

NCHER Proposed Changes and Recommendations
 General Forbearance Request OMB No. 1845-0031
 Department of Education draft form dated September 24, 2012

U.S. Department of Education's Responses to 30-Day Comments
 November 29, 2011

Substantive comments are those with bold and highlight in the left column

#	Section	Comment	Proposed Language	Rationale
1	Heading	Revise as noted.	WARNING: Any person who knowingly makes a false statement or misrepresentation on this form or on any accompanying documents will be subject to penalties which may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097	Grammatical correction.
ED RESPONSE:		Accepted.		
2	Section 2, Introductory Sentence	Revise as noted.	Before completing this form, carefully read the entire form, including the instructions and other information in Sections 3, 4, <u>and 5,</u> and 6.	Section 6 should not be referenced for completing the form.
ED RESPONSE:		Accepted.		
3	Section 2, Bullet 1	Remove.	Remove the 5 th line provided in the first bullet.	To allow for additional white space between this section and the 2 nd and 3 rd bulleted sections
ED RESPONSE:		We have made alternative changes in this section in response to comments from the federal loan servicers. Specifically, we have added 4 check boxes for the borrower to indicate the reason for the temporary hardship (Financial difficulties; Change in employment; Medical circumstances; Other). The "Other" box is followed by blank space for the borrower to explain. These changes result in additional space in Section 2.		
4	Section 2 Bullets 3 and 4	Revise as noted	If this forbearance request is approved, I want to (check one): <input type="checkbox"/> Temporarily stop making payments; or <input type="checkbox"/> Make smaller payments of \$ _____ per month.	Add a return between the end of the 2 nd bullet and beginning of the 3 rd bullet to provide white space between the two sections the customer needs to complete.

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			<p>■ If this forbearance request is approved, I am requesting that the U.S. Department of Education (ED) grant a forbearance on my loan(s) beginning (MM-DD-YYYY) ____ ____ - ____ ____ - ____ ____ ____ and ending (MM-DD-YYYY) ____ ____ - ____ ____ - ____ ____ ____ for a period not to exceed 12 months.</p>	
ED RESPONSE:		We have increased the spacing between the bullets.		
5	Section 3, Bullet 1, Item (7)	Revise as noted.	<p>(7) If I requested a temporary suspension of to temporarily stop making payments, I will receive an interest notice, and I may pay the interest at any time. If I do not pay the interest that accrues on my loan(s), it will be capitalized at the end of the forbearance period.</p>	<p>Modify language to provide consistency with the option in Section 2</p> <p>Provide brevity on how unpaid interest will be handled during a forbearance regardless of selection in Section 2</p> <p>Delete language from item (7) and provide a separate numbered item (8) (number 7 on the matrix)</p>
ED RESPONSE:		<p>Partially accepted. We have changed "requested a temporary suspension of payments" to "requested to temporarily stop making payments," but have retained the last sentence that explains the treatment of unpaid interest.</p> <p>We believe it is important to explain the treatment of unpaid interest here, in the context of the reference to temporarily not making payments, rather than in a separate item.</p>		
6	Section 3, Bullet 1, Item (8)	Remove.	<p>(8) If I requested a reduced payment forbearance, I will receive a monthly notice for the requested payment amount until the forbearance ends, and any unpaid interest that has accrued during the period will be capitalized at the end of the forbearance period.</p>	<p>Monthly payments during the forbearance are voluntary. A monthly notice is how a servicer may provide the information to a borrower; however, this should not be part of the terms and conditions of granting the forbearance the borrower is agreeing to.</p>

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ED RESPONSE:		Declined. We have retained this bullet, but for consistency with the change made in Item 7 have changed "requested a reduced payment forbearance" to "requested to temporarily make smaller payments." We have also made a conforming change in the second bullet of Section 2 by changing "Make smaller payments of..." to "Temporarily make smaller payments of..."		Since Item 7 explains what happens if a borrower requests to temporarily stop making payments, we believe it is important to have a comparable item that explains what happens if a borrower selects the other option of temporarily making smaller payments.
7	Section 3, Bullet 1, New Item (8)	Revise as noted	(8) Any unpaid interest will be capitalized at the end of the <u>forbearance period</u>	Provide a separate numbered item to explain how unpaid interest will be capitalized regardless of the selection in Section 2
ED RESPONSE:		Declined.		See the response to comment #5.
8	Section 3, Bullet 2, item (2)	Revise as noted	(2) I will provide <u>any</u> additional documentation to ED, as required, to support my continued forbearance status.	Add "any" to reinforce that documentation may be requested.
ED RESPONSE:		Accepted.		
9	Section 4, First Paragraph	Revise as noted.	Type or print using dark ink. Report dates as month-day-year. Enter dates as month-day-year (mm-dd-yyyy). Use only numbers. For example, show "January 31, 2012" as "01-31-2012". Example: January 31, 2012 = 01-31-2012. Include your name and account number on any supporting documentation that you are required to submit with this form. If you need help completing this form, contact your loan <u>servicer</u> . If you are applying for a forbearance on loans that are held by different loan <u>servicers</u> you must submit a separate forbearance request to each loan <u>servicer</u> . REMEMBER TO SIGN AND DATE THE FORM.	Consistency with other Department forbearance forms. Include information to send a form to each servicer. A customer may have one or more loan servicers who provide loan servicing to Department of Education.
ED RESPONSE:		Partially accepted. We have made all changes except for the addition of the sentence that begins "If you are applying for forbearance on loans that are held by different		The proposed new sentence is unnecessary. This form is for Direct

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		servicers.."		Loans only, and in general all of a borrower's Direct Loans will be serviced by the same servicer. Note also that Direct Loans are held by the Department, not by the servicer.
10	Section 4, Second Paragraph	Revise as noted.	Note to Endorsers/Co-makers (1) If you are an endorser of a Direct PLUS Loan, you may request forbearance only when you are required to repay the loan because the borrower is not making payments. (2) If you are requesting forbearance on a Direct Consolidation Loan that was made jointly to you and your spouse as co-makers (joint borrowers) each of you must complete a separate forbearance request.	Consistency with other Department forbearance forms (generic statement instead of specific to loan types).
ED RESPONSE:		Declined, except for the change from "comaker" to "co-maker."		The other forbearance forms are for use in both the Direct Loan and FFEL programs, so the use of more generic language avoids the need to specify the individual loan types in each program that could have endorsers or co-makers. Since this form is for use in the Direct Loan Program only, we believe it is appropriate (and clearer) to identify the specific types of Direct Loans that may have an endorser or co-maker.
11	Section 5, Forbearance	Revise as noted.	A forbearance is a period during which you are allowed to temporarily postpone making payments, allowed an extension of time for making payments, or temporarily allowed to make smaller payments than scheduled. Interest is charged during a forbearance on all types of Direct Loans.	Remove extra space between allowed and to
ED RESPONSE:		Accepted.		