

Borrower Defense to Repayment Loan Discharge

Under 34 C.F.R. § 685.206 (c), if you borrowed a Direct Loan to attend school, you may be able to receive a discharge from repayment of all or part of that loan if the school you attended engaged in acts or omissions that would violate state law. (Examples include misrepresentation or withholding information, if this gives rise to a cause of action under applicable state law.)

The Department of Education is creating a process to make it as easy as possible for borrowers who attended schools that violated the law to seek loan forgiveness (discharge) based on borrower defense to repayment. More information on borrower defense to repayment and how to get your loan discharged will be made available on this page soon.

Borrowers may wish to wait for that information to be made available before applying for a Borrower Defense to Repayment Loan Discharge. But if you choose instead to submit your claim sooner, you may submit materials via email to FSAOperations@ed.gov or by mail to: Department of Education, PO Box 194407, San Francisco, CA 94119. Information on what to include in your borrower defense submission is provided below.

If you have already submitted a claim for borrower defense before June 4, you do not need to resubmit. Your loans will be placed in forbearance, collections will cease on your defaulted loans, and you will be contacted by a Department of Education servicer with further information.

In their Borrower Defense to Repayment submission materials, the borrower should include at a minimum:

- A statement that the borrower wishes to assert a borrower defense to repayment based on State law;
- First, Middle and Last Name;
- Date of Birth;
- The last 4 digits of the borrower's Social Security Number;
- Home Address;
- Telephone Number;
- Email Address;
- Name and location of the school;
- The program of study;

- Degree, certificate, or other credential attained or sought;
- Dates of enrollment;
- Documentation to confirm the borrower’s school, program of study, and dates of enrollment. Suggested items include transcripts and registration documents indicating your specific program of study and dates of enrollment;
- Any details about the conduct of the school that the borrower believes violated State law including, but not limited to:
 - o The State and applicable law or cause of action (if available);
 - o Specific acts (including failures to act) of alleged misconduct by the school;
 - o How the alleged misconduct affected the borrower’s decision to attend the school and take out a loan to pay to attend the school;
 - o The injury suffered by the borrower as a result of the school’s alleged misconduct;
 - o Any other supporting information that would help the Department of Education review the borrower’s claim.

FORBEARANCE AND STOPPED COLLECTIONS

After receiving your submission, the Department of Education will place all of your federal loans in forbearance, and collections on any federal loans in default will stop, while your claim is reviewed by the Department of Education. Loans will be placed in forbearance for up to 12 months, though the Department expects to resolve claims before that time lapses.

During any period that your loans are in forbearance, you do not have to make payments on those loans, and the loans will not go into default. If your loans are already in default, collections will stop. This will continue until the loan discharge review process is completed. Your servicer will notify you when your loan has been placed into forbearance or stopped collections. Until you receive that notice, you should continue to make payments.

The forbearance or stopped collections will affect **all** of a borrower’s federal loans, including loans that are not eligible for a borrower defense to repayment loan discharge, such as loans taken out to attend a different institution than the one related to your claim. Note that interest will continue to accrue on all of these federal loans, including subsidized loans, during the forbearance or stopped collections period.

If you want the forbearance or stopped collections to apply **only** to those loans related to your borrower defense claim, **or if you do not want your loans to continue in forbearance or stopped collections, you must notify your loan servicer after you hear from them confirming the forbearance or stopped collection.** At any time during the forbearance or stopped collections period, you may voluntarily make payments on your loans, including payments for accrued interest, or end the forbearance or stopped collections by contacting your servicer.

If your claim is successful, your federal loans related to your claim will be discharged. Also at that time, the forbearance or stopped collections period for your other federal loans will end. You will be responsible for repaying these other loans, **including interest that accrued during the forbearance or stopped collections period,** under the terms of your promissory note.

If your claim is denied, you will not receive a discharge of any of your loans and the forbearance or stopped collections period will end for all of your loans. You will be responsible for repaying these loans, including interest that accrued during the forbearance or stopped collections period, under the terms of your promissory note.

Privacy Act Notice. The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you: The authorities for collecting the requested information from and about you are §421 *et seq.*, §451 *et seq.* and §461 *et seq.* of the Higher Education Act of 1965, as amended (20 U.S.C. 1071 *et seq.*, 20 U.S.C. 1087a *et seq.*, and 20 U.S.C. 1087aa *et seq.*) and the authorities for collecting and using your Social Security Number (SSN) are §§428B(f) and 484(a)(4) of the HEA (20 U.S.C. 1078-2(f) and 20 U.S.C. 1091(a)(4)) and 31 U.S.C. 7701(b). Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program, the Federal Family Education Loan (FFEL) Program, or the Federal Perkins Loan (Perkins Loan) Program, and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate. The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the Direct Loan Program, FFEL, or Perkins Loan Programs, to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect and report on your loan(s) if your loan(s) becomes delinquent or defaults. We also use your SSN as an account identifier and to permit you to access your account information electronically. The information in your file may be disclosed, on a case- by-case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices. The routine uses of this information include, but are not limited to, its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to consumer reporting agencies, to financial and educational institutions, and to guaranty agencies in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loan(s), to enforce the terms of the loan(s), to investigate possible fraud and to verify compliance with federal student financial aid program regulations, or to locate you if you become delinquent in your loan payments or if you default. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to state agencies. To provide financial aid history information, disclosures

may be made to educational institutions. To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions to efficiently submit student enrollment statuses, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies. In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. Before making any such disclosure, we will require the contractor to maintain Privacy Act safeguards. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

Paperwork Reduction Act Notice. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is [1845-XXXX](#). Public reporting burden for this collection of information is estimated to average 1 hour per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain or retain a benefit (20 U.S.C. 1087e(h)). If you have comments or concerns regarding the status of your individual submission of this application, please contact FSAOperations@ed.gov directly.