

Instructions & Eligibility Requirements for Teacher Postponement/Deferment and Cancellation

You may receive a postponement/deferment of loan repayment for up to twelve months. The postponement will stop payments on your loan until you have completed the academic year. You may be eligible for the deferment if you fail to complete your teaching year. It is your responsibility to submit forms properly; failure to do so will result in continued billing. If it appears that you will be eligible for cancellation, St. Thomas will approve your postponement/deferment and suspend your billing until the end of the specified period. At that time, cancellation forms will be sent to you for completion.

INSTRUCTIONS:

5. Teachers of expertise areas, as described below, B (1) (e) must include a letter from the State Education Agency confirming shortage field.

A. LOANS OBTAINED PRIOR TO 07/01/72 (NATIONAL DEFENSE)

1. 10% cancellation for each year of regular full-time teaching in a public or non-profit elementary or secondary school. (Maximum: 5 years)
2. 15% cancellation for each year of teaching at any one of the following:

Teaching in a school that is eligible for cancellation as determined by the Department of Education and which is listed in the Federal Register for that year.

Teaching handicapped children (ages 3-21) in a public or other non-profit elementary or secondary school system. Teachers of the handicapped must submit an official job description with each Request for Postponement/Deferment. Handicapped children means "mentally retarded, hard of hearing, deaf, speech impaired or other health impaired children, or children with specific learning disabilities, who by reason thereof require special education and related services".

Bureau of Indian Affairs – teaching in an elementary or secondary school operated by the Bureau of Indian Affairs or operated on an Indian reservation by an Indian tribal group under contract with the BIA.

Full-time employment staff members in the Federal HEAD START program.

*****EFFECTIVE OCTOBER 7, 1998*****

The 1998 Amendments of Higher Education changed eligibility requirements for loan cancellation. Loan cancellations previously eligible for loans disbursed after July 1992 are now available to ALL Federal Perkins borrowers.

B. LOANS OBTAINED AFTER 7/1/72 (NATIONAL DIRECT AND PERKINS)

Accelerated cancellation at the rate of 15% of the original loan for years 1 & 2, 20% for years 3 & 4, 30% for year 5 for any of the following:

Teaching in a school that is eligible for cancellation as determined by the Department of Education and which is listed in the Federal Register (low income, Chapter 1 funding) for that year.

Teaching handicapped children (ages 3-21) in a public or other non-profit elementary or secondary