefore, you should make sure all of the information you enter on this form is correct. • Sign and date the form. • Note that when you sign the form, you are agreeing to the following: "I hereby assign and transfer to the U.S. Department of Education . . . any right to a refund on the amount discharged that I may have received from the school identified in Section 2 of this form and/or any owners, affiliates, or assignees of the school, and from any third party that may pay claims for a refund because of the actions of the school, up to the amount discharged by the Department on my loan(s)." • If you are considering filing a lawsuit against the closed school or any of its owners, then you should talk to an attorney about this provision before you send in your discharge application, as it may affect your rights to seek redress from the closed school or its owners through a lawsuit.

☐ Step 4: Other Documents to Include With Your Application

Draft a Cover Letter to Request Forbearance

- The Department of Education may not automatically stop collecting on your loan while your application is pending. Therefore, it is important for you to write a simple cover letter requesting that the Department not collect on your loan(s) while your closed school discharge application is pending.
- This is called a “forbearance.” If granted, the Department will not seek repayment on the loan, although interest will continue to accrue. If your application is granted, you will not have to pay back this interest.
- A sample letter is included as Attachment B to this packet.
- You may simply include the following language in your letter:
 - *“I am applying for a closed school discharge of my student loans by submitting the enclosed Loan Discharge Application and documents. I request a forbearance while my discharge application is pending. In other words, I request that the Department and any contractors or loan servicers it hires to collect on my loans cease all collection efforts while my discharge application is pending.”*

Your Application Packet Should Include:

- ☐ Completed Application Form
- ☐ Cover letter
- ☐ Your enrollment agreement, if you have it. If you don’t have a copy, you may request one from the school or from the state agency that took control of your school’s documents. However, if you are unable to get a copy, you should submit your application without it.
- ☐ If you withdrew within 120 days before your school closed, any documents you have showing your date of withdrawal.
- ☐ If you were on a leave of absence when the school closed, include
 - A copy of the school document approving your leave of absence;
 - Or if you don’t have this, provide a statement explaining
 - Why and when you asked for the leave.
 - When the leave was approved by the school.
 - When the leave was supposed to end and you were supposed to go back to school.
 - Whether you tried to obtain documentation after the school closed and what happened.
 - A sample declaration is attached as Exhibit C.

If Possible, Include These Additional Items:

- ☐ Any newspaper articles that would confirm the school’s closure.
- ☐ Any notices from the school confirming the school’s date of closure.
- ☐ Any notices from your state stating that the school has officially closed.

□ Step 5: Submitting Your Application and Waiting for a Decision

Submitting Your Application

- Put your signed and dated application and cover letter with the above documents, and make a complete copy of the entire package for your records.
- Make sure to keep a copy for yourself. Sometimes the government loses applications and you may have to resubmit everything.
- Send the cover letter and application with your original signature, along with all your documentation, to your “loan servicer.”
- To find your loan servicer:
 - Call 1-800-4-FED-AID (1-800-730-8913); or
 - Check on the National Student Loan Data System at:
www.nslds.ed.gov/nslds_SA/SaFinLoginPage.do
- To find your Personal Identification Number (PIN):
 - Go to <http://www.pin.ed.gov/PINWebApp/pinindex.jsp>
 - If you get a new PIN, you should be able to log on about one week after you request it.

Waiting for a Decision

- You should receive a written letter in the mail that your loan servicer has received your application. If you do not, call your loan servicer to find out the status of your application.
- The loan servicer will take some time to review your application and may ask for more information. If it does ask for more information, do your best to respond quickly.
- The loan servicer will eventually send you a notice explaining whether your application is granted or denied.
- If your closed school discharge application is granted, you will no longer be obligated to repay your loan(s) or any charges or costs associated with the loan(s). In addition, you should be reimbursed for all amounts you paid on your loan(s). Finally, if you made any late payments or defaulted on your loan(s), the Department should remove any negative information from your credit reports.
- If your application is denied, you may seek review of the loan servicer’s decision from the U.S. Department of Education, although the Department is not required to review the loan servicer’s decision. You may also appeal to federal district court. If this happens to you, call your local legal aid office.
- You can find contact information for your local legal aid office here: lsc.gov/find-legal-aid.

□ Step 6: Information on Your Private Loans or Cash Payments

- Although private loans are not eligible for federal loan discharges, you may qualify for a refund or payment of those loans, plus reimbursement for any cash you paid to your school, if your state has a “student tuition recovery fund.” This is a special fund some states set up to provide monetary relief to students’ whose schools close.
- To determine whether your state has such a fund, whether you would qualify, and how to apply, you should contact the agency in your state that was responsible for regulating your school. The National Consumer Law Center has a list of state tuition recovery funds and agencies here:
<http://www.studentloanborrowerassistance.org/loan-cancellation/state-programs/%20%20h>
- If you have a complaint related to a private student loan or other financial product offered by your school, you can submit a complaint to the Consumer Financial Protection Bureau at: www.consumerfinance.gov/complaint. You can also contact that Bureau by emailing students@cfpb.gov.
- **In addition, some private lenders may grant partial closed school loan discharges. You may contact your private lender to find out whether it has any kind of closed school loan discharge program.**



LOAN DISCHARGE APPLICATION: SCHOOL CLOSURE

William D. Ford Federal Direct Loan (Direct Loan) Program, Federal Family Education Loan (FFEL) Program, and Federal Perkins Loan Program

OMB No. 1845-0058
Form Approved
Exp. Date 08/31/2017

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form or on any accompanying document is subject to penalties that may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

SECTION 1: BORROWER IDENTIFICATION

Please enter or correct the following information.

☐ Check this box if any of your information has changed.

SSN _____ - _____ - _____
Name _____
Address _____
City, State, Zip Code _____
Telephone – Primary (____) _____ - _____
Telephone – Alternate (____) _____ - _____
E-mail (optional) _____

SECTION 2: SCHOOL CLOSURE INFORMATION

1. You are applying for this loan discharge as a:
☐ Student borrower – Skip to Item 4.
☐ Parent borrower – Continue to Item 2.
2. Student Name (Last, First, MI): _____
3. Student SSN: _____ - _____ - _____
4. Closed School Name: _____
5. Closed School Address (street, city, state, zip): _____

6. Dates of attendance at the closed school:
_____ - _____ - _____ to _____ - _____ - _____
7. Name of the program you (or, for a parent PLUS borrower, the student) were enrolled in at the time the school closed: _____
8. Did you (or, for a parent PLUS borrower, the student) complete the program of study **at the closed school**?
☐ Yes – You are not eligible for this discharge.
☐ No – Continue to Item 9.
9. Were you (or for a parent PLUS borrower, the student) on an **approved** leave of absence when the school closed?
☐ Yes – Provide the dates of the leave of absence, then skip to Item 13:
_____ - _____ - _____ to _____ - _____ - _____
☐ No – Continue to Item 10.
10. Were you (or, for a parent PLUS borrower, the student) still enrolled in the program of study when the school closed?
☐ Yes – Skip to Item 13.
☐ No – Continue to Item 11.
11. Did you (or, for a parent PLUS borrower, the student) withdraw from the school before the school closed?
☐ Yes – Continue to Item 12.
☐ No – Skip to Item 13.
12. On what date did you withdraw from the school?
_____ - _____ - _____
13. Did you (or, for a parent PLUS borrower, the student) complete or are you in the process of completing the same or a comparable program of study at another school?
☐ Yes – Continue to Item 14.
☐ No – Skip to Item 16.
14. Are you (or, for a parent PLUS borrower, the student) completing the new program through a teach-out agreement (see Section 5)?
☐ Yes – You are not eligible for this discharge.
☐ No – Continue to Item 15.
15. Did the other school give you (or, for a parent PLUS borrower, the student) credit for training received at the closed school by allowing transfer credits or hours earned at the closed school, or by any other comparable means?
☐ Yes – You are not eligible for this discharge.
☐ No – Continue to Item 16.

Borrower Name: _____ Borrower SSN: _____ - _____ - _____

SECTION 2: SCHOOL CLOSURE INFORMATION (CONTINUED)

16. Did the holder of your loan receive any money back (a refund) from the closed school on your behalf?

☐ Yes – Continue to Items 17– 19.

☐ No – Skip to Item 19.

☐ Don't Know – Skip to Item 19.

17. What was the amount of the refund?

\$ _____

18. Explain why the money was refunded:

19. Did you (or, for a parent PLUS borrower, the student) make any monetary claim with, or receive any payment from, the closed school or any third party (see definition in Section 5) in connection with enrollment or attendance at the school?

☐ Yes – Continue to Items 20 – 22.

☐ No – Sign and date the form in Section 3. Submit the form to the loan holder in Section 7.

☐ Don't Know – Sign and date the form in Section 3. Submit the form to the loan holder in Section 7.

20. Provide the following about the party with whom the claim was made or from whom payment was received:

a. Name: _____

b. Address (street, city, state, zip code):

c. Telephone number:

(_____) _____ - _____

21. What is the amount and the status of the claim?

a. Amount: \$ _____

b. Status:

22. What was the amount of any payment received? If none, write "none".

\$ _____

Sign and date the form in Section 3. Submit the form to the loan holder in Section 7.

SECTION 3: BORROWER CERTIFICATIONS, ASSIGNMENT, AND AUTHORIZATION

§ I **certify** that: **(1)** I received the Direct Loan, FFEL, or Perkins Loan Program loan funds directly, or as a credit that was applied to the amount owed to the school; **(2)** I (or, if I am a parent PLUS borrower, the student) was enrolled at the school identified in Section 2, was on an **approved** leave of absence on the date that the school closed, withdrew from the school not more than 120 days before it closed, or withdrew from the school more than 120 days before it closed if the Department determines that exceptional circumstances related to the school's closing justify an extension of this 120-day period (see Section 6); **(3)** Due to school closure, I (or, if I am a parent PLUS borrower, the student) did not complete the program of study at the closed school; **(4)** I (or, if I am a parent PLUS borrower, the student) did not complete and am not in the process of completing the program or a comparable program of study at the closed school at another school through a teach-out, by transferring credits or hours earned at the closed school to another school, or by any other comparable means; **(5)** I have read and agree to the terms and conditions for loan discharge, as specified in Section 6; **(6)** Under penalty of perjury, all of the information I have provided on this form and in any accompanying documentation is true and accurate to the best of my knowledge and belief.

§ I **hereby assign and transfer** to the U.S. Department of Education (the Department) any right to a refund on the amount discharged that I may have received from the school identified in Section 2 of this form and/or any owners, affiliates, or assignees of the school, and from any third party that may pay claims for a refund because of the actions of the school, up to the amount discharged by the Department on my loan(s).

§ I **authorize** the loan holder to which I submit this request (and its agents or contractors) to contact me regarding my request or my loan(s), including repayment of my loan(s), at the number that I provide on this form or any future number that I provide for my cellular telephone or other wireless device using automated telephone dialing equipment or artificial or prerecorded voice or text messages.

Borrower's Signature _____ Date _____ - _____ - _____

SECTION 4: INSTRUCTIONS FOR COMPLETING THE FORM

When completing this form, type or print using dark ink. Enter dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: March 14, 2014 = 03-14-2014. If you need more space to answer any of the items, continue on separate sheets of paper and attach them to this form. Indicate the number of the Item(s) you are answering and include your name and Social Security Number (SSN) on the top of page 2 and on all attached pages. **Return the completed form and any attachments to the address shown in Section 7.**

SECTION 5: DEFINITIONS

- § The **William D. Ford Federal Direct Loan (Direct Loan) Program** includes Federal Direct Stafford/Ford (Direct Subsidized) Loans, Federal Direct Unsubsidized Stafford/Ford (Direct Unsubsidized) Loans, Federal Direct PLUS (Direct PLUS) Loans, and Federal Direct Consolidation (Direct Consolidation) Loans.
- § The **Federal Family Education Loan (FFEL) Program** includes Federal Stafford Loans (both subsidized and unsubsidized), Federal Supplemental Loans for Students (SLS), Federal PLUS Loans, and Federal Consolidation Loans.
- § The **Federal Perkins Loan (Perkins Loan) Program** includes Federal Perkins Loans, National Direct Student Loans (NDSL), and National Defense Student Loans (Defense Loans).
- § The **date a school closed** is the date that the school stopped providing educational instruction in **all programs** as determined by the Department.
- § **Dates of attendance:** The “to” date means the last date that you (or, for a parent PLUS borrower, the student) actually attended the closed school.
- § The **holder** of your Direct Loan Program loan(s) is the Department. The holder of your FFEL Program loan(s) may be a lender, a guaranty agency, or the Department. The holder of your Perkins Loan Program loans may be a school or the Department. Your loan holder may use a servicer to handle billing and other communications related to your loans. References to “your loan holder” on this form mean either your loan holder or your servicer.
- § **Loan discharge** due to school closure cancels your obligation (and any endorser’s obligation, if applicable) to repay the remaining portion on a Direct Loan, FFEL, or Perkins Program loan, and qualifies you for reimbursement of any amounts paid voluntarily or through forced collection on the loan. For consolidation loans, only the amount of the underlying loans that were used to pay for the program of study listed in Section 2 will be considered for discharge. The loan holder reports the discharge to all credit reporting agencies to which the holder previously reported the status of the loan and removes any adverse credit history previously associated with the loan.
- § The **student** refers to the student for whom a parent borrower obtained a Direct PLUS Loan or Federal PLUS Loan.
- § **Program of study** means the instructional program leading to a degree or certificate in which you (or, for parent PLUS borrowers, the student) were enrolled.
- § **School** means the school’s main campus, or any location or branch of the main campus.
- § **Teach-out agreement** means a written agreement between schools that provides for the equitable treatment of students and a reasonable opportunity for students to complete their program of study if a school ceases to operate before all students have completed their program of study.
- § **Third party** refers to any entity that may provide reimbursement for a refund owed by the closed school, such as a State or other entity offering a tuition recovery program or a holder of a performance bond.

SECTION 6: TERMS AND CONDITIONS FOR LOAN DISCHARGE BASED ON SCHOOL CLOSURE

- § You are only eligible for this form of discharge if you received the loan on which you are requesting discharge on or after January 1, 1986.
- § You are only eligible for this form of discharge if the location or campus that you were attending closed. If you were taking distance education classes, you are only eligible for discharge if the main campus of your school closed.
- § You must have been enrolled at the closed school or on an approved leave of absence on the date that the school closed, or withdrawn from the school not more than 120 days before it closed to be eligible for this form of discharge.
- § If you withdrew more than 120 days before the school closed, you may be eligible for this form of discharge if the Department determines that exceptional circumstances related to the school’s closing justify an extension of this 120-day period. Examples of exceptional circumstances include, but are not limited to: **(1)** the closed school’s loss of accreditation; **(2)** the closed school’s discontinuation of the majority of its academic programs; **(3)** action by the State to revoke the closed school’s license to operate or award academic credentials in the State; or **(4)** a finding by a State or Federal government agency that the closed school violated State or Federal law.

SECTION 6: TERMS AND CONDITIONS FOR LOAN DISCHARGE BASED ON SCHOOL CLOSURE (CONTINUED)

§ By signing this form, you are agreeing to provide, upon request, testimony, a sworn statement, or other documentation reasonably available to you that demonstrates to the satisfaction of the Department or its designee that you meet the qualifications for loan discharge based on school closure, or that supports any representation that you made on this form or any accompanying documents.

§ By signing this form, you are agreeing to cooperate with the Department or the Department's designee in any enforcement action related to this application.
§ This application may be denied, or your discharge may be revoked, if you fail to provide testimony, a sworn statement, or documentation upon request, or if you provide testimony, a sworn statement, or documentation that does not support the material representation that you made on this form or on any accompanying documents.

SECTION 7: WHERE TO SEND THE COMPLETED FORM

Return the completed form and any required documentation to:
(If no address is shown, return to your loan holder.)

If you need help completing this form, call:
(If no telephone number is shown, call your loan holder.)

SECTION 8: IMPORTANT NOTICES

Privacy Act Notice. The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authorities for collecting the requested information from and about you are §421 *et seq.*, §451 *et seq.* and §461 *et seq.* of the Higher Education Act of 1965, as amended (20 U.S.C. 1071 *et seq.*, 20 U.S.C. 1087a *et seq.*, and 20 U.S.C. 1087aa *et seq.*) and the authorities for collecting and using your Social Security Number (SSN) are §§428B(f) and 484(a)(4) of the HEA (20 U.S.C. 1078-2(f) and 20 U.S.C. 1091(a)(4)) and 31 U.S.C. 7701(b).

Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program, the Federal Family Education Loan (FFEL) Program, or the Federal Perkins Loan (Perkins Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the Direct Loan, FFEL, or Perkins Loan Programs, to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect and report on your loan(s) if your loan(s) becomes delinquent or defaults. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed, on a case-by-case basis or under a computer matching program, to third parties as authorized under routine uses in the

appropriate systems of records notices. The routine uses of this information include, but are not limited to, its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to consumer reporting agencies, to financial and educational institutions, and to guaranty agencies in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loan(s), to enforce the terms of the loan(s), to investigate possible fraud and to verify compliance with federal student financial aid program regulations, or to locate you if you become delinquent in your loan payments or if you default. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to state agencies. To provide financial aid history information, disclosures may be made to educational institutions. To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions to efficiently submit student enrollment statuses, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary

to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. Before making any such disclosure, we will require the contractor to maintain Privacy Act safeguards. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

Paperwork Reduction Notice. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0058. Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain or retain a benefit (34 CFR 682.402(e)(3), or 685.215(c)). If you have comments or concerns regarding the status of your individual submission of this form, **contact your loan holder(s) (see Section 7) directly.**

[Date]

[Loan Servicer Name]

[Servicer Address]

Re: Closed School Loan Discharge Application and Request for Forbearance

Dear Sir or Madam:

I am formally applying for a closed school discharge of my student loans. With this letter, I have enclosed my completed closed school student loan discharge application and supporting documents. If there is any additional information that is required, or if any information is missing, please contact me immediately using my contact information below.

Additionally, while my discharge application is pending, I request that you put my federal loans into forbearance. In other words, I request that the Department and any contractors or loan servicers it hires to collect on my loans cease all collection efforts while my discharge application is pending.

Please confirm that you have received my application and that my loans will be placed in forbearance while my loan discharge application is pending.

Thank you for your cooperation.

Sincerely,

[**Your name**]

[Your address]

[Your phone number]