

ADDENDUM

In-School Deferment For Dental Residents

An in-school deferment applies only to dental residents if they are doing their dental residency at an institution of higher education or at a hospital affiliated with an institution of higher education that can certify to the enrollment and in school status of a borrower. The institution at which the residency is performed or with which the hospital is affiliated must consider the dental resident to be a **student** enrolled on at least a half-time basis. The institution's enrollment records must reflect this status through registration records and/or tuition charges. A dental resident's in-school deferment would cover only the period during which the institution considered the resident enrolled as at least half-time student.

Conditions necessary for a dental resident to receive in-school deferment on qualified student loans:

- Attends a dental residency program at an institution of higher education or at a hospital program affiliated with an institution of higher education,
- Institution must consider the dental resident to be a student enrolled on at least a half-time basis.
- Enrollment status must be reflected through registration records and/or tuition charges.
- In-school deferment covers only the period of time during which the institution considers the resident enrolled at least a half-time student.

Dental residents attending non-affiliated programs:

- A dental resident participating in a hospital-based residency program not affiliated with an institution of higher education is not eligible for an in-school deferment because the resident cannot be considered an enrolled student at an eligible institution.
- A dental resident participating in a residency at a non affiliated hospital is not eligible for an in-school deferment because the resident cannot be considered an enrolled student at an eligible institution.
- Non-affiliated programs are institutions that do not qualify for federally guaranteed student financial aid.
- Economic hardship deferment and forbearance are options for dental residents participating in a hospital-based residency program not affiliated with an institution of higher education.

In-School Deferment

Dental residents must be proactive in ensuring that they receive an in-school deferment if they are entitled to receive one. Lenders must grant an in-school deferment based on enrollment and in-school status of a borrower as certified by an institution of higher education or an affiliated hospital. It is anticipated that lenders will be able to determine the borrower's eligibility for the deferment based on either of the following: a newly completed loan application that documents the borrower's eligibility for the deferment, the student status information received by the lender that indicates the borrower is enrolled at least half-time. Again, dental residents must double-check to see if this has occurred. If the lender defers the loan based on a loan application or enrollment status information, the lender must notify the borrower that the deferment was granted and give the borrower the option of continuing to repay the loan.

Non-Affiliated Programs

Non-affiliated programs are institutions that do not qualify for federally guaranteed student financial aid. Dental residents attending non-affiliated programs can apply for economic hardship deferment just as medical residents do while in medical residency training programs. We estimate that most dental residents will qualify for economic hardship. Once in-school and /or economic hardship deferment runs out, dental residents may apply for forbearance. In each instance, residents would not be required to pay student loan bills during dental residency training.

About Deferment

Deferments allow borrowers to postpone regular loan payments for a period of time. Deferment privileges vary by loan program and are granted to borrowers in certain situations, including enrollment in dental residency training programs. Financial aid officers will assist dental residents in determining their deferment privileges. Lenders may grant deferment to a borrower who has not completed the proper deferment form, however, the deferment cannot be granted until the lender receives the required documentation from the borrower. Processing a deferment request can take several weeks so it is important that dental residents are informed of their eligibility to apply as soon as possible.

Dental residents may be required to complete and submit separate deferment forms for different types of loans. With FFEL loans, one deferment form is usually all that is necessary. Lenders are encouraged to be flexible in accepting information that supports a borrower's deferment entitlement. A lender may use a combination of verbal requests and documentation that supplies sufficient information to ensure the borrower meets all deferment eligibility criteria. Dental residents should be reminded to keep copies of all forms and correspondence related to their deferment and they should request to receive written confirmation of deferment. If they have requested a deferment they must continue to make payments until it is granted.

Deferments generally are borrower specific-not loan specific. This means that time limits should be enforced for each borrower, rather than for a borrower's individual loans or groups of loans. However, if all the borrower's loans are paid in full (except through consolidation) and the borrower subsequently obtains a new loan, the borrower is eligible for all deferments applicable to that loan despite any previous periods of deferment. If they have used up the maximum amount of time allowed for a particular type of deferment, they will not be eligible for additional deferments of the type.

Economic Hardship Deferment

Dental and medical residents and other borrowers experiencing financial difficulties or those unable to obtain an in-school deferment may apply for economic hardship deferment or forbearance. Remember that each deferment request must be approved before payments will be suspended. Residents are encouraged to check with the servicers of their loans for more information.

PLEASE NOTE: *The information contained in the Handbook is based on current terms and conditions. Some items are subject to change, please contact your lender, servicer and/or institution if you have any questions.*