

NCHER Standards and Operations Committee
Proposed Changes and Recommendations: FFEL/Direct Loan/Perkins Military Service/Post-Active Duty Student Deferment Form
Federal Register Notice Published 4/15/2013
60-Day Comment Period

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

		Recommendations			
#	Section	Comment	Proposed Language	Rationale	ED Response
1.	General	Adjust the font style to match the other deferment forms.		Consistency with the recently approved deferment forms. Note: It appears that Calibri is being used on the MIL draft; however, Arial Narrow is used on the recently approved deferment forms.	Reject. We have decided to move to the font called Calibri for all forms going forward. The deferment and forbearance forms, when next updated, will be changed to the Calibri font.
2.	General	Use consistent language for references to the "U.S. Secretary of Defense" and "Secretary of Defense."		Consistency in language throughout the form.	Accept. We chose for "Secretary of Defense."
3.	Header	Revise as noted.	MILITARY SERVICEMEMBER DEFERMENT AND POST-ACTIVE DUTY STUDENT DEFERMENT REQUEST: <ul style="list-style-type: none"> • <u>SERVICEMEMBERS CIVIL RELIEF ACT (SCRA): INTEREST RATE LIMITATION</u> • <u>MILITARY SERVICE DEFERMENT</u> • <u>POST-ACTIVE DUTY STUDENT DEFERMENT</u> 	Consistency with the format used on the recently approved SERV Forbearance form. The bulleted format provides ease in identifying the different options available on the form.	Reject. Because of our response to item 6, we do not believe that a bulleted list is necessary. However, to keep the title short, ensure that the OMB approval box is moved inward, and retain as much white space as possible, we will eliminate the first instance of the word "deferment" in the title.
4.	Header – OMB Box	Adjust location of the box so it stays within the table margins (lower and to the left).		Consistency with the recently approved deferment forms.	Accept.
5.	Section 1	Left justify the text in the cell of the table and extend the data input	Please enter or correct the following information. <input type="checkbox"/> Check this box if any of your information has changed. SSN _____ - _____ - _____ _____ _____ Name _____ Address _____	Consistency with the format used on the recently approved deferment forms.	Accept.

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		lines.	City, State, Zip Code _____ Telephone – Primary () _____ Telephone – Alternate () _____ E-mail Address (Optional) _____		
6.	New Section after Section 1	Create a new Section 2 for SCRA as noted.	<p><u>SECTION 2: SCRA INTEREST RATE LIMITATION</u></p> <p><i>Before completing this form, carefully read the entire form, including the instructions and other information in Sections 6 and 8.</i></p> <p><u>To request that the interest rate on your Direct Loan and/or FFEL Program loan(s) be limited to 6%, you must sign in Section 5 of this form or submit a written request (by letter or email) that your interest rate be limited under the SCRA. In either case, you must include a copy of your military orders that show when your period of eligible military service began.</u></p>	<p>This stand alone section provides borrowers with the necessary information for SCRA and provides instruction on what must be completed in order to request it (using this form or a separate, written request).</p> <p>Including SCRA requests with the deferment allows a borrower to simultaneously request both a deferment and an SCRA interest rate limitation with a single request. It also provides functionality of borrowers to only request SCRA even if they don't qualify for or want deferment.</p> <p>This provides the most flexibility to borrowers and eliminates the need to require a separate 3 page form to request SCRA when a simply written sentence can accomplish the same goal.</p>	Reject. After discussions with other Federal agencies, we no longer believe it is necessary to incorporate an SCRA request into this form or have a standalone version of an SCRA request form. It is very simple to request SCRA benefits. In addition, incorporating the SCRA request into a form that request that the borrower certify their request under the penalties of 20 USC 1097 may not be legally permissible under the SCRA.
7.	Original Section 2, Header	Renumber.	SECTION 23: DEFERMENT REQUEST	Renumbering due to insertion of the new section.	Reject. See response to item 6.
8.	Original Section 2	Italicize initial paragraph; revise section references and formatting as noted.	<p><i>Before completing this form, carefully read the entire form, including the instructions and other information in Sections 56, 67, and 78... enter the required information in the space provided.</i></p> <p><i>Note: If you are a member of the National Guard (including a member in retired status) during a time when a governor activated National Guard personnel for active state duty for a period of more than 30 consecutive days and qualify for a Post-Active Duty Student Deferment, but not the Military Service Deferment, you may request forbearance.</i></p> <p>(A) <input type="checkbox"/> Military Service Deferment. ...</p>	<p>Consistency in use of italics with the recently approved deferment forms.</p> <p>Correction to section references due to the insertion of the new section.</p> <p>Formatting correction and easier identification of the notation. By aligning the word "Note" with the checkboxes in (A) & (B) below it, the wrapped text can be aligned under the word "If" while still only requiring two rows of text.</p>	Accept in part. Reject as to the renumbering of the sections. See response to item 6.
9.	Original	Relocate;	SECTION 35: BORROWER REQUEST, CERTIFICATIONS, AND AUTHORIZATION	Relocation of information to the end	Reject. Because the comment in

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	Section 3, Header	renumber and revise as noted.		<p>of the page allows a better flow to the form since this section applies to borrowers requesting the SCRA and/or deferment and results in the certification section immediately following the deferment request as it only applies to deferments.</p> <p>Insertion of "Request" better reflects the new bullet added into this section. See matrix item 10 below.</p> <p>Correction to section reference due to the insertion of the new section.</p>	item 6 has been rejected, this is no longer necessary. In addition, changing the location of this section absent the reason provided in this comment's rationale would make this deferment form inconsistent with the recently approved deferment forms that also require a third-party certification.
10.	Original Section 3, Bullets	Insert a new bullet, insert space in the "I certify" bullet, and revise as noted.	<ul style="list-style-type: none"> ▪ I request that my loan holder limit the interest rate on my eligible Direct Loan and FFEL Program loans to 6% for my period of eligible military service under the SCRA. ▪ I certify that: (1) The information I have provided on this form is true and correct. (2) I will provide additional documentation to my loan holder, as required, to support my <u>interest rate limitation or deferment status</u>. (3) I will notify my loan holder immediately when the condition(s) that qualified me for the <u>interest rate limitation or</u> deferment ends. (4) I have read, understand, and meet the eligibility requirements and terms and conditions of the <u>interest rate limitation or</u> the deferment(s) for which I have applied, as explained in Sections 2, 3, 67, and 78. ▪ I authorize the loan holder ... 	<p>Insertion of the new bullet serves as the official written request from the borrower for SCRA without the need for an extra checkbox to be completed, which allows for ease in meeting the regulatory requirements and ease in requesting.</p> <p>Inclusion of references to SCRA due to dual purpose for this form.</p> <p>Spacing correction.</p> <p>Correction to section references due to the insertion of the new section.</p>	Reject. See response to item 6.
11.	Original Section 3, Borrower Signature Label	Revise as noted and adjust the white space accordingly for the remaining fields due to the longer label.	<u>Borrower's Signature of Borrower or Borrower's (or Representative's for Military Service Deferment only)</u>	Clarification that the representative's signature may only be used for Military Service Deferment requests.	Accept.
12.	Section 4, Header	Revise as noted.	<u>SECTION 4: AUTHORIZED OFFICIAL'S CERTIFICATION (required for deferment requests only)</u>	Clarification that the authorized official's section only applies for deferment requests.	Reject. See response to item 6.
13.	Section 4, Note	Revise as noted.	<u>Note: As an alternative to completing this section for a deferment request only, a written statement from the commanding or personnel officer or a copy of the military orders may be attached. the borrower may submit a written statement from his or her commanding or personnel officer or a copy of his or her military orders. The statement</u>	Beginning this section with "Note:" provides consistency with the recently approved deferment forms.	Accept in part. Reject clarifying changes because of response to item 6.

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			<p><i>or copy must include all information needed to establish the borrower's eligibility for the deferment(s) indicated in Section 3the borrower requests, including the period of the qualifying service. If the borrower is/was serving in an area of hostilities in which service qualifies for special pay under 37 U.S.C. 310Section 310 of Title 37, United States Code, the statement or copy must identify the hostile fire/imminent danger pay area in which the borrower is/was on active duty.</i></p>	<p>Clarification that the note only applies for deferment requests.</p> <p>Since the borrower or a borrower's representative may be completing this form, this section should not be restrictive to only borrowers.</p> <p>Consistency in references to U.S.C. used throughout this form.</p>	
14.	Section 4, "I certify"	Adjust formatting for item 3 and revise as noted.	<p>I certify, to the best of my knowledge and belief, that:</p> <ul style="list-style-type: none"> ▪ The borrower's service meets the eligibility requirements for the deferment(s) indicated in Section 23 and as described in Sections 67 and 78, as applicable. ▪ The borrower's service begins/began ... ▪ If the borrower is requesting a Military Service Deferment (see Section 23, Item A) -- <p>(1) The borrower is (check one):</p> <p><input type="checkbox"/> A Reserve or retired member called to active duty under 10 U.S.C. 12301(a), 12301(g), 12302, 12304, 12306, or 688the authorities referenced in Section 7.</p> <p><input type="checkbox"/> On full-time National Guard duty ...</p> <p><input type="checkbox"/> Reassigned to another duty station...</p> <p><i>Note: If none of the above conditions apply, do not complete this form.</i></p> <p>(2) The reassignment/call to active duty/full-time National Guard dutycondition checked above is in connection with a contingency operation, national emergency, or war (see Section 7).</p> <p><input type="checkbox"/> Contingency Operation (identify): <input type="checkbox"/> Operation Enduring Freedom <input type="checkbox"/> Operation New Dawn <input type="checkbox"/> Other _____</p> <p><input type="checkbox"/> National Emergency (identify): _____</p> <p><input type="checkbox"/> War (identify): _____</p> <p><i>Note: If the borrower's service is not in connection with a contingency operation, national emergency, or war, do not complete this form.</i></p> <p>(3) <input type="checkbox"/> If applicable, by checking this box I further certify that the borrower is/was serving in an area of hostilities in which service qualifies for special pay under <u>37 U.S.C. 310</u>Section 310 of Title 37, United States Code.</p>	<p>Correction to section references due to the insertion of the new section.</p> <p>Simplification and streamlining by removal of unnecessary information. During the last revision of the MIL, ED included additional certification elements to Section 4 "in order to focus the certifying official's attention on key eligibility criteria for the military service deferment that might otherwise be overlooked." However, this resulted in an overabundance of checkboxes and blanks that the certifying official has to complete to identify the specific type of service and specific type of assignment for the borrower. Servicers have found that in many instances Section 4 is not completed in its entirety which delays processing of the deferment.</p> <p>Regarding item (1), the specific citations are already contained in definitions and would be redundant if included in this section. However, a clear reference has been included to alert the official that the specific authorities for which the call to active duty may occur for eligibility is contained in the new Section 7.</p> <p>Regarding item (2), providing this kind of specificity to the servicer is not useful since servicers don't have access to a current, all-inclusive list from ED or the Department of</p>	<p>Accept in part. While it is important that certifying officials provide sufficient evidence to substantiate that their certification is correct, e.g., the borrower's service status or the operation, national emergency, or war in which the borrower is servicing, the data elements could be streamlined to avoid confusion by the certifying official.</p>

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				<p>Defense to properly determine if a particular assignment meets the criteria for this deferment. We believe that it is sufficient to have the certifying official provide that the borrower is serving in connection with a contingency operation, national emergency, or war. However, for clarity, reference to the new Section 7 is included so that the official is aware of the applicable information when certifying. Further, reducing the need for additional data fields provides simplification and allows the signature fields to remain on the first page.</p> <p>Formatting correction in item 3 by aligning the wrapped text under the word "If".</p> <p>Consistency in references to U.S.C. used throughout this form.</p>	
15.	Section 4, Name/Title Label	Revise as noted.	Name/ <u>and</u> Title of Authorized Official _____	Clarification. A slash implies that either item may be listed; however, both are needed and, therefore, the word "and" should be used for clarity.	Accept.
16.	Original Section 5, Header	Renumber.	SECTION 56: INSTRUCTIONS FOR COMPLETING THE FORM	Renumbering due to insertion of the new section.	Reject. See response to item 6.
17.	Original Section 5	Revise as noted.	<p>Type or print using dark ink. Enter dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: January 31, 2013 = 01-31-2013. <u>For the interest rate limitation request, you may complete this form or submit a written request (by letter or email) that your interest rate be limited under the SCRA. In either case, you must include a copy of your military orders that show when your period of eligible military service began. For the deferment requests, A</u>an authorized official must complete Section 4, or a copy of your military orders or a written statement from your commanding or personnel officer must be attached. Include your name and account number on any documentation that you are required to submit with this form. If you need help completing this form, contact your loan holder. If you are applying for the <u>interest rate limitation or a deferment(s) e</u>on loans that are held by different loan holders, you must submit a separate request to each loan holder.</p> <p>Return the completed form and any required documentation to the address shown in Section 89.</p>	<p>Addition of instructional information due to inclusion of SCRA information on this form.</p> <p>Consistency and correction.</p> <p>Correction to section references due to the insertion of the new section.</p>	Reject. See response to Item 6.

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18.	Original Section 6, Header	Renumber.	SECTION 67: DEFINITIONS	Renumbering due to insertion of the new section.	Reject. See response to Item 6.
19.	Original Section 6, Bullet 1, Sub-bullet 3	Revise as noted.	<ul style="list-style-type: none"> Military operation means a contingency operation ... (1) is designated by the U.S. Secretary of Defense as an operation in which members of the Armed Forces are or may become involved in military actions, operations, or hostilities against an enemy of the <u>U.S. United States</u> or against an opposing military force; ... 	Correction. Since this reference is being used as a noun rather than an adjective, it should be spelled out.	Accept, though we do not regard this change as a correction.
20.	Original Section 6, Bullet 5	Revise as noted.	A deferment is a period during which you are entitled ... (3) the application was received by your loan holder on or after November 13, 1997, in which case interest does not accrue on the portion of the Federal Consolidation Loan that paid a subsidized Direct Loan <u>and/or</u> FFEL Program loan(s).	Correction. The consolidation loan could pay on the Direct Loan Program loan(s) only, FFEL Program loan(s) only, or both Direct Loan and FFEL Program loan(s).	Accept, though we do not regard this change as a correction.
21.	Original Section 7, Header	Renumber and revise as noted.	SECTION 78: ELIGIBILITY REQUIREMENTS AND TERMS/CONDITIONS FOR MILITARY-SERVICE DEFERMENT AND POST-ACTIVE DUTY STUDENT DEFERMENT	<p>Renumbering due to insertion of the new section.</p> <p>Removal of unnecessary language provides consistency with the recently approved deferment forms.</p>	Accept in part. As to rejection, see response to item 6.
22.	Original Section 7	Insert as noted prior to first bullet.	<p>FOR INTEREST RATE LIMITATION REQUESTS:</p> <ul style="list-style-type: none"> <u>To be eligible to have the interest rate on your Direct Loan and/or FFEL Program loan(s) limited to 6%, you must:</u> <ul style="list-style-type: none"> <u>Be performing eligible military service. Period of eligible military service means the period of time when:</u> <ul style="list-style-type: none"> <u>A member of the U.S. Army, Navy, Air Force, Marine Corps, or Coast Guard is on active duty, including full-time duty in the active military service of the United States and full-time training duty, annual training duty, and attendance, while in the active military service, at a school designated as a service school by law or by the Secretary of the military department concerned, but not including full-time National Guard duty;</u> <u>A member of the National Guard is performing service on active duty or full-time National Guard duty authorized by the President or the Secretary of Defense for a period of more than 30 consecutive days under 32 U.S.C. 502(f), for the purposes of responding to a national emergency declared by the President and supported by Federal funds; or</u> <u>A commissioned officer of the Public Health Service or the National Oceanic and Atmospheric Administration is on active service.</u> <u>Have received the Direct Loan and/or FFEL Program loan(s) before the date the period of eligible military service began;</u> <u>Request in writing, of your loan holder, that the interest rate on your Direct Loan and/or FFEL Program loan(s) be limited pursuant to the SCRA; and</u> <u>Provide a copy of your military orders, which contains information that establishes that you are performing eligible military service.</u> <u>If you are eligible to have your interest rate limited to 6% on your Direct Loan and/or FFEL</u> 	Addition of information and section headings due to inclusion of SCRA information on this form.	Reject. See response to item 6.

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			<p>Program loan(s), the limitation will:</p> <ul style="list-style-type: none"> • <u>Apply for the duration of your period of eligible military service; and</u> • <u>Begin on the later of the date that your period of eligible military service began or August 14, 2008.</u> <p><u>FOR DEFERMENT REQUESTS:</u></p>		
23.	Original Section 7, Bullet 2	Revise “our” to “your”.	Post-Active Duty Student Deferment eligibility requirements: You may defer repayment ... and (4) you provide your loan holder with a copy of your military orders or a written statement ...	Correction.	Accept.
24.	Original Section 7, Bullets 3 - 6	Revise as noted.	<ul style="list-style-type: none"> ■ You are not required to ... However, interest will accrue on your unsubsidized Direct Loan and FFEL Program loan(s), unless you qualify for the Direct Loan Program’s no interest accrual benefit for active duty service members as explained below. ■ You may pay the interest that accrues on your unsubsidized Direct Loan and FFEL Program loan(s) during your deferment. Your loan holder may capitalize interest that you do not pay during the deferment period on your unsubsidized Direct Loan and FFEL Program loan(s). ■ If your deferment does not cover all your past due payments... ■ Your loan holder may grant a forbearance on your Direct Loan and/or FFEL Program loan(s) for up to 60 days, if necessary, for the collection and processing of documentation related to your deferment request. Interest that accrues during this forbearance period will not be capitalized. 	Corrections. When the action is applicable to both Direct Loan and FFEL Program loans, “and” should be used rather than “or” and “loans” should be used rather than “loan(s)”. In the event the action could apply to Direct Loan Program loan(s) only, the FFEL Program loan(s) only, or both Direct Loan and FFEL Program loan(s), then “and/or” should be used.	Accept.
25.	Original Section 7, Bullet 7	Revise as noted.	<ul style="list-style-type: none"> ■ If you are a Direct Loan borrower, no interest will be charged on your Direct Loan Program loan(s) that were first disbursed on or after October 1, 2008, or on the portion of a Direct Consolidation Loan that repaid Direct Loan and/or FFEL Program loan(s) that were first disbursed on or after October 1, 2008, for a period not to exceed 60 months while you: <ul style="list-style-type: none"> • Qualify for a Military Service Deferment (see Section 23, Item A) as described in Sections 67 and 78, and • Serve in an area of hostilities in which service qualifies for special pay under 37 U.S.C. 310Section 310 of Title 37, United States Code, as certified by an authorized official in Section 4, or documented in a written statement from your commanding or personnel officer or in a copy of your military orders. 	<p>Correction. When the action could apply to Direct Loan Program loan(s) only, FFEL Program loan(s) only, or both Direct Loan and FFEL Program loan(s), then “and/or” should be used.</p> <p>Correction to section reference due to the insertion of the new section.</p> <p>Consistency in references to U.S.C. used throughout this form.</p>	Accept in part, though we note that we do not regard all changes as a correction. Reject in part, see response to item 6.
26.	Original Section 8, Header	Renumber and revise as noted.	<i>SECTION 89: WHERE TO SEND THE INTEREST RATE LIMITATION OR COMPLETED DEFERMENT REQUEST</i>	<p>Renumbering due to insertion of the new section.</p> <p>Addition of reference for SCRA due to inclusion of SCRA request on this form.</p>	Reject. See response to item 6.
27.	Original Section 9, Header	Renumber.	<i>SECTION 9.10: IMPORTANT NOTICES</i>	Renumbering due to insertion of the new section.	Reject. See response to item 6.

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28.	Original Section 9, Last sentence	Revise as noted.	If you have questions regarding the status of your individual submission of this form, contact your loan holder (see Section 89).	Correction to section reference due to the insertion of the new section.	Reject. See response to item 6.