

ECONOMIC HARDSHIP DEFERMENT

ELIGIBILITY REQUIREMENTS

1. The borrower has been granted an economic hardship deferment under either the FDSL or FFEL programs for the period of time for which the borrower has requested the deferment for his or her Federal Perkins Loan.
2. The borrower is receiving federal or state public assistance, such as AFDC, Supplemental Security Income, Food Stamps, or state generated public assistance.
3. The borrower is working full time and is earning a total monthly gross income that does not exceed the greater of -
 - a. the monthly earnings of an individual earning the federal minimum wage. (\$823)
 - b. an amount equal to 100 percent of the poverty line for a family of two. (AK = \$13,270; HI - \$12,200; all other states = \$10,610)
4. The borrower is not receiving a total monthly gross income from all sources that is more than twice in a or b above and, after deducting an amount equal to the borrower's monthly payments* on federal post secondary education loans the remaining amount of income does not exceed the amount specified in a or b above.
5. The borrower is working full time and has a federal education debt burden that equals or exceeds 20 percent of the borrower's adjusted gross income, and the difference between the borrower's adjusted gross income minus such burden is less than 220 percent of the amount specified in a or b above.

* Based on a 10 year repayment

(Over)

CALCULATION WORKSHEET

Borrower's Name and Account# _____

Borrower's

A. Monthly Gross Income \$ _____

B. Yearly Gross Income \$ _____

C. Monthly Federal Education Loan Payment \$ _____

D. Yearly Federal Education Loan Payments \$ _____

ELIGIBILITY REQUIREMENT CALCULATIONS

1. & 2. NO CALCULATION NEEDED

3. If $A \leq \$823^*$
or
 $B \leq AK = \$13,270$ HI = \$12,200 other = \$10,610**

APPROVE DEFERMENT

4. If $A \leq \$1646^*$
or
 $B \leq AK = \$26,540$ HI = \$24,400 other = \$21,220**

Then $A - C \leq \$823^*$
or
 $B - D \leq AK = \$13,270$ HI = \$12,200 other = \$10,610**

APPROVE DEFERMENT

5. If $C \geq 20\%$ of **A**
or
 $D \geq 20\%$ or **B**

Then $A - C \leq \$17,382^*$
or
 $B - D \leq AK = \$29,194$ HI = \$26,840 other = \$23,342**

APPROVE DEFERMENT

* monthly minimum wage

** poverty line