



COMMONWEALTH UNIVERSITY

Loan Repayment Tools

If you are having issues with loan repayment there may be help available. Before deciding on the option of loan deferment, forbearance, or consolidation of your student loans, please contact your loan servicer to discuss your situation. You may have the option to change to another loan repayment option until your circumstances change. You may determine who is servicing your federal loans by using [Who's My Student Loan Servicer? | Federal Student Aid](#).

Deferment

This allows you to temporarily postpone or delay payments on your loans for a certain amount of time based on certain eligibility requirements. You should know, you most likely will continue to accrue interest, meaning interest is still growing on the amount that you owe! This is dependent on the type of Federal Direct Loan that you have borrowed.

Eligibility requirements:

- At least half-time study at a post-secondary school
- Study in an approved graduate fellowship program or in an approved rehabilitation training program for the disabled
- Unable to find full-time employment
- Economic hardship (includes Peace Corps)
- Active Military Duty while borrower is on active duty during a war or other military operation or national emergency and if the borrower was serving on or after October 1, 2007, for an additional 180-day period following the demobilization date for the qualifying service
- For a borrower who is member of the National Guard or other reserve component of the U.S. Armed Forces (current or retired) and is called or ordered to active duty while enrolled at least half-time at an eligible school or within 6 months of having been enrolled at least half-time, during the 13 months following the conclusion of the active duty service, or until the borrower returns to enrolled student status on a least a half-time basis, whichever is earlier

A deferment may be automatically applied on your behalf, but in most cases you must apply, meet the qualifications, and make arrangements with the servicer of your loans to receive deferment.

If you have a subsidized Federal Stafford/Direct Student Loan, you may not be required to pay the accrued interest during any approved periods of deferment. For other categories of Federal and private loans, you are responsible for paying this interest.

If you are currently in repayment of a Federal FFELP or Direct Loan and enrolled at Commonwealth University on at least half-time basis, you may qualify for an in-school deferment. Please complete Sections 1, 2, & 3 of the [In-School Deferment Request](#). Make certain you sign and date the form. In addition please complete Section 8 - Where to Send the Completed Deferment Request. The form may be faxed to 570-389-2057 or mailed to: Commonwealth University of Pennsylvania, Office of the Registrar, 400 East 2nd Street Bloomsburg, PA 17815. If you are currently in repayment of a Federal Perkins Loan and enrolled at Commonwealth University on at least half-time basis, you may qualify for an in-school deferment. Obtain the proper deferment form from the servicer of your loan. This form should be then forwarded to the Office of the Registrar.

For more information on federal loan deferment options please see [Get Temporary Relief: Deferment and Forbearance | Federal Student Aid](#).

Forbearance

Student loan forbearance is an authorized temporary suspension of repayment that is granted under certain circumstances. Forbearance differs from deferment in that most forms of forbearance are offered at the discretion of the lender or owner of your loans. While all loans in the Federal Family Education Loan Program (FFELP), Federal Direct Loan Program, and a significant number of private loans allow forbearance in a wide variety of circumstances, it is not granted automatically nor is it guaranteed. You must apply, meet the qualifications, and make arrangements with the servicer of your loans. You remain responsible for paying the daily interest accrual for all loan types during periods of forbearance. For more information on federal loan forbearance please see [Get Temporary Relief: Deferment and Forbearance | Federal Student Aid](#).

Consolidation

Consolidation loans combine several student loans into one bigger loan from a single lender, which is then used to pay off the balances on the other loans. This means you will have one monthly bill. However, if you have federal loans and private educational alternative loans, these cannot be consolidated together into a federal consolidated loan. You can consolidate your private educational alternative loans but they will differ from your federal loan consolidation.

Federal Loans

More information on federal loan consolidation may be found at [Consolidate Your Federal Student Loans | Federal Student Aid](#).

Things to consider:

- Consolidation generally does not save money.
- You lose the remainder of the grace period.
- The loan payoff or repayment period may be extended.
- May help you to avoid being delinquent or defaulting on your loan.

Private Educational Alternative Loans

Private consolidation also replaces multiple private student loans with one loan and one monthly payment. Terms and conditions will be decided by your lender.

Things to consider:

- You may move from a fixed interest to variable interest rate.
- The new variable interest rate is based on your current credit score. If your credit score has improved significantly, you may get a better rate!
- Private consolidation may be used to remove the cosigner from the loan.

Forgiveness

Loan forgiveness programs encourage students to pursue educational goals that will lead to employment in specific occupations by forgiving part or all of your educational loan debt, provided you fulfill certain work-related requirements.

Loan "forgiveness" does not magically erase debt. It's a program through which an organization or company makes a payment on your loan account on your behalf (if you meet certain requirements). For additional information on federal loan forgiveness please see [Student Loan Forgiveness | Federal Student Aid](#).