



GENERAL INFORMATION FOR STUDENTS WHO HAVE HAD FEDERAL LOANS DISCHARGED, HAVE LOANS IN ACTIVE BANKRUPTCY STATUS, HAVE EXCEEDED FEDERAL LOAN AGGREGATE LIMITS OR HAVE OTHER NATIONAL STUDENT LOAN DATA SYSTEM (NSLDS) ALERTS

Under current federal law, students who meet one of the following criteria must provide additional documentation to the Financial Aid Office at the college of attendance:

1. Loan(s) Discharged due to disability

Borrowers whose discharge applications are received on or after July 1, 2010, receive a final discharge followed by a post-discharge monitoring period that begins on the date the discharge was granted and lasts for up to three years.

Borrowers whose discharge applications were received before July 1, 2010, received a conditional discharge followed by a *conditional discharge period* that begins on the date the borrower's physician certified the disability discharge application and lasts for up to three years. If the borrower fails to meet certain eligibility requirements throughout the post-discharge monitoring period or conditional discharge period, the Department of Education reinstates the borrower's obligation to repay the discharged loan(s) or returns the conditionally discharged loan(s) to repayment status.

Taking out another loan: If a borrower whose prior loan was discharged due to a total and permanent disability wishes to take out another federal student loan, they must obtain a physician's certification that he or she has the ability to engage in substantial gainful activity, and the student must sign a borrower statement acknowledging that the new federal student loan obligation can't later be discharged for any present impairment unless it deteriorates so that they are again totally and permanently disabled.

If the borrower requests a new loan during the post discharge monitoring period or the conditional discharge period, they must also resume payment on the old loan before receipt of the new loan. If the loan on which the borrower must resume payment was in default when it was discharged or conditionally discharged, it remains in default upon reinstatement, and the student must make satisfactory repayment arrangements before receiving the new loan, in addition to meeting the other requirements described.

2. Loan(s) in Active Bankruptcy status

A student with a federal student loan or grant overpayment that has been discharged in bankruptcy generally remains eligible for Title IV loans, grants and work-study.

A borrower who lists a defaulted federal student loan or grant overpayment in an *active bankruptcy claim* is not eligible for further federal aid funds unless they provide the school with documentation from the holder of the debt stating it is dischargeable (NSLDS loan status code DO). **A borrower who includes a non-defaulted federal student loan in an active bankruptcy claim, so that collection on the loan is stayed, is eligible for aid as long as they have no loans in default (including the stayed loan).**

3. Aggregate Loan limits have been exceeded

Students who have exceeded either of the following federal loan limits are ineligible for further federal financial aid funds.

Dependent Undergraduates: \$31,000 (subsidized and unsubsidized w/ sub limited to \$23,000)

Independent Undergraduates: \$57,500 (subsidized and unsubsidized w/ sub limited to \$23,000)

However, if a student reaffirms the excess debt with their loan servicer, it might be possible to restore their eligibility to participate in federal student aid programs.

4. Identity Theft or Fraudulently Obtained Loan

NSLDS may indicate that students have loans in a status associated with identity theft or that students have loans that may have been obtained fraudulently. Before a student can receive any additional federal student aid, either of these issues must be resolved.

5. Mismatch on Applicant's Social Security Number, Name and Date of Birth

NSLDS may indicate that a reported Social Security Number on their database is found, but does not match the applicant's name and date of birth. Therefore, this information would need to be resolved with the college Financial Aid Office.

Please make an appointment to meet with a Financial Aid Officer to determine exactly what type of documentation you must submit. You may schedule an appointment by calling (619) 644-7129.