



## **GENERAL INFORMATION FOR STUDENTS WHO HAVE HAD FEDERAL LOANS DISCHARGED, HAVE LOANS IN ACTIVE BANKRUPTCY STATUS, HAVE EXCEEDED FEDERAL LOAN LIMITS OR HAVE AN IDENTITY THEFT OR FRAUDULENT ALERT**

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

1. Loan(s) Discharged due to disability

If a borrower whose loan is discharged wishes to take out another federal 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 statement that they are aware the new federal loan can't later be discharged for any present impairment unless it deteriorates so that the student is again totally and permanently disabled. If the prior loan was discharged between July 1, 2001 and June 30, 2002 inclusive, then the student must also reaffirm the discharged loan if less than three years have passed since the date the student became totally and permanently disabled.

If the prior loan was *conditionally* discharged on or after July 1, 2002 and the three-year period hasn't yet elapsed, the student must also sign a statement affirming that collection will resume on the old loan (which must begin before receipt of the new loan) and that unless the student's condition substantially deteriorates, the old loan can't be discharged in the future for any impairment present when the student began the conditional discharge or when they tried to get the new loan.

If a defaulted loan was discharged and then reaffirmed or was conditionally discharged and payment resumed on it, the student must make satisfactory repayment arrangements before receiving the new loan. **A conditionally discharged defaulted loan remains in default until it is permanently discharged at the end of the three-year period, and therefore the student would not be eligible for federal aid until the default is officially resolved.**

2. Loan(s) in Active Bankruptcy status

A student with a Federal 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 loan or grant overpayment in an active bankruptcy claim is eligible for further federal funds if the borrower provides the school with documentation from the holder of the debt stating that the debt is dischargeable.

A borrower, who includes a non-defaulted federal loan in an active bankruptcy claim so that collection on the loan is stayed, **is eligible for federal aid as long as he has no loans in default (including the stayed loan).**

3. Aggregate Loan limits have been exceeded

Student's who have exceeded federal loan limits are ineligible for further financial aid funds.

4. Identity Theft or Fraudulently Obtained Loan

The National Student Loan Data System (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.

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.