DEFERMENTS FOR PERKINS & HEALTH PROFESSIONS STUDENT LOANS

A borrower may have payments deferred for a period of one year at a time due to certain circumstances. This deferment means no payments are due and no interest will accumulate on the loan during this period of time.

Perkins Loans

The Federal Government gives the following reasons that a borrower may defer payments on his or her Federal Perkins Student Loan:
- Half-time student
- In graduate or post-graduate fellowship program
- In a Rehabilitation Training Program
- Engaged in a public service field that qualifies for cancellation
- Seeking and Unable to find full-time employment (maximum of 3 years)
- Experiencing an Economic Hardship (IN RESIDENCY) according to the school’s guidelines (maximum of 3 years)

Federal Perkins Student Loans are also eligible for Economic Hardship Deferments – THIS IS WHAT YOU WOULD APPLY FOR WHILE IN RESIDENCY. A Hardship Deferment may be granted to a student who can provide documentation to warrant need for deferment due to his or her inability to repay the loan at the present time. Substantiation of this need can be shown by the borrower falling into any of the following categories:
1. has been granted an Economic Hardship Deferment on a Stafford or Plus loan for the same period;
2. is receiving federal or state public assistance;
3. is working full-time but his or her total monthly gross income does not exceed $937.50, ($1,171.67 for Alaska, $1,077.50 for Hawaii);
4. is not receiving total monthly gross income that is more that twice the amount in (3) above and that income minus an amount equal to the borrower’s monthly payments on federal postsecondary education loans does not exceed the amount specified in (3) above;
5. is working full-time and has a federal educational debt burden that is equal or exceeds 20% of the borrower’s total monthly gross income and the borrower’s total monthly gross income minus such burden is less than 220% of the greater of (3) above; or
According to the Department of Education regulations all Perkins Loan borrowers must have a nine month grace period after graduation or after leaving school for any other reason.

If a deferment is not granted before the grace period ends, the borrower must start repaying the loan at the end of the grace period.

For a May graduate the grace period ends on March 1 of the following year with payment due April 1.

When a borrower becomes eligible for deferment due to any of the above reasons he or she should submit the necessary deferment form for a one-year period starting with the date that the above situation began. (E.g. – A borrower is unable to find full-time employment when he or she graduates, he or she should submit a Request for Deferment form for a one year period beginning on the date that the first payment will become due and lasting for an entire year.) However, in the event that the borrower becomes employed while in deferment he or she must notify the school.

Deferment forms should be submitted to MUSC – Student Accounting.

Included with the deferment forms should be a copy of the borrowers professional license and/or proof of the above situation, whichever may apply. (E.g. – Proof of unemployment from Unemployment Agency, certification from school of half-time attendance, proof that the borrower is in a Fellowship Program or Rehabilitation Training Program, or documentation of income and expenses warranting a hardship situation.)

Once all of the proper forms are received by Student Accounting we will put the borrower in a one-year deferment status which means that there would not be any payment due or interest accumulating during this time period.

MUSC reports credit history monthly to the credit bureaus.

If deferment forms are not submitted on time this will cause payment to become due and would result in late payment on your credit history. This history can not be changed.
Health Professions Loans

The Federal Government gives the following reasons that a borrower may defer payments on his or her Health Professions Student Loan:

- Full-time student
- Active Duty – 3 years
- Peace Corp – 3 years
- Internship
- Residency
- Fellowship

Health Professions Student Loans are not eligible for Economic Hardship Deferments.

MUSC Procedures:

- According to the Department of Education regulations all HPSL Loan borrowers must have a grace period after graduation or after leaving school for any other reason, nine months for Nursing and twelve months for all other programs
- If a deferment is not granted before the grace period ends, the borrower must start repaying the loan at the end of their grace period
- When a borrower become eligible for deferment due to one of the above circumstances he or she should submit a Request for Deferment form for a one-year period starting on the date that the event began. (E.g. – A borrower begins a residency program after graduation, he or she should submit a Deferment form for a period of one year while in residency and continue to do this every year while still in a residency program.)
- Deferment forms should be submitted to MUSC – Student Accounting
- Included with the deferment forms should be a copy of the borrowers professional license and/or proof of the above situation, whichever may apply. (E.g. – Certification from the school that the borrower is a full-time student, certification that the borrower is in either a residency, internship, or fellowship program, or proof that the borrower is serving in the Peace Corp or Active Duty Military.)
- Once all of the proper forms are received by Student Accounting we will put the borrower in a one-year deferment status which means that there
would not be any payment due or interest accumulating during this time period

- MUSC reports credit history monthly to the credit bureaus
- If deferment forms are not submitted on time this will cause payment to become due and would result in late payment on your credit history. This history can not be changed.

A borrower could also apply for Forbearance of their Federal Perkins or Health Professions Student Loan if they do not meet one of the requirements outlined above. Forbearance is approved at the discretion of the school based on the facts and figures given by the borrower. This type of deferment only defers principal on the loan; interest continues to accrue and must be paid by the end of the Forbearance period. A borrower would be eligible for Forbearance of principal payments for a year period if their loan debt burden equals or exceeds 20% of their total gross income. The borrower must submit a Forbearance form to MUSC – Student Accounting along with all proofs of income and expenses which may help to prove need for Forbearance of their student loans.

All forms can be obtained on the Student Accounting website at www.musc.edu/studentaccounting or by calling the Student Accounting Department. Please call Student Accounting at (843) 792-2170 for more details.