

Digital Rehabilitation Application

The Digital Rehabilitation Application will allow eligible borrowers to apply for loan rehabilitation entirely online through StudentAid.gov.

Borrowers begin by authenticating through StudentAid.gov, where the system verifies their rehabilitation eligibility and displays the defaulted loans that qualify for rehabilitation. Borrowers then review and update their contact information, provide financial information, and upload supporting income documentation.

Using the information provided, the application generates an estimated monthly rehabilitation payment based on the current statutory rehabilitation calculation (10% or 15% formula, depending on borrower eligibility). Borrowers can review the estimated payment amount, rehabilitation terms, and expected path out of default before digitally signing and submitting the rehabilitation agreement.

After submission, the application is routed to DMCS for manual review. DMCS staff verify borrower eligibility, validate uploaded documentation, recalculate the rehabilitation payment amount using official processing tools, and determine whether the estimate provided to the borrower matches the official payment amount. Borrowers are notified of the outcome and, if necessary, may be required to provide additional documentation or review and sign an updated rehabilitation agreement if the final payment amount differs from the estimate.

The borrower will navigate through the following process:

Login to [StudentAid.gov](https://studentaid.gov)

The borrower is asked to input:

- Email, phone, or username
- Password

The system (DMCS):

- Verifies borrower identity through existing account information
- Confirms borrower has defaulted loans eligible for rehabilitation
- Determines whether there is an active rehabilitation agreement
- Determines whether there is a pending rehabilitation application

- Determines loan type(s) eligible for rehabilitation
- Determine total defaulted balance eligible for rehabilitation

Loan Rehabilitation Application Information

The borrower is given important information to know before getting started such as

- You can only rehabilitate your loan once
- Rehabilitation is the only way to remove default from your credit history
- The rehabilitation process takes nine months to finish

Confirm your information

The following borrower information is displayed and can be updated in account settings

- Full name
- Date of birth
- Social Security Number

The following contact information is displayed and can be updated in account settings, only the address can be edited on the screen without going to account settings

- Permanent Address
- City
- State
- Postal code
- Country
- Mobile phone number
- Email address

Financial Information

The borrower is given the following instructions: "To calculate your payments, we need information about your financial situation. Be sure to have your tax documents handy for reference."

Proof of Income

The borrower is asked

- Which of the following documents do you have?
 - o Most recent federal tax return (IRS Form 1040)
 - o Most recent federal tax transcript (available on irs.gov)
 - o I don't have either of these documents
- Has your income changed significantly from your last tax return?

If borrower select "I don't have either of these documents" then will be asked "do you have alternative income documentation? "

Alternative income documentation* may include:

- W-2
- Paystubs
- Employer letter certifying taxable income
- Interest or dividend statement
- Bank account statement showing taxable income and/or including a self-certified statement confirming it shows taxable income

*Note: the option to submit alternative income documentation is a new addition for applying for loan rehabilitation. Historically, borrowers without a Federal tax return or transcripts were required to provide financial documentation through a separate manual process. This addition simplifies income verification and reduces borrower burden.

Marital Status

The borrower is asked

- Are you married?
- Did you file taxes jointly?
- Do you have access to your spouse's tax return or tax transcript?
- Do you have access to your spouse's financial information?

Income and Family Size Information

The application provides instructions such as:

- “Find your AGI on Line 11 of your IRS Form 1040.”
- “Search for Adjusted Gross Income on your tax transcript.”

The borrower is asked to input:

- Adjusted Gross Income (AGI)
- Monthly income
- Spouse’s AGI
- Spouse’s monthly income
- How many people are in your family? Count yourself and any dependents.

Monthly Payment Estimate Review

The borrower reviews:

- Estimated monthly rehabilitation payment
- Number of required rehabilitation payments
- Total amount expected to be paid
- Estimated date loans will be out of default

The borrower then chooses to:

- Accept the estimate
- Request an alternative payment amount
- Exit the application

Document Upload Information

For each uploaded document, the borrower provides:

- File upload (.pdf or .jpg)
- Document name
- Document type

Rehabilitation Agreement

The borrower reviews and agrees to:

- Monthly payment amount

- Rehabilitation terms and conditions
- Rights and responsibilities as a borrower

Final Submission

The borrower submits:

- All financial information entered
- Uploaded documentation
- Electronic agreement/signature

Post-Submission Status Information

The system may later collect or display:

- Application status
- Approval status
- Rejection status
- Updated payment amount (if recalculated)
- Rehabilitation agreement re-signature when required