

INFORMATION PAPER

AHRC-PDE-I
18 September 2013

SUBJECT: Military Deferment of Student Loans

1. Purpose: To provide information pertaining to the laws and policy related to military deferment/forbearance of student loans for Soldiers in the Loan Repayment Program (LRP).

2. Facts.

a. The Higher Education Amendments of 1992, Public Law 102-325, 23 July 1992, deleted military deferments (only certain subsidized loans were eligible for military deferment). All borrowers who received their first loan disbursement prior to 1 July 1993 are still eligible for military deferments. All borrowers who received their first loan disbursement after 1 July 1993 are not eligible for a military deferment.

b. Soldiers must contact their lender to determine if they are eligible for any type of deferment or to request a forbearance on their student loans. Soldiers not receiving a deferment/forbearance will have to continue to make monthly payments unless their lender grants them a deferment/forbearance on their loan.

c. The U.S. Army does not assume an individual's student loan; loan status is the individual's responsibility. Enrollment in the LRP does not exempt Soldiers from their obligation to repay their loans, whether they are eligible for deferment or not. The Soldier remains responsible for securing a deferment or forbearance. The letter by itself does not secure deferment or forbearance; the lender must acknowledge and approve all requests for deferment or forbearance. The Soldier is responsible for renewing the deferment or forbearance during the time he/she is in the LRP.

d. To obtain a forbearance/deferment, the borrower must complete the applicable form provided by the loan servicing agency and an authorized official from the Department of Defense must verify the Soldier/borrower is on active duty and the Soldier/borrower contracted for the LRP. An authorized official from the Department of Defense is the Soldier's Commanding Officer or personnel office (anyone who can verify required service in connection with the contracted program). The Department of Defense deems the commanding or personnel officer as a certifying official for the mandatory forbearance request.

e. Beginning July 1, 1995, in accordance with Federal Register (59 FR 14070) Section 682.211, Administrative Forbearances, loan holders will be required by federal law to mandatorily forbear any and all federally insured student loans (does not include private loans) that fall under student loan repayment programs administered by the Department of Defense under Title 10 U.S.C 2171.

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