

Defer Federal Student Loans

Summary

How to defer (delay repayment of) federal student loans

Overview of Deferment

Under certain circumstances, you can defer (delay) your federal student loan payments. During a deferment, you wouldn't need to make any payments.

How to Request Deferment

Requests to defer your loan must be made through your loan servicer, the organization that handles your loan account. Most deferments are not automatic, and you'll likely need to submit a request to your loan servicer. If you're enrolled at least half-time (six credit hours) and you'd like to request an "in-school deferment," you should also contact our Registrar's Office in addition to your loan servicer. Our Registrar's Office can be contacted by email at registrar@abtech.edu. Be sure to keep making payments on your loan until the deferment is in place.

If you don't attend for one semester, and you return to school and enroll at least half-time (six credit hours) within your six month "grace period," a deferment will occur automatically.

Interest During Deferment

If you have a Direct Subsidized Loan, Subsidized Federal Stafford Loan, or Federal Perkins Loan, the federal government may also pay the interest on your loan during your deferment period. The government does not pay the interest on your unsubsidized loans or on any PLUS loans. You are responsible for paying the interest that accrues (accumulates) during the deferment period, but your payment is not due during the deferment period. If you don't pay the interest on your loan during deferment, it may be capitalized (added to your principal balance), and the amount you pay in the future will be higher.

Don't Qualify for Deferment?

If you can't make your scheduled loan payments and don't qualify for a deferment, your loan servicer may be able to grant you a "forbearance." With forbearance, you may be able to stop making payments or reduce your monthly payment for up to 12 months. Interest will continue to accrue on your subsidized and unsubsidized loans (including all PLUS loans). Requests for forbearance must be made through your loan servicer.

Interest During Forbearance

Interest will continue to be charged on all loan types during forbearance. You can pay the interest during forbearance or allow the interest to accrue. If you don't pay the interest on your loan during forbearance, it may be added to your principal balance, and the amount you pay in the future will be higher.

Not Eligible for Deferment or Forbearance?

If you're having trouble making your student loan payments, always contact your loan servicer immediately. If you don't qualify for deferment or forbearance, you may be able to change your repayment plan. There may be a repayment plan that offers lower payments than you're currently making.

Additional Questions

More information about loan deferment and forbearance can be found at <https://studentaid.gov/manage-loans/lower-payments/get-temporary-relief>.

Key Words: defer, deferment, defer loans, loan, direct loans, federal student loans, request deferment, forbearance, repay loans, re-pay, repayment, repayment plan, financial aid

Online URL: <https://info.abtech.edu/article.php?id=237>