

# Deferment for Health Professionals

A deferment allows you to postpone making payments on your federal student loans. If you meet the criteria set by the federal government, deferment is your right and you can't be denied. During an approved deferment period, the federal government pays the interest on your subsidized Stafford loans. Be aware, however, that interest will accrue on the balance of your unsubsidized loans, which include unsubsidized Stafford and PLUS loans. You may qualify for a deferment if you meet any of the following conditions:

- Economic hardship
- Unemployment
- At least half-time enrollment in school
- Summer bridge
- Graduate fellowship
- Rehabilitation training
- Active military duty

*If you borrowed any of your outstanding federal student loans before July 1, 1993, you may be eligible for additional types of deferments. Please contact your lender, servicer, or American Student Assistance® (ASA) for specific information on your eligibility.*

## Eligibility

Interns and residents who took out their first loan after July 1, 1993, don't qualify for deferments while performing their internships and residencies. Interns or residents who do not qualify for the deferment may instead meet the regulatory provisions for an internship forbearance. All borrowers of Stafford loans, PLUS loans, Direct loans, and FFELP and Direct Consolidation loans are eligible for unemployment and financial hardship deferments provided they meet the qualification criteria. Contact your servicer to confirm loan eligibility for deferments.<sup>1</sup>

## How do I get a deferment?

You must complete an application and submit it to your servicer (the company that sends your student loan bills). If you're currently serving in the Armed Forces and are unable to request a military deferment personally, a representative can complete this process on your behalf. Additionally, some deferments, such as an economic hardship deferment, require you to submit supporting documents. You can contact ASA® to receive deferment applications.

If you meet the criteria and you haven't exhausted your available time for a deferment, your servicer will grant you a deferment. However, be sure to make your monthly loan payments until your servicer notifies you that your deferment has been granted.

## What happens if I don't repay or postpone my loan?

If you don't make a scheduled payment, your loan will be considered delinquent, which can negatively impact your credit. If you don't make payments on your loan for 270 days, it will go into default. The following serious consequences can result from default:

- Negative information will be reported to the consumer reporting agencies, will appear on your credit reports, and will remain for at least 7 years.
- Your state and federal tax refunds can be seized.
- Your wages can be garnished by your loan holder.
- Legal action can be taken.
- You may be disqualified from borrowing additional student loans while your loan is in default.
- You will be ineligible to receive all forms of federal student aid.
- Your ability to borrow other loans (car, mortgage, etc.) may be impacted.
- Employment opportunities may be affected.

***Whenever you have trouble repaying your student loan, contact your loan servicer or ASA immediately—we can help explain the options available. For more information on qualifying and applying for a deferment, please contact ASA at 866.493.5563 or [information@amsa.com](mailto:information@amsa.com).***

<sup>1</sup>Borrowers of SLS and health professions student loans (HPSLS) are encouraged to contact their lenders or servicers for information regarding deferment eligibility. Borrowers of health education assistance loans (HEALS) are encouraged to contact their institutions' student loan offices for information regarding deferment eligibility.