

**TOTAL AND PERMANENT
DISABILITY DISCHARGE**

Self-Help Packet

GETTING STARTED

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You can cancel your federal student loans based on a permanent and total disability. All federal loan borrowers are eligible for this discharge. Parents with PLUS loans may apply based on their own disabilities, not those of their children.

In order to qualify, you must be unable to work and earn money because of an illness or injury that is expected to result in death, expected to last for a continuous period of not less than 60 months (5 years) or has lasted for a continuous period of not less than 60 months. This is a new standard that went into effect on July 1, 2010.

In addition, veterans who have been determined by the Secretary of Veterans Affairs to be unemployable due a service-connected condition should qualify for this discharge without having to provide additional documentation from a doctor.

FORMS YOU NEED TO FILL OUT

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Discharge Application

You must fill out the attached application form even if you are a veteran and qualify for a discharge without having to provide a doctor's certification. All applicants must fill out sections 1 and 3. Everyone except veterans qualifying under the separate rules must also ask a doctor to fill out section 4. The doctor must be a doctor of medicine or osteopathy and licensed to practice in the United States.

Section 1 requires you to fill in identification information. Be sure and read section 3 carefully and then sign and date at the bottom. You should also carefully read the other sections to find out more about this discharge program.

There are instructions on the form that will explain this process to your doctor. In addition, you may want to give your doctor the attached information sheet.

This form includes the changes to the law that went into effect on July 1, 2010.

The doctor must sign the form at the bottom of page 2. It is very important that the doctor include the date of signature, print his/her name, and provide a professional license number. A lot of applications are rejected only because some of this information is missing.

If you are a veteran, you will qualify if you can provide documentation from the U.S. Department of Veterans Affairs showing that you are unemployable due to a service-connected condition. If you have this documentation, you are still required to complete sections 1 and 3 of this form, but you do not have to ask a doctor to fill out section 4.



DISCHARGE APPLICATION: TOTAL AND PERMANENT DISABILITY

OMB No. 1845-0065
Form Approved
Exp. Date 12/31/2011

Federal Family Education Loan Program / Federal Perkins Loan Program /
William D. Ford Federal Direct Loan Program / Teacher Education Assistance for College and Higher Education Grant Program

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

READ THIS FIRST: This is an application for a total and permanent disability discharge of your Federal Family Education Loan (FFEL) Program, Federal Perkins Loan (Perkins Loan) Program, and/or William D. Ford Federal Direct Loan (Direct Loan) Program loan(s), and/or your Teacher Education Assistance for College and Higher Education (TEACH) Grant Program service obligation.

To qualify for this discharge (except for certain veterans as explained below), a physician must certify in Section 4 of this form that you are unable to engage in any substantial gainful activity (see definition in Section 5) by reason of a medically determinable physical or mental impairment that **(1)** can be expected to result in death; **(2)** has lasted for a continuous period of not less than 60 months; or **(3)** can be expected to last for a continuous period of not less than 60 months. This disability standard may differ from disability standards used by other federal agencies (for example, the Social Security Administration) or state agencies. Except as noted below for certain veterans, a disability determination by another federal or state agency does not establish your eligibility for this discharge.

If you are a veteran, you will be considered totally and permanently disabled for purposes of this discharge if you provide documentation from the U.S. Department of Veterans Affairs (VA) showing that you have been determined to be **unemployable due to a service-connected disability**. If you provide this documentation, you are not required to have a physician complete Section 4 of this form or provide any additional documentation related to your disabling condition. You only need to complete Sections 1 and 3.

SECTION 1: APPLICANT IDENTIFICATION

Please enter or correct the following information.

SSN [] [] [] - [] [] - [] [] [] []

Name _____

Address _____

City, State, Zip Code _____

Telephone - Home () _____

Telephone - Other () _____

E-mail Address (Optional) _____

SECTION 2: INSTRUCTIONS FOR COMPLETING AND SUBMITTING THIS APPLICATION

- Type or print in dark ink. Enter your name and Social Security Number at the top of page 2 (if not preprinted).
- Have a doctor of medicine or osteopathy complete and sign Section 4, unless you are a qualifying veteran (see the next bullet).
- If you are a veteran who has received a determination from the VA that you are **unemployable due to a service-connected disability**, attach documentation of this determination. You are not required to have a physician complete Section 4. **If you do not have documentation showing that you are unemployable due to a service-connected disability and cannot obtain this documentation, you must have a physician complete Section 4.**
- Sign and date the application in Section 3. A representative may sign on your behalf if you are unable to do so because of your disability.
- Make sure that Sections 3 and (if applicable) 4 include all requested information. Incomplete or inaccurate information may cause your application to be delayed or rejected.
- Send the completed application with any necessary attachments to the address shown below. If no address is shown, send the application and any attachments to your loan holder or, if you are applying for discharge of a TEACH Grant Program service obligation, to the U.S. Department of Education (the Department) at the address shown on correspondence you received related to your TEACH Grant.
- If you are applying for discharge of more than one loan and your loans are held by more than one loan holder, or if you are applying for discharge of both a TEACH Grant service obligation and one or more loans, you must submit a separate discharge application (original or copy) with any necessary attachments to each loan holder and, for TEACH Grants, to the Department. A "copy" means a photocopy of the original application completed by you (or your representative) and your physician. Any copy must include an **original signature** from you or your representative.
- IMPORTANT: You must submit this application to your loan holder(s) and/or the Department within 90 days of the date of your physician's signature in Section 4. See Section 3 for address and contact information.** (NOTE TO VETERANS: This requirement does not apply if you are a veteran who provides the documentation described above under "READ THIS FIRST.")

SECTION 3: APPLICANT'S DISCHARGE REQUEST, AUTHORIZATION, UNDERSTANDINGS, AND CERTIFICATIONS

Before signing, carefully read the entire application, including the instructions in Section 2 and other information on the following pages.

I request that the Department discharge my FFEL, Perkins Loan, and/or Direct Loan program loan(s), and/or my TEACH Grant service obligation.

I authorize any physician, hospital, or other institution having records about the disability that is the basis for my request for a discharge to make information from those records available to the holder(s) of my loan(s) and/or to the Department.

I understand that **(i)** I must submit a separate discharge application to each holder of the loan(s) that I want to have discharged. If I am applying for discharge of both a TEACH Grant service obligation and one or more loans, I must submit a separate discharge application to each loan holder and, for TEACH Grants, to the Department. Unless I am a veteran who provides the documentation described above under "READ THIS FIRST," I must submit a discharge application to each loan holder and/or the Department within 90 days of the date of my physician's signature in Section 4. **(ii)** Unless I am a veteran who provides the documentation described above under "READ THIS FIRST," I may be required to repay a discharged loan or satisfy a discharged TEACH Grant service obligation if I fail to meet certain requirements during a post-discharge monitoring period, as explained in Section 6. **(iii)** If I am a veteran, the certification by a physician on this form (if I am required to obtain such a certification) is only for the purposes of establishing my eligibility to receive a discharge of a FFEL Program loan, a Perkins Loan Program loan, a Direct Loan Program loan, and/or a TEACH Grant service obligation, and is not for purposes of determining my eligibility for, or the extent of my eligibility for, VA benefits.

I certify that: **(i)** I have a total and permanent disability, as defined in Section 5. **(ii)** I have read and understand the information on the discharge process, the terms and conditions for discharge, and the eligibility requirements to receive future loans or TEACH Grants as explained in Sections 6 and 7.

Signature of Applicant or Applicant's Representative _____

Date _____

Printed Name of Applicant's Representative (if applicable) _____

Address of Applicant's Representative (if applicable) _____

Representative's Relationship to Applicant (if applicable) _____

Send the completed discharge application and any attachments to:

If you need help completing this form, call:

SECTION 4: PHYSICIAN'S CERTIFICATION

READ THIS FIRST: The applicant identified above is applying for a discharge of a federal student loan and/or a teaching service obligation for a federal grant on the basis that he or she has a total and permanent disability, as defined in Section 5 of this form. To qualify for a discharge, the applicant must be unable to engage in any substantial gainful activity (as defined in Section 5) by reason of a medically determinable physical or mental impairment that (1) can be expected to result in death; (2) has lasted for a continuous period of not less than 60 months; or (3) can be expected to last for a continuous period of not less than 60 months. This disability standard may be different from standards used under other programs in connection with occupational disability, or eligibility for social service or veterans benefits. A determination that the applicant is disabled by another federal agency (for example, the Social Security Administration) or a state agency does not establish the applicant's eligibility for this loan discharge.

Instructions for Physician:

- Complete this form only if you are a doctor of medicine or osteopathy legally authorized to practice in a state, as defined in Section 5, and only if the applicant's condition meets the definition of total and permanent disability in Section 5.
- **Type or print in dark ink. All fields must be completed. If a field is not applicable, enter "N/A." Your signature date must include month, day, and year (mm-dd-yyyy).**
- Provide all requested information for Items 1, 2, and 3 below, and attach additional pages if necessary. Complete the physician's certification at the bottom of this page. The applicant's loan discharge application cannot be processed if the information requested in this section is missing.
- If you make any changes to the information you provide in this section, you must initial each change.
- **Please return the completed form to the applicant or the applicant's representative.** The holder(s) of the applicant's loan(s) (as defined in Section 5) or the U.S. Department of Education may contact you for additional information or documentation.

1. Ability to Engage in Substantial Gainful Activity. Does the applicant have a medically determinable physical or mental impairment (as explained in Item 2 below) that (a) prevents the applicant from engaging in any substantial gainful activity, in any field of work, and (b) can be expected to result in death, or has lasted for a continuous period of not less than 60 months, or can be expected to last for a continuous period of not less than 60 months? Yes No

Substantial gainful activity means a level of work performed for pay or profit that involves doing significant physical or mental activities, or a combination of both. *If the applicant is able to engage in any substantial gainful activity, in any field of work, you must answer "No."*

IF THE ANSWER TO QUESTION 1 IS NO, DO NOT COMPLETE THIS APPLICATION.

2. Disabling Condition. Complete the following regarding the applicant's disabling physical or mental impairment. **Do not use abbreviations or insurance codes.**

(a) Provide the diagnosis: _____

(b) Describe the severity of the disabling physical or mental impairment, including, if applicable, the phase of the disabling condition: _____

3. Limitations. Explain how the disabling condition prevents the applicant from engaging in substantial gainful activity in *any* field of work by responding to Items (a) through (e) below, as relevant to the applicant's condition. Attach additional pages if more space is needed.

In addition to what is required below, you may include any additional information that you believe would be helpful in understanding the applicant's condition, such as medications used to treat the condition, surgical and non-surgical treatments for the condition, etc.

(a) Limitations on sitting, standing, walking, or lifting: _____

(b) Limitations on activities of daily living: _____

(c) Residual functionality: _____

(d) Social/behavioral limitations, if any: _____

(e) Current Global Assessment Function Score (for psychiatric conditions): _____

Physician's Certification

- I certify that, in my best professional judgment, the applicant identified above is unable to engage in any substantial gainful activity in *any* field of work by reason of a medically determinable physical or mental impairment that (1) can be expected to result in death, (2) has lasted for a continuous period of not less than 60 months, or (3) can be expected to last for a continuous period of not less than 60 months.
- I understand that an applicant who is currently able to engage in any substantial gainful activity in *any* field of work does not have a total and permanent disability as defined on this form.

I am a doctor of (check one) medicine osteopathy/osteopathic medicine. I am legally authorized to practice in the state of _____, and my professional license number is _____ (subject to verification through state records).

Physician's Signature (a signature stamp is not acceptable) _____ Date (mm-dd-yyyy) _____ Printed Name of Physician (first name, middle initial, last name) _____

Address _____ City, State, Zip Code _____

() _____ () _____
Telephone Fax E-mail Address (Optional)

SECTION 5: DEFINITIONS

■ If you have a **total and permanent disability**, this means that:

- (1) You are unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death, that has lasted for a continuous period of not less than 60 months, or that can be expected to last for a continuous period of not less than 60 months, **OR**
- (2) You are a veteran who has been determined by the VA to be **unemployable due to a service-connected disability**.

NOTE: This disability standard may differ from disability standards used by other federal agencies (for example, the Social Security Administration) or state agencies. Except in the case of certain veterans, a disability determination by another federal or state agency does not establish your eligibility for a discharge of your loan(s) and/or TEACH Grant service obligation due to a total and permanent disability.

■ **Substantial gainful activity** means a level of work performed for pay or profit that involves doing significant physical or mental activities, or a combination of both.

■ A **discharge of a loan** due to a total and permanent disability cancels your obligation (and, if applicable, an endorser's obligation) to repay the remaining balance on your FFEL, Perkins Loan, and/or Direct Loan program loans. A **discharge of a TEACH Grant service obligation** cancels your obligation to complete the teaching service that you agreed to perform as a condition for receiving a TEACH Grant.

■ The **post-discharge monitoring period** begins on the date the Department grants a discharge of your loan or TEACH Grant service obligation and lasts for three years. If you fail to meet certain conditions at any time during or at the end of the post-discharge monitoring period, the Department will reinstate your obligation to repay your discharged loan or complete your TEACH Grant service obligation. See Section 6 for more information.

■ 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 **William D. Ford Federal Direct Loan (Direct Loan) Program** includes Federal Direct Stafford/Ford Loans (Direct Subsidized Loans), Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans), Federal Direct PLUS Loans (Direct PLUS Loans), and Federal Direct Consolidation Loans (Direct Consolidation Loans).

■ The **Teacher Education Assistance for College and Higher Education (TEACH) Grant Program** provides grants to students who agree to teach full time for at least four years in high-need fields in low-income elementary or secondary schools as a condition for receiving the grant funds. If a TEACH Grant recipient does not complete the required teaching service within eight years after completing the program of study for which the TEACH Grant was received, the TEACH Grant funds are converted to a Direct Unsubsidized Loan that the grant recipient must repay in full, with interest, to 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 loan(s) may be a school you attended or the Department. The holder of your Direct Loan Program loan(s) is the Department. If you received a TEACH Grant, the Department holds your TEACH Grant Agreement to Serve.

■ The term **"state"** as used on this application includes the 50 United States, the District of Columbia, American Samoa, the Commonwealth of Puerto Rico, Guam, the U.S. Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

SECTION 6: DISCHARGE PROCESS / ELIGIBILITY REQUIREMENTS / TERMS AND CONDITIONS FOR DISCHARGE (continues on next page)

NOTE: If you are applying for discharge of loans that are held by the Department, or are applying for discharge of a TEACH Grant service obligation, the discharge process begins with the review by the Department described below.

For veterans who have been determined by the VA to be unemployable due to a service-connected disability:

1. **Review of discharge application by your loan holder.** Your loan holder will review your completed discharge application and the required documentation you provide from the VA. If the documentation indicates that you are totally and permanently disabled in accordance with paragraph (2) of the definition of "total and permanent disability" in Section 5, your loan holder will refer your application and the accompanying documentation to the Department for further review. If the documentation from the VA does not indicate that you are totally and permanently disabled, you will be notified that you must resume payment of your loan(s). If the documentation from the VA does not indicate that you are totally and permanently disabled in accordance with paragraph (2) of the definition of "total and permanent disability," but it indicates that you may be totally and permanently disabled in accordance with paragraph (1) of the definition, you will be notified that you may reapply for discharge under the process for other applicants, as described below. For FFEL Program loans held by a lender, both the lender and the guaranty agency will review your application and accompanying documentation before sending the application and documentation to the Department.
2. **Review of discharge application by the Department.** The Department will review the documentation from the VA to determine if you are totally and permanently disabled in accordance with paragraph (2) of the definition of "total and permanent disability" in Section 5.
3. **Discharge.** If the Department determines that you are totally and permanently disabled, you will be notified that your loan(s) and/or TEACH Grant service obligation has been discharged. The discharge will be reported to national consumer reporting agencies, and any loan payments received on or after the effective date of the determination by the VA that you are unemployable due to a service-connected disability will be refunded to the person who made the payments. If the Department determines that you are not totally and permanently disabled, you will be notified that you must resume repayment of your loan(s), or if you applied for discharge of a TEACH Grant service obligation, that you must comply with all terms and conditions of your TEACH Grant Agreement to Serve.

For all other applicants:

1. **Review of discharge application by your loan holder.** Your loan holder will review your completed discharge application and any accompanying documentation to determine whether you appear to be totally and permanently disabled in accordance with paragraph (1) of the definition of "total and permanent disability" in Section 5. If applicable, your loan holder may also contact your physician for additional information. For FFEL Program loans held by a lender, this determination will be made by both the lender and the guaranty agency. If the loan holder determines that you do not appear to be totally and permanently disabled, you will be notified of that decision. You must then resume payment of your loan(s). If your loan holder determines that you appear to be totally and permanently disabled, your loan(s) will be assigned to the Department. The Department will be your new loan holder.
2. **Review of discharge application by the Department.** The Department will review the physician's certification in Section 4 and any accompanying documentation to determine if you are totally and permanently disabled in accordance with paragraph (1) of the definition of "total and permanent disability" in Section 5. The Department may also contact your physician for additional information, or may arrange for an additional review of your condition by an independent physician at the Department's expense. Based on the results of this review, the Department will determine your eligibility for discharge.
3. **Discharge.** If the Department determines that you are totally and permanently disabled, you will be notified that a discharge has been granted, and that you will be subject to a post-discharge monitoring period for three years beginning on the discharge date. The notification of discharge will explain the terms and conditions under which the Department will reinstate your obligation to repay your discharged loan or complete your discharged TEACH Grant service obligation, as described in Item 4, below. The discharge will be reported to national consumer reporting agencies, and any loan payments that were received after the date the physician certified your discharge application will be returned to the person who made the payments. If the Department determines that you are not totally and permanently disabled, you will be notified of that determination. You must then resume repayment of your loan(s), or if you applied for discharge of a TEACH Grant service obligation, you must comply with all terms and conditions of your TEACH Grant Agreement to Serve.
4. **Post-discharge monitoring period.** If you are granted a discharge, the Department will monitor your status during the 3-year post-discharge monitoring period that begins on the date the discharge is granted. The Department will reinstate your obligation to repay your discharged loan(s) and/or your obligation to complete your discharged TEACH Grant service obligation if, at any time during the post-discharge monitoring period, you:
 - Receive annual earnings from employment that exceed the poverty line amount (see Note below) for a family of two in your state, regardless of your actual family size;
 - Receive a new loan under the FFEL, Perkins Loan, or Direct Loan Program or a new TEACH Grant; or
 - Fail to ensure that a loan or TEACH Grant disbursement was returned to the loan holder or (for a TEACH Grant) to the Department within 120 days of the disbursement date, in the case of a FFEL, Perkins, or Direct Loan program loan or a TEACH grant that was made before the discharge date, but was disbursed during the 3-year post-discharge monitoring period.

During the 3-year post-discharge monitoring period, you (or your representative) must:

- Promptly notify the Department if your annual earnings from employment exceed the poverty line amount for a family of two in your state (see Note below), regardless of your actual family size;

SECTION 6: DISCHARGE PROCESS / ELIGIBILITY REQUIREMENTS / TERMS AND CONDITIONS FOR DISCHARGE (continued from previous page)

- Promptly notify the Department of any changes in your address or telephone number; and
- If requested, provide the Department with documentation of your annual earnings from employment.

Note: The poverty line amounts are updated annually and may be obtained at <http://aspe.hhs.gov/poverty>. The Department will notify you of the current poverty line amounts during each year of the post-discharge monitoring period.

5. Reinstatement of obligation to repay discharged loans or complete discharged TEACH Grant service obligation. If you do not meet the requirements described above in Item 4 at any time during or at the end of the post-discharge monitoring period, the Department will reinstate your obligation to repay your discharged loan(s) and/or to complete your discharged TEACH Grant service obligation. If you received a discharge of your loan(s), this means that you will be responsible for repaying your loan(s) in accordance with the terms of your promissory note(s). However, you will not be required to pay interest on your loan(s) for the period from the date of the discharge until the date your repayment obligation was reinstated. The Department will continue to be your loan holder. If you received a discharge of your TEACH Grant service obligation, you will again be subject to the requirements of your TEACH Grant Agreement to Serve. If you do not meet the terms of that agreement and the TEACH Grant funds you received are converted to a Direct Unsubsidized Loan, you must repay that loan in full, and interest will be charged from the date(s) that the TEACH Grant funds were disbursed.

If your obligation to repay a loan or complete a TEACH Grant service obligation is reinstated, the Department will notify you of the reinstatement. This notification will include:

- The reason or reasons for the reinstatement;
- For loans, an explanation that the first payment due date following the reinstatement will be no earlier than 60 days following the notification of reinstatement; and
- Information on how you may contact the Department if you have questions about the reinstatement, or if you believe that your obligation to repay a loan or complete a TEACH Grant service obligation was reinstated based on incorrect information.

SECTION 7: ELIGIBILITY REQUIREMENTS TO RECEIVE FUTURE LOANS OR TEACH GRANTS

For veterans who receive a total and permanent disability discharge based on a determination by the VA that they are unemployable due to a service-connected disability:

If you are granted a **discharge** based on a determination that you are totally and permanently disabled in accordance with paragraph (2) of the definition of "total and permanent disability" in Section 5, you are not eligible to receive future loans under the FFEL, Perkins Loan, or Direct Loan programs or TEACH Grants unless:

- You obtain a certification from a physician that you are able to engage in substantial gainful activity; and
- You sign a statement acknowledging that the new loan or TEACH Grant service obligation cannot be discharged in the future on the basis of any injury or illness present at the time the new loan or TEACH Grant is made, unless your condition substantially deteriorates so that you are again totally and permanently disabled.

For all other individuals who receive a total and permanent disability discharge:

If you are granted a **discharge** based on a determination that you are totally and permanently disabled in accordance with paragraph (1) of the definition of "total and permanent disability" in Section 5, you are not eligible to receive future loans under the FFEL, Perkins Loan, or Direct Loan programs or TEACH Grants unless:

- You obtain a certification from a physician that you are able to engage in substantial gainful activity;
- You sign a statement acknowledging that the new loan or TEACH Grant service obligation cannot be discharged in the future on the basis of any injury or illness present at the time the new loan or TEACH Grant is made, unless your condition substantially deteriorates so that you are again totally and permanently disabled; and
- If you request a FFEL, Perkins Loan, or Direct Loan program loan or a new TEACH Grant within three years of the date that a previous loan or TEACH Grant was discharged, you resume payment on the previously discharged loan or acknowledge that you are once again subject to the terms of the TEACH Grant Agreement to Serve before receiving the new loan.

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.*, §461 *et seq.*, and §420L *et seq.* of the Higher Education Act of 1965, as amended (the HEA) (20 U.S.C. 1071 *et seq.*, 20 U.S.C. 1087a *et seq.*, 20 U.S.C. 1087aa *et seq.*, and 20 U.S.C. 1070g *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 §31001(i)(1) of the Debt Collection Improvement Act of 1996 (31 U.S.C. 7701(c)). Participating in the Federal Family Education Loan (FFEL) Program, the William D. Ford Federal Direct Loan (Direct Loan) Program, the Federal Perkins Loan (Perkins Loan) Program, and/or the Teacher Education Assistance for College and Higher Education (TEACH) Grant 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 FFEL, Direct Loan, and/or Perkins Loan program loan or a TEACH Grant, to receive a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) or a discharge of a TEACH Grant service obligation, to permit the servicing of your loan(s) or TEACH Grant(s), and, if it becomes necessary, to locate you and to collect and report on your loan(s) if your loan(s) become delinquent or in default. 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.

For a loan or for a TEACH Grant that has not been converted to a Direct Unsubsidized Loan, the routine uses of the information that we collect about you include, but are not limited to, its disclosure to federal, state, or local agencies, to institutions of higher education, and to third party servicers to determine your eligibility to receive a loan or a TEACH Grant, to investigate possible fraud, and to verify compliance with federal student financial aid program regulations.

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.

For a loan, including a TEACH Grant that has been converted to a Direct Unsubsidized Loan, the routine uses of this information also 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 creditors, to financial and educational institutions, and to guaranty agencies to verify your identity, to determine your program eligibility and benefits, to permit making, servicing, assigning, collecting, adjusting, or discharging 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, to locate you if you become delinquent in your loan payments or if you default, or to verify whether your debt qualifies for discharge or cancellation. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state or local 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 status, 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.

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. The valid OMB control number for this information collection is 1845-0065. The time required to complete this information collection is estimated to average 0.5 hours (30 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection.

If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, DC 20202-4537. **Do not send the completed loan discharge application to this address.**

If you have comments or concerns regarding the status of your individual submission of this form, contact your loan holder (see Section 3).

**OPTIONAL DOCTOR INFORMATION
SHEET**

Dear Doctor:

The purpose of this letter is to provide you with information about the Department of Education disability discharge process.

Please see the attached application form.

A few tips:

1. Please review and complete Section 4 of this application. This section asks you to certify that it is your professional judgment that the borrower is totally and permanently disabled. Every single blank in this section must be completed; if any are left, the application will be rejected.
2. The disability standard used by the Department of Education is different than the standard in other government programs, such as Social Security. Please note that there is a new definition of “total and permanent disability” as of July 1, 2010. Under the new standard, borrowers are eligible for this discharge if they are unable to work and earn money because of an illness or injury that is expected to result in death, expected to last for a continuous period of not less than 60 months or has lasted for a continuous period of not less than 60 months. This new definition is now in effect and is the standard you should use in making your determination.
3. You do not have to provide information about when the borrower became disabled. The eligibility standard is only that the borrower is totally and permanently disabled as of the date you sign this form.
4. This is a new form as of August 2010 and it requires you to provide more complete information about the borrower’s disability. Please provide more than a diagnosis. You must also identify the medical condition, as required on the form, and clearly and fully explain how the condition prevents the borrower from working and earning money.
5. You may submit additional information with the application.
6. Any changes must be initialed.
7. Please be sure and date the form and provide your professional license number.
8. You should expect that someone from the Department of Education or a guaranty agency will contact you to follow up on this application. It is important to include as much supporting documentation (medical records) at the outset to help avoid repeated requests for additional information.

Thank you for your assistance with this matter.

Sincerely,

WHERE TO SEND THE APPLICATION

WHERE TO SEND THE APPLICATION

1. You must submit a completed application to your loan holder. The loan holder is defined as the agency that is collecting your loan. This could be a lender, servicer, private collection agency, or guaranty agency. You should ask your loan holder or servicer for the correct address.
2. If you have a Perkins loan, you should submit your application to your school or whichever entity is collecting on behalf of the school. The school will then send your application to the Department.
3. You should send the application by certified mail with return receipt.
4. You must submit the application within 90 days of the date of the doctor's signature on the form.
5. After receiving a completed form, the loan holder must stop collection efforts.
6. If you have different loan holders, you must submit a separate form to each loan holder. You can submit a copy, but your original signature must be on every form you submit regardless of whether it is an original or copy.

WHAT TO EXPECT AFTER YOU SEND IN THE APPLICATION

WHAT TO EXPECT AFTER YOU SEND IN THE APPLICATION

Your loan holder is required to make a preliminary determination on the application. If this is a federally guaranteed (FFEL) loan, the lender must submit the application to the guaranty agency within 60 days of application. The guaranty agency has 90 days to review the application. Approved applications are sent to the Department of Education's Disability Discharge Unit.

If it is a Direct Loan, the Department of Education will be making the decision. If you have a Perkins loan, you should submit your application to your school or whichever entity is collecting on behalf of the school. The school will then send your application to the Department of Education.

The Department of Education's Disability Discharge Unit will do another review of the applications it receives. They can ask for additional medical evidence or even arrange for an additional medical review by an independent doctor at no expense to you. The Unit will either deny the claim or approve it.

This process can take a while. It is a good idea to contact the Department's Disability Discharge Unit regularly to check on the status of your application. Contact information is included at the end of this packet and on the letters you will receive from the Department.

If approved, you will get a final discharge of your loans. The discharge will be effective as of the date the doctor signed the application form. There is no longer a three year conditional discharge period except for borrowers who applied before July 1, 2010. Sample letter #1 is the letter you should receive if your application is approved.

Any payments received after the date the doctor signed the form must be returned. This includes voluntary and involuntary payments, such as wage garnishments and tax refund offsets. The discharge will also be reported to credit bureaus. You should consult a tax professional regarding possible tax liability for the discharged amount.

For borrowers who apply on July 1, 2010 or later, there will not be a conditional discharge period, but the Department has the right to reinstate the loans if during the three years after the discharge is granted:

- Your annual earnings from employment are above the poverty line amount for a family of two in your state, regardless of your family size. Under the 2012 guidelines, this amount is \$15,130 if you live in the 48 contiguous states. (Information about poverty level guidelines can be found on the U.S. Department of Health and Human Services web site: <http://aspe.hhs.gov/poverty/>),
- You receive any new federal loans or a TEACH grant, or
- If you had a federal loan or TEACH grant that was originated before the date the doctor signed the application and a disbursement was made during the three year

period after discharge. In these circumstances, you must provide the Department with documentation showing that the disbursement was returned to the loan holder or for a TEACH grant to the Department within 120 days of the disbursement date.

During the three year period, you must promptly inform the Department if your annual earnings exceed the poverty line for a family of two and notify the Department of any changes in address.

The Department must give you notice if they reinstate the loan, including reasons for the reinstatement and an explanation that the first payment due date on the loan following reinstatement will be no earlier than sixty days after the date of the notice. (See Sample letter #2). They must also give you information about how to contact the Department if you have questions or if you believe that the loan was reinstated based on incorrect information. You must provide documentation of any employment earnings each year of the three year period.

What to Do If the Application is Denied

Borrowers will often find that a discharge is denied even after they have submitted a properly completed physician's certification of total and permanent disability. If the application is denied, you should receive a letter that includes the reasons for the denial. Unfortunately, the letter may not be very specific. It may say only that you are denied due to a "medical review failure." It may look something like Sample letter #3. However, the Department says that it is now sending letters that include specific information about reasons for denials. (See Sample letter #4).

Although there is no formal process within the Department to appeal, it is a good idea to contact the Department if you receive a denial and ask about the basis for the decision. You can often resolve these problems informally. You can contact the Department's ombudsman program for assistance. (The phone number for the ombudsman is toll-free 877-557-2575; e-mail: fsaombudsmanoffice@ed.gov). You can also reapply if you missed a deadline or decide it is more efficient to start over again. You should consult an attorney for assistance if possible.

If you cannot resolve the problem informally, the denial may be appealed under the judicial review provision of the Administrative Procedures Act.

SAMPLE LETTER #1

B 08 – Non Veteran Discharge Granted Letter
Recipient = Non Veteran Borrower (and Endorser, if applicable)
7/1 Status = Post
File Name = B 08 – Non Veteran Discharge Granted Letter.approved 082210.doc

[Date]

[Borrower Name]
[Address Line 1]
[Address Line 2]
[City], [State] [Zip Code]

Account #: [this will include our parti id]

Dear [Borrower Name] [and Endorser Name]:

The U.S. Department of Education (the Department) has completed its review of your application for a total and permanent disability discharge of your Federal Family Education Loan (FFEL) Program, Federal Perkins Loan (Perkins Loan) Program, and/or William D. Ford Federal Direct Loan (Direct Loan) Program loan, and/or your Teacher Education Assistance for College and Higher Education (TEACH) Grant Program service obligation. Throughout this letter, we use the term “loan” to refer to one or more loans.

The Department has discharged your loan or TEACH Grant service obligation on the basis of your total and permanent disability. This cancels your obligation to repay the loan or complete the teaching service you agreed to perform as a condition for receiving a TEACH Grant. However, the discharged loan or TEACH Grant service obligation will be reinstated if you not meet certain requirements during a post-discharge monitoring period that will be in effect for three years from the discharge date, [Discharge Date].

---- Insert this text if borrower has an endorser on his or her PLUS loan and endorser has not applied for TPD discharge ----

Note to Endorser: You are receiving this letter to make you aware that the PLUS loan you agreed to repay if the borrower did not do so has been discharged. The requirements that must be met during the three-year post-discharge monitoring period apply only to the borrower. However, if the borrower does not meet the requirements and his or her loan is reinstated, your obligation to repay the loan if the borrower does not repay it will also be reinstated.

--- End inserted text ---

In this letter, we provide important information. First, we list your discharged loan or TEACH Grant service obligation. If applicable, we next list other loans we have identified that **may** be eligible for discharge based on your total and permanent disability. Finally, we explain the requirements you must meet during the three-year post-discharge monitoring period.

Discharged Loan or TEACH Grant Service Obligation

Your discharged loan or TEACH Grant service obligation is as follows:

Assignment ID	Assignment Date	Status	Loan or TEACH Grant ID	Prior Holder

--- Insert this text if other loans are identified ---

Other Potentially Eligible Loan Information

During our review of your application, we identified another loan in our National Student Loan Data System (NSLDS) that **may** be eligible for discharge based on your total and permanent disability. To apply for discharge of this other loan, you must submit a total and permanent disability discharge application to the loan holder.

Your other loan that **may** be eligible for discharge is as follows:

Loan Type	Loan ID	Holder

--- End inserted text ---

Three-Year Post-Discharge Monitoring Period

As explained above, the Department has discharged a specific loan and/or TEACH Grant service obligation due to your total and permanent disability. You are now subject to a monitoring period that will end three years from the discharge date included in this letter.

During the monitoring period, you—

- Must not have annual employment earnings that exceed the Poverty Guideline amount for a family of two in your state, regardless of your actual family size;
- Must not receive a new Perkins or Direct Loan, or a new TEACH Grant; and
- Must ensure the return of a loan disbursement to the loan holder or TEACH Grant disbursement to the Department within 120 days of the disbursement date, in the case of a loan or Teach Grant that was made before the discharge date, but was disbursed during the three-year post-discharge monitoring period.

In addition, you must promptly notify or respond to the Department—

- If you receive annual earnings from employment that exceed the Poverty Guideline amount for a family of two in your state, regardless of your actual family size;
- If there is a change in your address or telephone number; and
- If you are requested to provide the Department with documentation of your annual earnings from employment.

Note: During the monitoring period, we will notify you annually of the Poverty Guideline amounts. These amounts are also available via the Web at <http://aspe.hhs.gov/poverty>.

If at any time during or at the end of the three-year monitoring period you do not meet any of the conditions outlined above, the Department will reinstate your loan or TEACH Grant service obligation. You will then be required to repay the loan or fulfill the TEACH Grant service obligation.

If your obligation to repay a discharged loan is reinstated, we will notify you of the reinstatement. You will not be required to pay interest on the loan for the period from the date of discharge until

the reinstatement date. We will send you a notification of reinstatement that will include the following information—

- The reason(s) for the reinstatement;
- An explanation that the first payment due date on the reinstated loan will be no earlier than 60 days after the date of the notification of reinstatement; and
- Information on how you may contact the Department if you have questions about the reinstatement or believe that the Department's determination was based on incorrect information.

Comparable information will be provided to you if a discharged TEACH Grant service obligation is reinstated.

How to Contact Us

Written correspondence can be sent to:

U.S. Department of Education
P.O. Box 173904
Denver, CO 80217

In addition, the following Web site, www.disabilitydischarge.com, is available for you to check the status of your discharge application, upload supporting documentation that may have been requested, and/or update your demographic information.

If you have questions, contact us at 1.888.303.7818 from 8:00 A.M. to 8:00 P.M. (ET), Monday through Friday. Individuals who use a telecommunications device for the deaf (TDD) can call 1.888.636.6401. Or, e-mail us at disabilityinformation@nelnet.net.

Sincerely,

Nelnet Total and Permanent Disability Servicer

SAMPLE LETTER #2

B 12 – Non Veteran Obligation Reinstated Letter
Recipient = Non Veteran Borrower (and Endorser, if applicable)
7/1 Status = Post
File Name = B 12 – Non Veteran Obligation Reinstated Letter.approved 082210.doc

[Date]

[Borrower Name]
[Address Line 1]
[Address Line 2]
[City], [State] [Zip Code]

Account #: [this will include our parti id]

Dear [Borrower Name] [and Endorser Name]:

The U.S. Department of Education (the Department) has reinstated your previously discharged Federal Family Education Loan (FFEL) Program, Federal Perkins Loan (Perkins Loan) Program, and/or William D. Ford Federal Direct Loan (Direct Loan) Program loan, and/or your Teacher Education Assistance for College and Higher Education (TEACH) Grant Program service obligation. Throughout this letter, we use the term “loan” to refer to one or more loans.

The Department discharged your loan or TEACH Grant obligation on the basis of your total and permanent disability on [Discharge Date] and explained that you would be required to meet certain conditions for three years from that discharge date. You have not met one or more of the required conditions during the three-year post-discharge monitoring period and must now repay your loans or fulfill the teaching service you agreed to perform as a condition for receiving a TEACH Grant.

--- Insert this text if borrower has an endorser on his or her PLUS loan and endorser has not applied for TPD discharge ---

Note to Endorser: You are receiving this letter to make you aware that the discharged PLUS loan you agreed to repay if the borrower did not do so has been reinstated. Accordingly, your obligation to repay the loan if the borrower does not repay it is also reinstated and again in effect.

--- End inserted text ---

In this letter, we provide important information. First, we list your reinstated loan or TEACH Grant obligation. Next, we provide the reason the Department has reinstated your loan or TEACH Grant obligation and explain what you can do if you believe the basis for reinstatement of your loan or TEACH Grant obligation is incorrect. Finally, we identify the Department’s servicer to which we have transferred your account for servicing from this point forward.

Reinstated Loan or TEACH Grant Service Obligation

Your reinstated loan or TEACH Grant service obligation is as follows:

Assignment ID	Assignment Date	Status	Loan or TEACH Grant ID	Prior Holder

Reason for Reinstatement

The Department has reinstated your loan or TEACH Grant service obligation for the following reason:

--- Insert applicable text (bulleted item and left-justified follow up information) ---

- Based on the employment earnings information you submitted to us, you have received annual earnings from employment that exceed the Poverty Guideline amount for a family of two in your state. During the three-year post-discharge monitoring period, you may not receive earnings in excess of this Poverty Guideline amount, regardless of your actual family size.

Specifically, during the period [Start Date] to [End Date], your earnings from employment exceeded [Poverty Guideline Amount for Applicable State].

If you have questions about the reinstatement of your loan or TEACH Grant service obligation or believe the reinstatement was based on incorrect information, contact us to discuss.

- Based on the employment earnings information you submitted to us, you have received annual earnings from employment that exceed the Poverty Guideline amount for a family of two in your state. During the three-year conditional discharge period, you may not receive earnings in excess of this Poverty Guideline amount, regardless of your actual family size.

Specifically, during the period [Start Date] to [End Date], your earnings from employment exceeded [Poverty Guideline Amount for Applicable State].

It appears that this period may include employment earnings prior to when your physician certified your discharge application. However, you have not provided sufficient documentation for us to validate that this is the case.

If you have questions about the Department's determination that your loan or TEACH Grant service obligation is ineligible for final discharge or believe the determination was based on incorrect information, contact us to discuss.

- You have not responded to our request for documentation of your annual earnings from employment. During the three-year post-discharge monitoring period, you are required to respond to our requests for employment earnings documentation so that we can determine if your earnings exceed the Poverty Guideline amount for a family of two in your state.

Specifically, you have not provided [a or an] [Documentation Type] for the period [Start Date] to [End Date].

If you have questions about the reinstatement of your loan or TEACH Grant service obligation or believe the reinstatement was based on incorrect information, contact us to discuss.

If you have not submitted the required documentation but do so within one year of the date of this letter, we will return your loan or TEACH Grant service obligation to discharge status. After one year, you will need to submit a new application if you want us to reevaluate your eligibility for total and permanent disability discharge of your loan or TEACH Grant obligation.

- You have received a new Perkins Loan, Direct Loan, or TEACH Grant.

If you have questions about the reinstatement of your loan or TEACH Grant service obligation or believe the reinstatement was based on incorrect information, contact us to discuss.

- You received a loan or TEACH Grant disbursement and did not return it to the loan holder or Department, as appropriate, within 120 days of the disbursement date. During the three-year post-discharge monitoring period, you are required to ensure the return of a loan disbursement to the loan holder or TEACH Grant disbursement to the Department within 120 days of the disbursement date, in the case of a loan or TEACH Grant that was made before the discharge date, but was disbursed during the three-year post-discharge monitoring period.

If you have questions about the reinstatement of your loan or TEACH Grant service obligation or believe the reinstatement was based on incorrect information, contact us to discuss.

If you have not submitted the required documentation but do so within one year of the date of this letter, we will return your loan or TEACH Grant service obligation to discharge status. A letter from your school's financial aid office would serve as acceptable documentation. After one year, you will need to submit a new application if you want us to reevaluate your eligibility for total and permanent disability discharge of your loan or TEACH Grant obligation.

- [Other unique bulleted reason and appropriate follow up information]

--- End inserted text ---

New Servicer Information

--- Insert this text if borrower has 1) a loan or 2) a loan and a TEACH Grant ---

The Department has transferred your reinstated loan to its servicer, [Servicer Name]. Your loan will again be reported to national credit reporting agencies as in repayment status, and you will make loan payments to this servicer.

Your new servicer will notify you upon receipt of your account and inform you of your first payment due date. Your first payment due date will be no earlier than 60 days from the date of this letter. You will not be charged interest on your loan from the discharge date, [Discharge Date], through the date of this letter.

--- Insert this text if borrower has 1) a TEACH Grant or 2) a loan and a TEACH Grant ---

The Department has transferred your TEACH Grant to its servicer, [Servicer Name]. You are again responsible for completing the service obligation in accordance with the TEACH Grant Agreement to Serve that you signed. Your new servicer will communicate with you to monitor the completion of your service obligation.

--- End inserted text ---

How to Contact Us

Written correspondence can be sent to:

U.S. Department of Education
P.O. Box 173904
Denver, CO 80217

In addition, the following Web site, www.disabilitydischarge.com, is available for you to check the

U.S. Department of Education
Total and Permanent Disability Servicer

status of your discharge application, upload supporting documentation that may have been requested, and/or update your demographic information.

If you have questions, contact us at 1.888.303.7818 from 8:00 A.M. to 8:00 P.M. (ET), Monday through Friday. Individuals who use a telecommunications device for the deaf (TDD) can call 1.888.636.6401. Or, e-mail us at disabilityinformation@nelnet.net.

Sincerely,

Nelnet Total and Permanent Disability Servicer

SAMPLE LETTER #3



FEDERAL STUDENT AID

We Help Put America Through School

Conditional Discharge Ineligibility

12/26/2007

Account #
Loan #(s):

Reason for Notice

Your loan discharge request for total and permanent disability submitted to USA FUNDS has been transferred to the U.S. Department of Education's (ED's) Disability Discharge Loan Servicing Center based on a preliminary determination that you were totally and permanently disabled.

ED is the new holder of your loan(s). The change in ownership of your loan(s) will be reported to national credit bureaus.

Important Information

Further review of your discharge application and supporting documentation indicates that you do not meet ED's definition of total and permanent disability for the following reason:

Medical Review Failure

ED will return your loan(s) to an active status. You must resume payment on the loan(s).

You will soon be informed of when and how to make payments.

Questions

If you have any questions, please contact the Disability Discharge Loan Servicing Center at 1-888-869-4169 or send an email to disability_discharge@acs-inc.com. Written correspondence can be sent to U.S. Department of Education Conditional Total and Permanent Disability Assignments PO Box 7200 Utica, NY 13504. Hearing impaired individuals with access to a TDD (Telecommunications Device for the Deaf) can call 1-888-636-6401.

SAMPLE LETTER #4

B 11 – Non Veteran Discharge Not Granted Letter
Recipient = Non Veteran Borrower (and Endorser, if applicable)
7/1 Status = Post
File Name = B 11 – Non Veteran Discharge Not Granted Letter.approved 082210.doc

[Date]

[Borrower Name]
[Address Line 1]
[Address Line 2]
[City], [State] [Zip Code]

Account #: [this will include our parti id]

Dear [Borrower Name] [and Endorser Name]:

The U.S. Department of Education (the Department) has completed its review of your application for a total and permanent disability discharge of your Federal Family Education Loan (FFEL) Program, Federal Perkins Loan (Perkins Loan) Program, and/or William D. Ford Federal Direct Loan (Direct Loan) Program loan, and/or your Teacher Education Assistance for College and Higher Education (TEACH) Grant Program service obligation. Throughout this letter, we use the term "loan" to refer to one or more loans.

The Department has determined, based on the information provided in your application and/or obtained through the application review process, that you do not qualify to have your loan or TEACH Grant service obligation discharged on the basis of total and permanent disability. This means that you must repay the loan or fulfill the teaching service you agreed to perform as a condition for receiving a TEACH Grant.

--- Insert this text if borrower has an endorser on his or her PLUS loan and endorser has not applied for TPD discharge ---

Note to Endorser: You are receiving this letter to make you aware that the PLUS loan you agreed to repay if the borrower did not do so is not eligible for discharge. Your obligation to repay the loan if the borrower does not repay it remains in effect.

--- End inserted text ---

In this letter, we provide important information. First, we list your loan or TEACH Grant obligation that is not eligible for discharge. Next, we provide the reason the Department has determined that you do not qualify to have your loan or TEACH Grant obligation discharged and explain what you can do if you have questions about the basis for our decision or believe there is other information that should be considered. Finally, we identify the Department's servicer to which we have transferred your account for servicing from this point forward.

Loan or TEACH Grant Service Obligation Ineligible for Discharge

Your loan or TEACH Grant service obligation that is ineligible for discharge is as follows:

Assignment ID	Assignment Date	Status	Loan or TEACH Grant ID	Prior Holder

Reason for Discharge Ineligibility

Based on the information provided in your application and/or obtained through the application review process, you do not qualify to have your loan or TEACH Grant service obligation discharged on the basis of total and permanent disability for the following reason(s):

--- Insert applicable text (bulleted item and left-justified follow up information) ---

- The information provided and certified by your physician indicates that you are able to engage in substantial gainful activity. "Substantial gainful activity" is a level of work performed for pay or profit that involves doing significant physical or mental activities, or both.

If you have questions about the basis for our decision or believe there is other information that should be considered, contact us to discuss.

- The information certified by your physician does not indicate that you have a medically determinable physical or mental impairment that (1) can be expected to result in death; (2) has lasted for a continuous period of not less than 60 months; or (3) can be expected to last for a continuous period of not less than 60 months.

If you have questions about the basis for our decision or believe there is other information that should be considered, contact us to discuss.

- Your physician did not fully complete the application and has not responded to our requests that he or she provide the missing information.

The missing information is as follows:

[List applicable incomplete fields including field number and description]

We will reevaluate your application if we receive the missing information within one year of the date of this letter. After one year, you will need to submit a new application if you want us to evaluate your eligibility for total and permanent disability discharge of your loan or TEACH Grant obligation.

- Your physician provided conflicting or unclear information on the application and has not responded to our requests that he or she clarify the information.

The conflicting or unclear information is as follows:

[List applicable fields including field number and description]

We will reevaluate your application if we receive the clarifying information within one year of the date of this letter. After one year, you will need to submit a new application if you want us to evaluate your eligibility for total and permanent disability discharge of your loan or TEACH Grant obligation.

- [Other unique bulleted reason and appropriate follow up information]

--- End inserted text ---

New Servicer Information

--- Insert this text if borrower has 1) a loan or 2) a loan and a TEACH Grant ---

The Department has transferred your loan identified above to its servicer, [Servicer Name]. You will make loan payments to this servicer, and the servicer will report your repayment status to national consumer reporting agencies.

Your new servicer will notify you upon receipt of your account and inform you of your first payment due date. Your first payment due date will be no earlier than 60 days from the date of this letter. The interest that accrued on your loan while it was evaluated for discharge has been added to the principal balance of your loan (this is called capitalization).

--- Insert this text if borrower has 1) a TEACH Grant or 2) a loan and a TEACH Grant ---

The Department has transferred your TEACH Grant to its servicer, [Servicer Name]. You are again responsible for completing the service obligation in accordance with the TEACH Grant Agreement to Serve that you signed. Your new servicer will communicate with you to monitor the completion of your service obligation.

--- End inserted text ---

How to Contact Us

Written correspondence can be sent to:

U.S. Department of Education
P.O. Box 173904
Denver, CO 80217

In addition, the following Web site, www.disabilitydischarge.com, is available for you to check the status of your discharge application, upload supporting documentation that may have been requested, and/or update your demographic information.

If you have questions, contact us at 1.888.303.7818 from 8:00 A.M. to 8:00 P.M. (ET), Monday through Friday. Individuals who use a telecommunications device for the deaf (TDD) can call 1.888.636.6401. Or, e-mail us at disabilityinformation@nelnet.net.

Sincerely,

Nelnet Total and Permanent Disability Servicer

FREQUENTLY ASKED QUESTIONS

FREQUENTLY ASKED QUESTIONS

I am disabled, but think I might be able to work. Can I apply?

The question is whether you really are able to work or not. If you are able to work even if you are not currently employed, you will not qualify.

What if I am working now?

You will not qualify if you are working at the time you apply. However, if you apply and are approved, you are allowed to work and earn minimal amounts during the conditional discharge period if you applied before July 1, 2010 or during the reinstatement period if you applied after July 1, 2010.

What happens if I later want to take out a new federal loan?

You will have to get a doctor to certify that you are able to work. You will also have to sign a statement that the new loan cannot be discharged in the future based on any current impairment unless that impairment substantially deteriorates.

Does the date I became disabled matter?

Only for applications submitted before July 1, 2008.

Can I apply again if I was denied the first time?

Yes. This is more likely to be successful if there was a minor problem the first time around such as the doctor's failure to fill in his license number. But you can also reapply if you have been able to gather stronger evidence of your disability.

How can I prove I'm not working during the three year period if I am not required to file taxes?

The easiest way to prove that you do not have earnings above the allowable limit is to provide a copy of your annual tax return. If you are not required to file taxes, the Department of Education says that it will accept a signed, written statement that you are not working and/or that you do not have earnings above the allowable limit.

Who can I contact at the Department for more information?

As of October 1, 2010, borrowers may contact the Department's Total and Permanent Disability Unit by phone at 1-888-303-7818 or by email at disabilityinformation@nelnet.net.

The regular mail address is:

U.S. Department of Education

Nelnet Total and Permanent Disability Servicer

3015 South Parker Road, Suite 400

Aurora, CO 80014