



# TROUBLE MAKING PAYMENTS?

## Explore deferment or forbearance options.

If you find yourself falling behind on your student loans in the form of delinquency or default, consider applying for a deferment or forbearance until you can properly resume payments.

### Deferment

A deferment is a period when payment on the principal of a loan is postponed. For subsidized Stafford loans and all or a portion of a subsidized consolidation loan, interest payments are made by the federal government.

After the grace period (the six months after graduating or dropping below half-time student status) has expired, borrowers are entitled to a deferment if they meet regulatory requirements. You should continue making payments on your loan until you're notified the deferment is approved. Your eligibility for a deferment depends on when the loan was made and the individual deferment's requirements. Eligibility for a deferment does not mean you are required to take it—you may choose to continue making payments on your student loan. Any unpaid interest on unsubsidized loans will be capitalized (added to the principal balance) at the end of the deferment period, likely increasing the total balance and your monthly payments.

#### Most common types of deferments:

- In-School Deferment
- Unemployment Deferment
- Economic Hardship Deferment
- Education Related Deferment
- Service Related Deferments
- Other Deferments:  
Temporary Total Disability, Parental Leave, and Public Service (See Nelnet.com for eligibility requirements and additional available deferments.)

### Forbearance

A borrower who is willing but unable to make payments, and does not meet the qualifications for a deferment, may request forbearance. Forbearance allows you to temporarily postpone your payment for a specified period of time. The forbearance will eliminate any delinquency that currently exists on the account, but won't reverse any derogatory credit information previously reported.

No fees are assessed for obtaining forbearance; however, interest will continue to accrue on your loan(s) during the forbearance period. Interest payments may be made at any time during this time. Any unpaid interest at the end of the forbearance period will be capitalized (added to the principal balance). Capitalization of interest will increase the amount that must be repaid and may result in an increased monthly payment amount.

#### Most common types of forbearances:

- Hardship
- Reduced Payment
- Internship/Residency
- Student Loan Debt Burden
- Department of Defense (DoD) Loan Repayment Program
- Corporation for National and Community Service (CNCS) Loan Repayment Program/Hardship