

Common Federal Loan Deferment and Forbearance Types - AES Servicing

Most Common Deferment/ Forbearance Type	Customer Request Needed?	Verbal or Written Request	Interest Impact	Maximum amount of time over the life of the loan	Federal Regulations
School Deferment	No	Neither are required; Deferment can be applied once school certification is received	Interest does accrue during deferments on the following loan types which is billed to the Government: Subsidized Stafford Loan; Subsidized portion of a Federal Consolidation Loan Interest Accrues during deferments on the following loan types: Unsubsidized Stafford Loan; Unsubsidized portion of a Consolidation Loan; Parent PLUS Loan; Student PLUS Loan; SLS Loan The customer is provided an option to pay interest during the deferment period. Any unpaid interest will be added to the principal balance at the expiration of the deferment.	Unlimited	34 CFR 682 Higher Education Act
Military Deferment	Yes. The borrower or the borrower's representative may request	Deferment can be applied for up to one year based on a verbal or written request; Supporting documentation is required for the deferment to exceed 365 days		Unlimited	
Unemployment Deferment	Yes	Verbal or written request in conjunction with proof of unemployment benefits; Deferment form is required if the customer qualifies based on being registered with an employment agency		36 months if all of the borrower's FFEL Program loans were first disbursed on or after July 1, 1993 or if the borrower had no balance on a FFEL Program loan that was first disbursed before July 1, 1993 when another loan was obtained on or after July 1, 1993. 24 months if the borrower's first loan was disbursed prior to 7/1/93, or if a loan disbursed prior to 7/1/93 had a balance when a loan was disbursed on or after 7/1/93.	
Economic Hardship Deferment	Yes	Verbal or written request in conjunction with documentation which supports the customer's eligibility for this deferment type		36 months if all of the borrower's FFEL Program loans were first disbursed on or after July 1, 1993 or if the borrower had no balance on a FFEL Program loan that was first disbursed before July 1, 1993 when another loan was obtained on or after July 1, 1993	

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National Community Services, Department of Defense Loan Repayment program, and Active Military State Duty forbearances.	Yes	Written request in conjunction with documentation which supports the customer's eligibility for this forbearance type	Interest accrues during forbearance on all federal loans, regardless of interest subsidy. The customer is provided an option to pay interest during the forbearance period. Any unpaid interest will be added to the principal balance following the forbearance.	Unlimited	34 CFR 682 Higher Education Act
Internship/ Residency Forbearance	Yes	Written request in conjunction with documentation which supports the customer's eligibility for this forbearance type		Unlimited	
Student Loan Debt Burden Forbearance	Yes	Written request in conjunction with documentation of the customer's total monthly gross income		36 Months	
General Forbearance (Note: AES refers to this forbearance type as Temporary Hardship)	Yes	Verbal or Written Request		The lender determines the length of time the borrower is eligible for a Temporary Hardship forbearance. Most allow 36 months but some allow 48 months or longer at the direction of the lender/holder	