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Unemployment Deferment Instructions

If you are unemployed or working less than 30 hours per week, you may qualify for an Unemployment Deferment. Refer to Section 6 of the following deferment request form for further information.

Please complete Sections 1 and 2, and sign Section 3 of the deferment request. If applicable, please attach supporting documentation of your unemployment benefits. Please return the properly completed deferment request to our office at the address listed above, or fax it to (502) 329-7077. We will notify you when your deferment request has been processed.

If you have any questions regarding this deferment application or your student loans, please contact a servicing team member at the number provided. For your convenience, you may also visit our website at www.kheslc.com.

Sincerely,

Loan Servicing Center



UNEMPLOYMENT DEFERMENT REQUEST

OMB No. 1845-0011
Form Approved
Exp. Date 7/31/2015

William D. Ford Federal Direct Loan (Direct Loan) Program / Federal Family Education Loan (FFEL) Program

UNEM

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 Address (optional) _____

SECTION 2: DEFERMENT REQUEST

Before completing this form, carefully read the entire form, including the instructions and other information in Sections 4, 5, and 6.

I meet the eligibility requirements stated in Section 6 for an Unemployment Deferment and request that my loan holder defer repayment of my loan(s). To document eligibility, complete the following:

(1) I became unemployed or began working less than full time (as defined in Section 5) on _____. Except as explained in Section 3, my deferment begins on this date unless I request my deferment to begin on the following later date: _____.

(2) Check ONE of the boxes below:

(A) I am diligently seeking but unable to find full-time employment in the United States (as defined in Section 5) in any field or at any salary or responsibility level. I am registered with a public or private employment agency if there is one within 50 miles of my current address. Further, if I am requesting an extension of an existing Unemployment Deferment, I have made at least six diligent attempts to find full-time employment in the most recent 6 months.

NOTE: School placement offices and "temporary employment" agencies do not qualify as public or private employment agencies.

OR

(B) I am eligible for unemployment benefits, and I have attached documentation of my eligibility for these benefits. The documentation includes my name, address, and social security number, and shows that I am eligible to receive unemployment benefits during the period for which I am requesting deferment.

SECTION 3: BORROWER UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATION

I understand that:

(1) I am not required to make payments of loan principal during my deferment. Interest will not accrue on my subsidized loan(s) during my deferment. However, interest will accrue on my unsubsidized loan(s).

(2) I may pay the interest that accrues on my unsubsidized loan(s) during my deferment. I may choose to make interest payments by checking the box below. My loan holder may capitalize interest that I do not pay during the deferment period on my unsubsidized loan(s). I wish to make interest payments on my unsubsidized loan(s) during my deferment.

I wish to make interest payments on my unsubsidized loan(s) during my deferment.

(3) My deferment will begin on the date I became unemployed or began working less than full time, as shown in Section 2, unless I request my deferment to begin on a later date. However, if this is my first Unemployment Deferment request for my current period of unemployment and I am not providing documentation of my eligibility for unemployment benefits, my deferment will begin no more than 6 months before the date my loan holder receives this request, even if I became unemployed or began working less than full time more than 6 months ago.

(4) My deferment will end on the earlier of the date I obtain full-time employment or the date on which I exhaust my maximum cumulative eligibility. My deferment will last for no more than 6 months after the date my loan holder receives the deferment request.

(5) My maximum cumulative eligibility is:

o For Direct Loan Program borrowers: 36 months.

o For FFEL Program borrowers: (a) 36 months if I did not have an outstanding balance on a FFEL Program loan that was first disbursed before July 1, 1993 when I obtained a FFEL Program loan on or after July 1, 1993; or (b) 24 months if my first loan(s) were first disbursed before July 1, 1993.

(6) If my deferment does not cover all my past due payments, my loan holder may grant a forbearance on my loan(s) for all payments due before the begin date of my deferment. If the period for which I am eligible for a deferment has ended, my loan holder may grant a forbearance on my loan(s) for all payments due when my deferment request is processed. Interest that accrues during this forbearance may be capitalized.

(7) My loan holder may grant a forbearance on my loan(s) for up to 60 days, if necessary, for the collection and processing of documentation related to my deferment request. Interest that accrues during this forbearance will not be capitalized.

I certify that: (1) The information I have provided on this form is true and correct. (2) I will provide additional documentation to my loan holder, as required, to support my deferment status. (3) I will notify my loan holder immediately when the condition that qualified me for the deferment ends. (4) I have read, understand, and meet the eligibility requirements of the deferment for which I have applied, as explained in Section 6.

I authorize the entity to which I submit this request (i.e., the school, the lender, the guaranty agency, the U.S. Department of Education, and their respective agents and 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

Type or print using dark ink. Enter dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: January 31, 2012 = 01-31-2012. Include your name and account number on any documentation that you are required to submit with this form. If you need help completing this form, contact your loan holder. If you want to apply for a deferment on loans that are held by different loan holders, you must submit a separate deferment request to each loan holder.

Return the completed form and any required documentation to the address shown in Section 7.

SECTION 5: DEFINITIONS

- Capitalization is the addition of unpaid interest to the principal balance of your loan. The principal balance of a loan increases when payments are postponed during periods of deferment or forbearance and unpaid interest is capitalized. As a result, more interest may accrue over the life of the loan, the monthly payment amount may be higher, or more payments may be required. The chart below provides estimates, for a \$15,000 unsubsidized loan balance at a 6.8% interest rate, of the monthly payments due following a 12-month deferment that started when the loan entered repayment. It compares the effects of paying the interest as it accrues, capitalizing the interest at the end of the deferment, and capitalizing interest quarterly and at the end of the deferment. Please note that the U.S. Department of Education (the Department) and many other holders do not capitalize interest on a quarterly basis. The actual loan interest cost will depend on your interest rate, length of the deferment, and frequency of capitalization. Paying interest during the period of deferment lowers the monthly payment by about \$12 and saves about \$426 over the lifetime of the loan, as depicted in the chart below.

Treatment of Interest Accrued During Deferment	Loan Amount	Capitalized Interest for 12 Months	Principal to Be Repaid	Monthly Payment	Number of Payments	Total Amount Repaid	Total Interest Paid
Interest is paid	\$15,000.00	\$0.00	\$15,000.00	\$172.62	120	\$21,736.55*	\$6,730.66
Interest is capitalized at the end of deferment	\$15,000.00	\$1,022.09	\$16,022.09	\$184.38	120	\$22,125.94	\$7,119.64
Interest is capitalized quarterly during deferment and at the end of deferment	\$15,000.00	\$1,048.51	\$16,048.51	\$184.69	120	\$22,162.41	\$7,156.10

*Total amount repaid includes \$1,022.09 of interest paid during the 12-month period of deferment.

- A deferment is a period during which you are entitled to postpone repayment of the principal balance of your loan(s). Interest does not accrue during a deferment on a Direct Subsidized Loan, a Direct Subsidized Consolidation Loan, a subsidized Federal Stafford Loan, or, in some cases, the subsidized portion of a Federal Consolidation Loan (see Note). Interest does accrue during a deferment on a Direct Unsubsidized Loan, a Direct PLUS Loan, a Direct Unsubsidized Consolidation Loan, an unsubsidized Federal Stafford Loan, a Federal PLUS Loan, or a Federal SLS Loan. Note: Interest does not accrue on a Federal Consolidation Loan during a deferment only if: (1) the application for the Federal Consolidation Loan was received by your loan holder on or after January 1, 1993, but before August 10, 1993; (2) the application was received by your loan holder on or after August 10, 1993, and the Federal Consolidation Loan includes *only* Federal Stafford Loans that were eligible for federal interest subsidy; or (3) the application was received by your loan holder on or after November 13, 1997, in which case interest does not accrue on the portion of the Federal Consolidation Loan that paid a subsidized Direct Loan or FFEL Program loan(s).
- The Federal Family Education Loan (FFEL) Program includes Federal Stafford Loans, Federal PLUS Loans, Federal Consolidation Loans, and Federal Supplemental Loans for Students (SLS).
- A forbearance is a period during which you are permitted to temporarily postpone making payments, allowed an extension of time for making payments, or temporarily allowed to make smaller payments than scheduled.
- Full-time employment is defined as working at least 30 hours per week in a position expected to last at least 3 consecutive months.
- The holder of your Direct Loan Program loan(s) is the the Department. The holder of your FFEL Program loan(s) may be a lender, guaranty agency, secondary market, or the Department.
- The United States, for the purpose of this deferment, includes any state of the Union, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Freely Associated States (the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau), and U.S. military bases and embassy compounds in foreign countries.
- 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.

SECTION 6: ELIGIBILITY REQUIREMENTS

- To qualify:
 - (1) You must be diligently seeking but unable to find full-time employment in the United States (as defined in Section 5) in any field or at any salary or responsibility level. You must be registered with a public or private employment agency if there is one within 50 miles of my current address. Further, if you are requesting an extension of an existing Unemployment Deferment, you must have made at least six diligent attempts to find full-time employment in the most recent 6 months. (Check box A in Section 2.)

NOTE: School placement offices and "temporary employment" agencies do not qualify as public or private employment agencies.

OR

- (2) You must be eligible for unemployment benefits, and attach documentation of your eligibility for these benefits. The documentation must include your name, address, and social security number, and show that you are eligible to receive unemployment benefits during the period for which you are requesting deferment. (Check box B in Section 2.)

SECTION 7: WHERE TO SEND THE COMPLETED DEFERMENT REQUEST

Return the completed form and any required documentation to:
KHESLC
P.O. Box 24328
Louisville, KY 40224-0328
Fax: (502) 329-7077

If you need help completing this form, call:

(800) 693-8220

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.* and §451 *et seq.* of the Higher Education Act of 1965, as amended (20 U.S.C. 1071 *et seq.* and 20 U.S.C. 1087a *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 1091(a)(4)) and 31 U.S.C. 7701(b). Participating in the Federal Family Education Loan (FFEL) Program or the William D. Ford Federal Direct Loan (Direct 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 FFEL and/or Direct 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 it displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to average 0.25 hours (15 minutes) per response, including the time for reviewing instructions, searching existing data resources, gathering and maintaining the data needed, and completing and reviewing the information collection. Individuals are obligated to respond to this collection to obtain a benefit in accordance with 34 CFR 682.210 or 685.204. Send comments regarding the burden estimate(s) or any other aspect of this collection of information, including suggestions for reducing this burden to the U.S. Department of Education, 400 Maryland Avenue, SW, Washington, DC 20210-4537 or e-mail ICDocketMgr@ed.gov and reference OMB Control Number 1845-0011. Note: Please do not return the completed form to this address.

If you have questions regarding the status of your individual submission of this form, contact your loan holder (see Section 7).