



**Request For DEFERMENT OF PAYMENT and/or
PARTIAL LOAN CANCELLATION For Service as a
TEACHER. For Recipients of PERKINS and NATIONAL
DIRECT STUDENT LOANS.**

RETURN FORM TO:

Student Loan Department, Office of Bursar
Auburn University, The Quad Center,
Auburn University, AL 36849-5154
Phone: (334) 844-4634
FAX: (334) 844-3757

ABBREVIATED INSTRUCTIONS FOR COMPLETING THIS FORM (See accompanying Information and Instruction Sheet for detailed instruction)

For deferment (If you are currently at the beginning of an academic year), complete **Sections I, II, IV and V.**
For cancellations (only after you have completed the full year of teaching) complete **Sections I, III, IV and V**
For **BOTH** deferment of current year and cancellation of previous year, complete **Sections I, II, III, IV, and V**

Section I: DEMOGRAPHIC INFORMATION

Check here if new Address **9**

Name _____ Social Security # _____

Address _____ Home Phone #(_____) _____

City/State/Zip _____ Other phone # (_____) _____

E-Mail Address _____

Section II: DEFERMENT REQUEST (For an **APPROACHING 12-MONTH PERIOD OR CURRENT 12-MONTH PERIOD [or two half years]**. These dates **must** indicate one complete Academic Year - IE, 6/1/2000 to 6/1/2001)

I am requesting a deferment of loan payments (in anticipation of cancellation for service as a teacher) for the period
FROM ____/____/____ TO: ____/____/____

Section III: CANCELLATION REQUEST (For a **FULL 12 MONTH PERIOD ALREADY COMPLETED** (These dates **must** indicate one complete Academic Year [or two half years], IE, 6/1/1999 to 6/1/2000).

*****NOTE, if you are completing this section and plan to teach again the next Academic Year, you should also complete Section II for that upcoming period.**

I am requesting a partial cancellation of loan payments for service as a teacher (checked in Section IV) for the dates
FROM: ____/____/____ TO: ____/____/____

Section IV: TYPE OF TEACHER CANCELLATION (Please see definitions on attached instruction sheet)

(Please check appropriate item)

- ____ A full-time teacher in a public or other non-profit elementary or secondary school listed in the Federal Directory as having a high concentration of students from low-income families.
- ____ A full-time teacher for a teacher shortage area. Please state area of expertise _____
- ____ A full-time teacher of handicapped children
- ____ A full-time Head Start Staff member whose salary is not more than that of a comparable employee of the local education agency.
- ____ Other Please state area of expertise _____

Section V: VERIFICATION OF EMPLOYMENT REQUIREMENTS (Must be completed for both deferment and/or cancellation requests and must be signed by both the borrower and an authorized official of the employer.)

Country, district, or school system _____ State _____

Name(s) of School(s) where you teach: _____

Major teaching duties (attach additional sheets as needed) _____

Borrower's Declaration:

In requesting a **deferment** of payment, I declare that I will be/am under contract as a full-time teacher (or as a full-time staff member in the Head Start Program), as described above, for the **complete Academic Year (or two half years)** which is/are indicated in **Section II, IV and V** of this form.

In requesting a **partial cancellation** of my loans advanced, I declare that I was a full-time teacher (or a full-time staff member in the Head Start Program), as described above, for the **complete Academic Year (or two half-years)** which is/are indicated in **Section III, IV and V** of this form.

I understand that if, for any reason, I do not complete the contract period or my teaching situation changes in any way from that described in Section II, III, IV and V of this form, I **MUST IMMEDIATELY NOTIFY THE STUDENT LOAN DEPARTMENT** at the Office of Bursar. Further, I understand that, if my employment does not qualify for cancellation according to the Federal guidelines, I must make arrangements immediately to pay any amounts which may have accrued on my loan.

Borrower's Signature _____ Date _____

Employer's Affidavit:

I affirm that the Borrower's Declaration of Employment, as stated above and in Sections II and/or III, and IV of this form, is true and accurate.

Signature of Authorizing Official of Employer: _____ Date _____

Printed name of Authorizing Official: _____ Title of Authorizing Official _____

School Name (or System): _____

Address: _____

City/State/Zip: _____

Telephone #: () _____

Borrower's Initial Hire Date _____

Borrower's End date (if applicable) _____

Official Seal or Stamp

(If not available, provide official letterhead, sign and attach to this form)

Section VI. FOR AUBURN UNIVERSITY USE ONLY

PARTIAL CANCELLATION APPROVED FOR PERIOD FROM _____ TO: _____

In the amount of: Principal \$ _____

PRINCIPAL BALANCE AFTER CANCELLATION \$ _____

At the rate of:

_____ 15% - 1st year
_____ 15% - 2nd year
_____ 20% - 3rd year
_____ 20% - 4th year
_____ 30% - 5th year
_____ 15% - Head Start

Partial Cancellation Denied _____ REASON: _____

LOAN PAYMENTS APPROVED FOR DEFERMENT: FROM _____ TO _____

APPROVED BY: SIGNATURE OF AU OFFICIAL _____ DATE _____ PROCESSED BY (INITIALS) _____



Information Pertaining to Requests for **DEFERMENT OF PAYMENT** and/or **PARTIAL LOAN CANCELLATION FOR TEACHING SERVICE**

For Recipients of **FEDERAL PERKINS AND NATIONAL DIRECT STUDENT LOANS**. All Requests for Deferment of Payment or Partial Loan cancellation **MUST BE FOR A COMPLETE ACADEMIC YEAR (or two ½ years)**. No portion of any loan may be canceled for services the borrower performed before the date the loan was disbursed or during the same period he/she received the loan.

What is a Deferment of Payment? A deferment is a period of time during which the borrower is not required to repay the loan principal. Interest does not accrue during this time period. If a borrower is engaged in a service that qualify him or her for both deferment and cancellation, the loan deferment is considered to run concurrently with any period for which loan cancellation is granted. If the borrower is teaching at more than one school, each school must be listed on separate Request for Deferment of Payment and/or Partial Loan Cancellation Forms and each school must qualify according to Federal guidelines in order for the deferment to be granted.

Complete Sections I, II, IV, and V to request deferment of payment for a 12-month period not yet completed or an upcoming 12-month period.

What is a Partial Loan Cancellation? A borrower may receive a partial loan cancellation for a **COMPLETED 12-month period** of qualifying employment or service. If the borrower worked for multiple schools during the completed 12-month period, the borrower must submit one Request for Deferment of Payment and/or Partial Loan Cancellation Form for each school and each form must be certified by an authorized official of the respective school. Service between multiple employers must be continuous. If the borrower changes to a teaching position which does not qualify or terminates employment, payments will be immediately due retroactively to the last payment Due Date. If the borrower changes to a teaching position which does qualify, a new Request for Deferment must be submitted for the new position. Service between multiple employers must be continuous.

Complete Sections I, III, IV, and V to request Partial Cancellation for a 12-month period already completed. The borrower should also complete Section II to request payment deferment for the approaching 12-month period if he/she intends to continue in a qualifying employment during that time.

All Requests for Deferment of Payment and/or Partial Cancellation must be completed and signed by the borrower and certified by an authorized official of the borrower's employer. The borrower's account must be current to the beginning date of qualifying employment before deferment or partial cancellation can be accepted.

*1993 Federal Amendment: (for loans made on or after July 1, 1993 and **effective 10/7/98**, for recipients of Perkins and National Direct Student Loans signed prior to July 1, 1993.) If you are employed in a qualifying situation for part of an academic year, but are not able to complete the entire year and, therefore, are not eligible to receive a partial cancellation, you may receive payment deferment for that portion of the year during which you were employed in the qualifying situation. In addition, a Subsequent Grace Period of 6 months will follow that deferment. **Loan deferment for those loans signed prior to July 1, 1993 cannot begin until 10/7/98.**

Basic Qualifications of Teaching Service (All three conditions must be met)

1. Be a **TEACHER**: A professional who provides direct and personal services to students for their educational development through direct classroom teaching OR non-teaching positions of an education nature, such as a librarian or guidance counselor. A supervisor, administrator, researcher, or curriculum specialist **DOES NOT MEET** the definition of teacher **UNLESS** he/she primarily provides direct and personal services to students.
2. For an **ACADEMIC YEAR OR ITS EQUIVALENT FOR ELEMENTARY AND SECONDARY SCHOOLS AND SPECIAL EDUCATION**: One complete school year , or two half-years from different school years, excluding summer sessions, that are complete and that generally fall within a 12-month period.
3. In an **ELEMENTARY OR SECONDARY SCHOOL**: A public or non-profit elementary or secondary school in a State, as recognized by State statute. Elementary education may include education programs below grade 1 if State law includes these programs as part of the State's elementary education system.

Basic Qualifying Teaching Situations

1. **"Low-Income School" Cancellation**

This type of cancellation applies to borrowers teaching in a school servicing a high concentration of low-income families. To be considered for this type of cancellation, the borrower must meet all of the Basic Qualifications plus be teaching in a school that is listed in the Directory of Designated Low-Income Schools which is released annually by the Federal government. A borrower may contact the Student Loan Department to check the directory, or they may check the web site at:

<http://www.ed.gov/offices/OSFAP/Students/repayment/teachers/perkins.html>

****Subsequent Year provision:** Formerly, Federal regulations required that your school be listed in the Directory each year that you teach in order to receive partial cancellation. The 1992 Federal Amendments altered this requirement. If you receive partial cancellation one year for service in a school which is listed in the Directory, but the next year this same school is not listed, you are eligible to receive partial cancellation for service at that same school.

Cancellation Rates:
Years 1 & 2 = 15% of original loan balance
Years 3 & 4 = 20% of original loan balance
Year 5 = 30% of original loan balance

Maximum cancellation for 5 complete and consecutive years of qualifying service = 100%

2. Full-Time Teaching of “Handicapped” Children

To be considered for this type of cancellation, the borrower must meet all of the Basic Qualifications plus the majority of the students being taught must be considered handicapped according to the definition of “handicapped” as determined by Federal guidelines. Also, the majority of the students being taught must be children; the majority cannot be adults. Cancellation rates are the same as those for “Low-Income School” cancellation.

3. Head Start Service

To be considered for this type of cancellation, the borrower must be a full-time staff member (a person regularly employed in a full-time professional capacity to carry out the education part of a Head Start program) in a Head Start program, serve for a complete academic year or its equivalent, and the borrower’s salary must not exceed the salary of a comparable employee working in the local school district. Cancellation Rates: Each year of service = 15% of original loan balance. Maximum cancellation for 7 complete and consecutive years of qualifying service = 100%.

1992 Federal Amendments (for loans made on or after July 23, 1992): and **effective 10/7/98**, for recipients of Perkins and National Direct Student Loans signed prior to July 23, 1992. **Loan cancellation for those loans signed prior to July 23, 1992 cannot begin until 10/7/98.**

Basic qualifying situations are expanded to include:

1. Full-time special education teacher including teachers of infants, toddlers, children, or youth with disabilities in a public or other nonprofit elementary or secondary school system.
2. Full-time teacher in a public or other nonprofit elementary or secondary school in the fields of mathematics, science, foreign languages, or bilingual education or in any other field of expertise that is determined by a state education agency to have a shortage of qualified teachers in that state. The Subsequent Year Provision explained above at the ** does not apply to shortage area cancellation.

Cancellation rates are the same as those for “Low-Income School” cancellation.

Some Special Situations which Might Qualify:

Teacher who is not certified or licensed: It is not necessary for a teacher to be certified or licensed to receive cancellation benefits. However, the employing institution must consider the individual to be a full-time professional for the purposes of salary, tenure, retirement benefits, etc.

Teacher’s aide: In order to be eligible, a teacher’s aide must meet the definition of a “full-time teacher”, must have a baccalaureate degree, and be a professional recognized by the State as a full-time employee rendering direct and personal services in carrying out the instructional program of an elementary or secondary school.

Social worker: A social worker, working full-time in a school setting, providing direct and personal services to students could be eligible for teacher cancellation if the services performed relate to the student’s interaction with his/her school environment.

School psychologist: A psychologist working full-time in a school setting is eligible for “handicapped” cancellation if a majority of the students counseled meet the statutory definition of “handicapped.”

Illness or pregnancy: If a borrower is prevented, due to illness or pregnancy, from fulfilling his or her obligation to complete the academic year, cancellation may be allowed if the borrower has completed the first half of the academic year and begun teaching the second half AND the hiring authority considers the borrower, for purposes of salary increment, tenure, and retirement, to have fulfilled his or her contract for the academic year.

Some Special Situation which DO NOT Qualify

Volunteer teacher, member of the Cooperative Education Service, Job Corps

If your situation is not shown here or you have other questions, please contact the Student Loan Department, Auburn University, Office of Bursar, The Quad Center, Auburn University, AL 36849-5154, 334/844-4634, E-mail: trussje@auburn.edu, FAX: 344/844-3757.